

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**PFC Consulting Limited**

**Report on the Audit of the Consolidated financial statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **PFC Consulting Limited** (hereinafter referred to as the "PFCCL/the Holding Company/Company") and its associates (the company and its 8 associates together referred as "the group"), which comprise consolidated Balance Sheet as at 31st March 2023, the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of changes in equity, and consolidated Cash Flow Statement for the year then ended, and Notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) rule, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the group as at 31<sup>st</sup> March 2023 and its profit (including total comprehensive income), change in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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



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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the, Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error in preparing the Consolidated financial statements, the respective Board of Directors of the companies included 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 company has adequate internal financial controls with reference to Consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements representing the underlying transactions and events in a manner that achieves fair representation.

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

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

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

#### **Other Matters**

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

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements,



in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

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

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

### **Report on Other Legal and Regulatory Requirements**

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of Changes in equity and the consolidated Cash Flow statement dealt with by this Report are in agreement with the books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules.
- (e) In terms of notification No. GSR 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section 2 of Section 164 of the Act, are not applicable to the Company, being Government Company.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "A"**.
- (g) Being a Government Company, pursuant to notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provisions of Section 197(16) of the Act, regarding managerial remuneration is not applicable to the company.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: -
  - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 40 to the consolidated financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share



- premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend declared and paid during the year by the company is in accordance with section 123 of the Companies Act 2013.
- vi. In respect of opinion on whether the company has the accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention, as proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **K P M C & Associates**

Chartered Accountants

FRN: 005359C

CA. Anagh Gupta  
(Partner)

Membership No. 418781

Place: New Delhi

Date: 22<sup>nd</sup> May 2023

UDIN: 23418781BG7EAI7432



**Annexure “A” to the independent auditor’s report of even date on the consolidated financial statements of PFC Consulting Ltd.**

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

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

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company and its associate companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other matters**

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

For **K P M C & Associates**

Chartered Accountants

FRN: 005359C

CA. Anagh Gupta  
(Partner)

Membership No. 418781



Place: New Delhi

Date: 22<sup>nd</sup> May 2023

UDIN: 23418781BQXEA17432

(Rs. in lakh)

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

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

For and on behalf of Board of Directors

(Sachin Arora)  
Company Secretary  
M.No.A26459

(Milind M.Dafade)  
Chief Finance Officer

(Manoj Kumar Rana)  
Chief Executive Officer

(Rajiv Ranjan Jha)  
Director  
(DIN 03523954)

(Ravinder Singh Dhillon)  
Chairman  
(DIN 00278074)

As per our report of even date attached

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

(Anagh Gupta)  
Partner  
M. No. 418781



Place: - New Delhi

Date: - 22-05-2023



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

(Rs. in lakh)

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

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

For and on behalf of Board of Directors

  
(Sachin Arora)  
Company Secretary  
M.No.A26459

  
(Mihir M. Dafade)  
Chief Finance Officer

  
(Manoj Kumar Rana)  
Chief Executive Officer

  
(Rajiv Ranjan Jha)  
Director  
(DIN 03523954)

  
(Ravinder Singh Dhillon)  
Chairman  
(DIN 00278074)

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



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



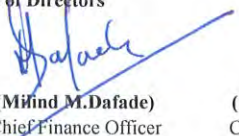
**PFC CONSULTING LIMITED**  
(CIN: U74140DL2008GOI175858)  
(A wholly owned subsidiary of Power Finance Corporation Limited)  
Consolidated Cash Flow Statement for the year ended 31 March 2023

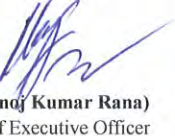
| Particulars                                                             | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-------------------------------------------------------------------------|-------------------------------------|-------------------------------------|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

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

For and on behalf of Board of Directors

  
(Sachin Arora)  
Company Secretary  
M.No.A26459

  
(Milind M. Dafade)  
Chief Finance Officer

  
(Manoj Kumar Rana)  
Chief Executive Officer

  
(Rajiv Banjan Jha)  
Director  
(DIN 03523954)

  
(Ravinder Singh Dhillon)  
Chairman  
(DIN 00278074)



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

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

  
(Anagh Gupta)  
Partner  
M. No. 418781

**A. Equity share capital**

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

(Rs. in lakh)

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

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

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

**B. Other Equity**

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

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

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

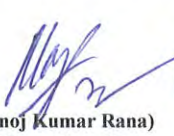
| Particulars                                         | Reserves and Surplus |                   | Total            |
|-----------------------------------------------------|----------------------|-------------------|------------------|
|                                                     | Capital Reserves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

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

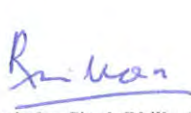
For and on behalf of Board of Directors

  
(Sachin Arora)  
Company Secretary  
M.No.A26459

  
(Milind M. Dafade)  
Chief Finance Officer

  
(Manoj Kumar Rana)  
Chief Executive Officer

  
(Rajiv Ranjan Jha)  
Director  
(DIN 03523954)

  
(Ravinder Singh Dhillon)  
Chairman  
(DIN 00278074)

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



Place: - New Delhi

Date: - 22-05-2023

  
(Anagh Gupta)  
Partner  
M. No. 418781



## **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 25<sup>th</sup> March 2008, domiciled in India and limited by shares (CIN: U74140DL2008GOI175858). The registered office of the Company is located at First Floor, Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi -110001 and the corporate office of the company is located at 9th Floor, Statesman House, Barakhamba Lane, Connaught Place, New Delhi -110001.

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

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

- i) These consolidated financial statements of the company comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 to the extent applicable.
- ii) These consolidated financial statements were approved by Board of Directors (BoD) on 22nd May 2023.

### **1.3 Significant Accounting Policies**

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

#### **i) Basis of Preparation and Measurement**

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

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

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

#### **ii) Basis of Consolidation**

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

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

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

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

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

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

#### **iii) Use of Estimates**

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

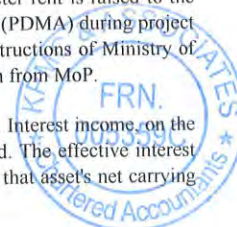
Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next year, is in respect of value of trade receivables and provision of ECL thereon and provision for taxation.

#### **iv) Revenue recognition**

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

- (ii) Income from other consulting services rendered is recognised based on the terms of agreements/ arrangements with reference to the stage of completion of contract at the reporting date. Income from Smart Metering services are recognised when bills for meter rent is raised to the clients and right to receive such income is established. Income from project development management agency charges (PDMA) during project implementation period is recognised over the period of contract. Income from assignments undertaken as per the instructions of Ministry of Power, GoI (UT privatisation) is recognised when right to receive income is established by way of written confirmation from MoP.

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



- (iv) Interest income, on the financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.
- (v) Income from sale of bidding documents i.e. Request for proposal (RFP), Request for qualification (RFQ) etc. for Independent Transmission Projects (ITPs), Ultra Mega Power Project (UMPPs) etc. are accounted for when received.
- (vi) Income from short /Medium term bidding of power, Pilot scheme and Coal flexibility scheme is recognised when letter of award (LOA) is issued to the successful bidder.
- (vii) Other income and expenses are accounted on accrual basis, in accordance with the terms of the respective contract.
- (viii) Prepaid expenses are not recognized if prepaid amount is less than Rs. one lakh.

**v) Property, Plant and Equipment (PPE) and Depreciation**

- i. Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any. An item of PPE retired from active use and held for disposal is stated at lower of the book value or net realizable value.
- ii. Depreciation is recognised so as to write-off the cost of assets less their residual values as per written down value method, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except for cell phones where useful life has been estimated by the Company as 2 years. Residual value is estimated as 5% of the original cost of PPE. The Company reviews the estimated useful life, residual values and depreciation method of property, plant and equipment at the end of each financial year and changes in estimates, if any are accounted prospectively.
- iii. Capital expenditure directly attributable for Smart metering project are initially shown in capital work in progress (net of contribution received from client) and capitalised as PPE when it is ready for use after its testing. Depreciation on items of PPE in smart metering project is recognised on pro-rata basis on Straight Line Method over the useful life of assets not exceeding project implementation period of 99 months.
- iv. Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the date in which the asset is available for use/disposed.
- v. An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.
- vi. The expenditure incurred on improvement of leasehold premises is recognised at cost and is shown as "Leasehold Improvements" under property, plant and equipment. These Leasehold Improvements are amortised on straight-line method basis over the period of lease or their useful lives whichever is lower.
- vii. Items of PPE costing up to Rs. 5000/- each are fully depreciated, in the year of purchase.

**vi) Intangible Assets**

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

**vii) Investment in group companies**

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

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

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

**viii) Cash and cash equivalents**

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

**ix) Income Taxes**

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

**(i) Current Tax**

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

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

**(ii) Deferred Tax**

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



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

**x) Employee Benefits**

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

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

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

**(ii) Short Term Employee Benefits**

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

**(iii) Loan to employees at concessional rates**

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

**xi) Material Prior Period Errors**

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

**xii) Provisions and contingent liabilities**

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

**xiii) Leases**

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

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

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

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

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

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

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

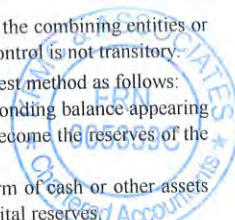
**xiv) Business Combination under Common Control**

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

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

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

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



**xv) Financial instruments**

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the financial instruments. On initial recognition, financial assets and financial liabilities are recognised at fair value plus/ minus transaction cost that are attributable to the acquisition or issue of financial assets and financial liabilities. In case of financial assets and financial liabilities which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in Statement of Profit and Loss.

**1 Financial assets**

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

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

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

**a) Financial assets at Amortised Cost:**

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

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

**Effective Interest Rate (EIR) method**

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

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

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

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

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

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

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

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

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

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

**ii) Impairment of financial assets**

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

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

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

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

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

**2 Financial liabilities**

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

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

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

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

**xvi) Earnings per share**

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

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

**xvii) Dividends**

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

**xviii) Foreign Currency Transactions and Translations**

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



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

**xix) Borrowing costs**

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

**xx) Operating Segments**

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

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

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

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

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

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



2 Property, plant and equipment

(Rs. in lakh)

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

Notes:

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

3 Capital Work in Progress

(Rs. in lakh)

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

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

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

3.2 CWIP ageing schedule:

(Rs. in lakh)

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

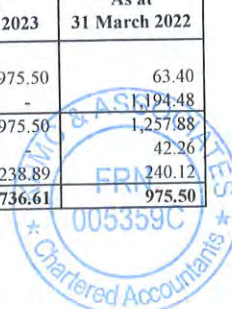
- 3.3 As on the date of the balance sheet, there is no capital work in progress projects whose completion is overdue or has exceeded the cost based on approval plan.

4 Right of Use Assets

(Rs. in lakh)

| Particulars                                        | As at 31 March 2023 | As at 31 March 2022 |
|----------------------------------------------------|---------------------|---------------------|
| <b>Lease - Office Premises</b>                     |                     |                     |
| Opening Balance                                    | 975.50              | 63.40               |
| Additions                                          | -                   | 1,257.88            |
|                                                    | <b>975.50</b>       | <b>1,321.28</b>     |
| Less: Adjustment of Lease termination/modification | -                   | 42.26               |
| Less: Amortisation for the year                    | 238.89              | 240.12              |
| <b>Closing Balance</b>                             | <b>736.61</b>       | <b>975.50</b>       |

- Refer Note 38- Leases



**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 2023

**5 Other Intangible assets**

| (Rs. in lakh)            |        |
|--------------------------|--------|
| Particulars              | Amount |
| <b>Computer software</b> |        |
| <b>Gross Block</b>       |        |
| As at 1 April 2021       | 32.32  |
| Additions                | -      |
| Deductions/Adjustment    | -      |
| As at 31 March 2022      | 32.32  |
| Additions                | -      |
| Deductions/Adjustment    | -      |
| As at 31 March 2023      | 32.32  |
| <b>Amortisation</b>      |        |
| As at 1 April 2021       | 32.18  |
| Charge for the year      | 0.14   |
| Deductions/Adjustment    | -      |
| As at 31 March 2022      | 32.32  |
| Charge for the year      | -      |
| Deductions/Adjustment    | -      |
| As at 31 March 2023      | 32.32  |
| <b>Net Block</b>         |        |
| As at 31 March 2023      | -      |
| As at 31 March 2022      | -      |



**PFC CONSULTING LIMITED**

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Notes to the Consolidated Financial Statements for the year ending 31 March 2023

(Rs. in lakh)

**6 Other financial assets**

| Particulars                                                                                                                                                                                                                               | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Non current</b>                                                                                                                                                                                                                        |                        |                        |
| (a) Security deposit (Rent)                                                                                                                                                                                                               | 52.93                  | 48.64                  |
| (b) Bank deposits with more than 12 months maturity (including accrued interest)*                                                                                                                                                         | 1,516.29               | 1,438.37               |
| <b>Total</b>                                                                                                                                                                                                                              | <b>1,569.22</b>        | <b>1,487.01</b>        |
| * includes Rs. 287.20 lakh (as at 31 March 2022 Rs. 256.15 lakh) held as margin money against the contract performance bank guarantees issued to clients and Rs. 44.93 lakhs (as at 31 March 2022 Rs. 74.72) in unspent CSR fund account. |                        |                        |
| <b>Current</b>                                                                                                                                                                                                                            |                        |                        |
| <b>(a) Advances (Unsecured, considered good)</b>                                                                                                                                                                                          |                        |                        |
| Advances to supplier/contractors                                                                                                                                                                                                          | 1.02                   | 1.37                   |
| Advances to Employees                                                                                                                                                                                                                     | 0.93                   | 0.13                   |
| <b>Total (a)</b>                                                                                                                                                                                                                          | <b>1.95</b>            | <b>1.49</b>            |
| <b>(b) Advances (Unsecured, credit impaired)</b>                                                                                                                                                                                          |                        |                        |
| Advances to supplier/contractors                                                                                                                                                                                                          | 36.10                  | 36.10                  |
| Impairment allowance for doubtful advances                                                                                                                                                                                                | (36.10)                | (36.10)                |
| <b>Total (b)</b>                                                                                                                                                                                                                          | <b>-</b>               | <b>-</b>               |
| <b>(c) Others (Unsecured, considered good)</b>                                                                                                                                                                                            |                        |                        |
| (i) Security deposit (Rent)                                                                                                                                                                                                               | 6.06                   | 5.59                   |
| (ii) Earnest Money Deposits                                                                                                                                                                                                               | 46.96                  | -                      |
| (iii) Amount recoverable from associates of Power Finance Corporation Limited (UMPPs) including accrued interest **                                                                                                                       | 1,221.39               | 1,061.81               |
| (iv) Amount receivable from PFC                                                                                                                                                                                                           | -                      | 94.32                  |
| <b>Total (c)</b>                                                                                                                                                                                                                          | <b>1,274.41</b>        | <b>1,161.72</b>        |
| <b>Total (a+b+c)</b>                                                                                                                                                                                                                      | <b>1,276.36</b>        | <b>1,163.21</b>        |

\*\* Amount recoverable of Rs. 1,221.39 lakhs (as at 31 March 2022 Rs. 1,061.81 lakhs) is on account of bills raised on UMPPs for expenses incurred on their behalf by the Company based on costs incurred. Prior to financial year 2018-19, these receivables were paid by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19, this amount was paid by respective UMPPs from the commitment advance to be paid/payable by procurers, since commitment advance paid earlier by procurers has been exhausted in some UMPPs. During the year interest amounting to Rs.130.75 lakhs (previous year Rs.123.60 lakh) has been charged on these receivables. A formal agreement in this regard is pending to be entered between the parties. Since the amounts due to the company will be recovered from UMPP's, there is no impairment in the receivables from UMPPs and the provision for expected credit loss is not required.

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



**PFC CONSULTING LIMITED**

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Notes to the Consolidated Financial Statements for the year ending 31 March 2023

**7 Deferred Tax Assets / Liabilities (net)**

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

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

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

**8 Other non- current assets**

| Particulars                                                            | As at<br>31 March 2023 | (Rs. in lakh)<br>31 March<br>2022 |
|------------------------------------------------------------------------|------------------------|-----------------------------------|
| Unamortised security deposit (Rent)                                    | 9.92                   | 14.66                             |
| Shortage in property, plant and equipment pending reconciliation       | 0.57                   | 0.57                              |
| Less : Provision for loss of shortage in property, plant and equipment | (0.57)                 | (0.57)                            |
| <b>Total</b>                                                           | <b>9.92</b>            | <b>14.66</b>                      |



**PFC CONSULTING LIMITED**

(CIN: U74140DL2008GOI175858)

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Notes to the Consolidated Financial Statements for the year ending 31 March 2023

**9 Investments**

(Rs. in lakh)

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

**Notes:**

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



**10 Trade Receivables**

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

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

(Rs. in lakh)

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

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

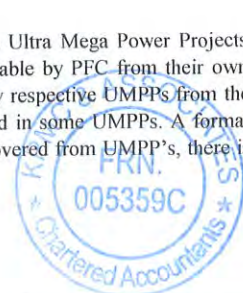
(Rs. in lakh)

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

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

10.3 Expected Credit loss is recognised at 100% on the trade receivables due for more than 2 years and 50% on the trade receivables due for more than one year and upto 2 years. Refer note 37 - Financial Instruments

10.4 Trade receivables include Rs. 1346.71 Lakhs (Rs. 1355.15 lakhs as at 31 March 2022) billed as manpower charges to Ultra Mega Power Projects (UMPPs) which are associates of PFC (Holding Company). Prior to financial year 2018-19, these receivables were payable by PFC from their own funds/commitment advance paid by procurers of UMPPs. However, from financial year 2018-19 this amount was paid by respective UMPPs from the commitment advance to be paid/payable by procurers, since commitment advance paid earlier by procurers has exhausted in some UMPPs. A formal agreement in this regard is pending to be entered between the parties. Since the amounts due to the Company will be recovered from UMPP's, there is no impairment in the amount receivable from UMPPs and the provision for expected credit loss is not required.



# 11 Cash and cash equivalents

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

# 12 Bank balances other than cash and cash equivalents

| Particulars                                                                                                | (Rs. in lakh)          |                        |
|------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
|                                                                                                            | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Deposits with original maturity of more than 3 months but less than 12 months (including accrued interest) | 3,056.20               | 1,098.62               |
| <b>Total</b>                                                                                               | <b>3,056.20</b>        | <b>1,098.62</b>        |

# 13 Loans

| Particulars                                                  | (Rs. in lakh)          |                        |
|--------------------------------------------------------------|------------------------|------------------------|
|                                                              | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>Loans to related parties (Unsecured, credit impaired)</b> |                        |                        |
| Loans to associates (ITPs) including accrued interest*       | -                      | 0.09                   |
| Less : Allowances for bad and doubtful loans                 | -                      | -                      |
| <b>Total</b>                                                 | <b>-</b>               | <b>0.09</b>            |

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

## Notes-

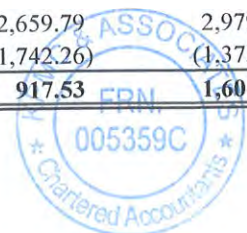
- For disclosure of fair values in respect of financial assets measured at amortised cost - refer note 37 - "Financial instruments".
- The Company has categorised all loans at amortised cost only in accordance with the requirements of Ind AS 109 "Financial Instruments".
- Loans in the case of ITP's:**  
The following amounts are due from ITP's which are associates of the company.

| Particulars                 | (Rs. in lakh)          |                        |
|-----------------------------|------------------------|------------------------|
|                             | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Loans – Considered Good     | -                      | 0.09                   |
| Loans – Considered doubtful | -                      | -                      |
| <b>Total</b>                | <b>-</b>               | <b>0.09</b>            |

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

# 14 Current tax assets (Net)

| Particulars                                       | (Rs. in lakh)          |                        |
|---------------------------------------------------|------------------------|------------------------|
|                                                   | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Advance income tax / tax deducted at source (TDS) | 2,659.79               | 2,979.68               |
| Less: Provision for Income Tax                    | (1,742.26)             | (4,373.59)             |
| <b>Total</b>                                      | <b>917.53</b>          | <b>1,606.09</b>        |



**PFC CONSULTING LIMITED**

(CIN: U74140DL2008GOI175858)

(A wholly owned subsidiary of Power Finance Corporation Limited)

Notes to the Consolidated Financial Statements for the year ending 31 March 2023

Notes:

(Rs. in lakh)

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

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

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

**15 Other current assets**

(Rs. in lakh)

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

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



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**16 Disposal Group**

(Rs. in lakh)

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

Notes:

- 16.1 These entities are incorporated as per the guidelines of Ministry of Power (MoP), through bid process subscribed by ministry of power with a view to sell in near future. There is no possibility that management will have benefits from these entities other than selling them off, hence all these investment (along with related assets and liabilities) has been considered as held for sale.
- 16.2 The above investment are managed as per the mandate from Government of India (GoI) and the company does not have practical ability to direct the relevant activities of these companies unilaterally. The Company therefore considers its investment in respective companies as Associates having significant influence despite the company holding 100% of their paid-up equity share capital.
- 16.3 The Investments in equity shares of associates which are not categorised as assets held for sale are shown under Note 9 "Investments".
- 16.4 During the financial year 2022-23 the company has incurred Rs. 53.11 lakhs (previous year Rs. 102.43 lakhs) on behalf of the wholly owned subsidiaries (ITPs) which are under the process of incorporation. These ITP companies have been/will be incorporated after balance sheet date of 31 March and the amount receivable have been transferred to respective ITP.

**16.5 Equity Investments Held for Sale**

(Rs. in lakh)

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



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

(Rs. in lakh)

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

## 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).
- 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".



## 17 Equity share capital

| Particulars                                                                                       | (Rs. in lakh)          |                        |
|---------------------------------------------------------------------------------------------------|------------------------|------------------------|
|                                                                                                   | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>Authorised share capital:</b>                                                                  |                        |                        |
| 11,00,000 Equity shares of Rs.10 each (as at 31 March 2022 11,00,000 Equity shares of Rs.10 each) | 110.00                 | 110.00                 |
| <b>Issued, subscribed and fully paid up shares :</b>                                              |                        |                        |
| 52,246 equity shares of Rs.10 each (as at 31 March 2022 52,246 Equity shares of Rs.10 each)       | 5.22                   | 5.22                   |
| <b>Total</b>                                                                                      | <b>5.22</b>            | <b>5.22</b>            |

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<br>31 March 2023 |        | For the year ended<br>31 March 2022 |        |
|                        | Number<br>of shares                 | Amount | Number<br>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 2023   |        | As at 31 March 2022   |        |
|                                                          | No. of<br>shares held | Amount | No. of<br>shares held | Amount |
| Power Finance Corporation Limited, the Holding Company * | 52,246                | 5.22   | 52,246                | 5.22   |

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

| Particulars                                              | As at 31 March 2023   |                 | As at 31 March 2022   |                 |
|----------------------------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
|                                                          | No. of<br>shares held | % of<br>holding | No. of<br>shares held | % of<br>holding |
|                                                          |                       |                 |                       |                 |
| Power Finance Corporation Limited, the Holding Company * | 52,246                | 100%            | 52,246                | 100%            |

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

e) Details of shareholding of Promoters:

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

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

(i) Current year - NIL ( Previous year NIL)

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



**18 Other equity** (Rs. in lakh)

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

Notes:

- i Capital reserve: During amalgamation of PFCCAS with the PFCCCL, 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.

**18.1 Retained Earnings** (Rs. in lakh)

|                                         | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-----------------------------------------|------------------------|------------------------|
| Balance at the beginning of the year    | 11,043.22              | 8,712.64               |
| Profit for the year                     | 6,380.93               | 3,685.50               |
| Payment of dividends                    | (1,130.27)             | (1,354.92)             |
| <b>Balance at the end of the period</b> | <b>16,293.88</b>       | <b>11,043.22</b>       |

**19 Financial liabilities-Borrowings** (Rs. in lakh)

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

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

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

| Particulars                        | As at<br>31 March 2023 | As at<br>31 March 2022 |
|------------------------------------|------------------------|------------------------|
| <b>Non Current</b>                 |                        |                        |
| Lease liability - Office Premises* | 593.10                 | 818.23                 |
| <b>Total</b>                       | <b>593.10</b>          | <b>818.23</b>          |
| <b>Current</b>                     |                        |                        |
| Lease liability - Office Premises* | 225.13                 | 204.80                 |
| <b>Total</b>                       | <b>225.13</b>          | <b>204.80</b>          |

\* Refer note 38- Leases.



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**21 Trade payables**

(Rs. in lakh)

| Particulars                                                                            | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Current</b>                                                                         |                        |                        |
| Total outstanding dues of micro enterprises and small enterprises;                     | 66.63                  | 110.68                 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 996.90                 | 1,297.62               |
| <b>Total</b>                                                                           | <b>1,063.53</b>        | <b>1,408.30</b>        |

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

(Rs. in lakh)

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

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

(Rs. in lakh)

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

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

- Refer note no. 42 for disclosure under MSMED Act 2006

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



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**22 Other financial liabilities**

(Rs. in lakh)

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

22.1 The Company has been selected as nodal agency for facilitating short term power requirements through competitive bidding as per MoP guidelines dated 30th March 2016. As per the guidelines, every bidder is required to deposit with the Company the requisite fees of Rs. 500 per MW plus applicable taxes for the maximum capacity a bidder is willing to bid.

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

Only successful Bidder(s) will have to pay the fees to the Company for the quantum allocated to each bidder after completion of activity and the balance amount will be refunded to the bidder. Further, the bid security will be refunded as per guidelines of Shakti Policy.

**23 Other current liabilities**

(Rs. in lakh)

| Particulars                | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------------|------------------------|------------------------|
| (a) Statutory dues payable | 595.37                 | 203.39                 |
| <b>Total</b>               | <b>595.37</b>          | <b>203.39</b>          |

**24 Provisions**

(Rs. in lakh)

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



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(A wholly owned subsidiary of Power Finance Corporation Limited)

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**25 Revenue from operations**

(Rs. in lakh)

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

**26 Other Income**

(Rs. in lakh)

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



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**27 Consultancy Service Expense**

(Rs. in lakh)

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

**28 Employee benefits expenses**

(Rs. in lakh)

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

**Notes:**

- a) The employees working for the company are on secondment basis from the holding company (PFC) to whom salaries and benefits were directly paid by the company and booked as employee benefits expenses. However, during the year (from December 2022, onwards) the mode of booking and payment has been changed and as per the arrangement with the holding company, the holding company has started charging the employee cost for the employee seconded to PFCCL on monthly basis which has been directly paid by PFC to such employees and such employees cost is shown as manpower expenses above.
- b) The Employee benefits include Rs. 78.66 lakh (previous year Rs 103.54 lakh) towards Company's contributions paid / payable to the holding company and are towards above stated employee benefits. These contributions from December 2022 onwards are included in Manpower expenses.

**29 Finance Cost**

(Rs. in lakh)

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

\*Refer to Note 38- Leases

**30 Depreciation and amortisation expense**

(Rs. in lakh)

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



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**31 Other expenses**

(Rs. in lakh)

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



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

| Particulars                                                                      | (Rs. in lakh)                       |                                     |
|----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
|                                                                                  | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
| Net Profit after tax used as numerator (Rs. in lakh)                             | 6,380.93                            | 3,685.50                            |
| Weighted average number of Equity shares used as denominator (basic and diluted) | 52,246                              | 52,246                              |
| Earning per equity share, face value Rs. 10 each (basic and diluted) (Rs.)       | 12,213.24                           | 7,054.13                            |

## 33 Disclosure as per Ind AS 108 'Operating Segments'

## 33.1 General Information

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

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

**Consultancy Services:** The Company is engaged in providing consultancy services to power sector including development of Integrated Transmission Projects (ITP) taken up as per the directions from the Ministry of Power, Government of India.

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

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

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

## (a) Segment revenue, profit etc:

## (i) For the year ended 31 March 2023

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

## (ii) For the year ended 31 March 2022

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



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**(b) Segment assets and liabilities:****(i) As at 31 March 2023**

(Rs. in lakhs)

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

**(ii) As at 31 March 2022**

(Rs. in lakhs)

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

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

(Rs. in lakhs)

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

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

(Rs. in lakhs)

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



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

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

**34 Information about major customers**

(Rs. in lakhs)

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

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

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

**35 Tax Expense**

(Rs. in lakhs)

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

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

|                                                        |                 |                 |
|--------------------------------------------------------|-----------------|-----------------|
| Profit before tax                                      | 8,544.58        | 5,028.74        |
| <b>Applicable Tax Rate</b>                             | 25.168%         | 25.168%         |
| Calculated income tax expense                          | 2,150.50        | 1,265.63        |
| <b>Tax effect of :</b>                                 |                 |                 |
| Non-deductible expenses                                | 29.68           | 75.81           |
| Tax exempt income                                      | -               | (2.64)          |
| Income tax adjustment for earlier years                | (5.39)          | 0.62            |
| Others                                                 | (11.14)         | 3.81            |
| <b>Income tax expense recognised in profit or loss</b> | <b>2,163.65</b> | <b>1,343.24</b> |



**36. Related Party Disclosures**

**36.1 Name of related parties and description of relationship:**

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

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

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



**36.2 Details of transactions:**

**36.2.1 Transactions with Holding Company and its Associates**

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

**36.2.2 Transactions with Associates**

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

**36.2.3 Transactions with entities under the control of same government**

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

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

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

**36.2.4 Compensation of key management personnel:**

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

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

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



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**36.3 Details of outstanding balances:****36.3.1 Outstanding balances with group companies**

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

**36.3.2 Outstanding balances with entities under the control of same government**

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

## Notes:

- 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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**37 Financial Instruments****37.1 Capital Management**

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

**37.2 Categories of financial instruments****Financial assets and liabilities**

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

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

**37.3 Financial Risk Management**

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

The following disclosures summarize the Company's exposure to financial risks along with the Company's 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 2023 and 31 March 2022.

**B. Market Risk**

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

**i) Foreign Currency Risk**

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

**ii) Interest Rate Risk**

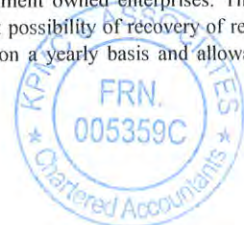
The company's interest income is majorly derived from terms deposits, loan to associates and amount receivable from associates of Holding Company. The term deposits are invested at fixed market interest rate and hence these are not exposed to change in interest rates. Further loans/amount receivable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

**iii) Equity Price Risk**

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

**C. Credit Risk**

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



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**i) Trade Receivables**

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

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

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

(Rs. in lakh)

| Particulars                               | 0 to 1 year | 1 to 2 year | More than 2 years | Total    |
|-------------------------------------------|-------------|-------------|-------------------|----------|
| Gross carrying amount as at 31 March 2023 | 4,349.63    | 287.01      | 2,105.59          | 6,742.23 |
| Gross carrying amount as at 31 March 2022 | 1,687.96    | 529.39      | 1,786.38          | 4,003.74 |

**(II) Movement in the expected credit loss allowance**

(Rs. in lakh)

| Particulars                           | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Balance at the beginning of the year  | 896.24                              | 746.78                              |
| -Impairment allowance reversal        | -                                   | -                                   |
| -Impairment losses recognised         | 28.53                               | 149.46                              |
| <b>Balance at the end of the year</b> | <b>924.77</b>                       | <b>896.24</b>                       |

**ii) Loans**

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

**iii) Cash and cash equivalents**

The Company held cash and cash equivalents of Rs.5675.49 lakh (as at 31 March 2022 Rs. 5234.16 lakh). The same are held with scheduled banks with good rating and hence the risk of default is managed.

**iv) Deposits with banks**

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

**37.4 Fair value hierarchy**

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

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



## 38 Leases

(Rs. in lakh)

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

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

(Rs. in lakh)

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

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

(Rs. in lakh)

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

- 38.1 Lease premises for the employee's residence is a part of their compensation and is not considered here as the same is included in Salary & Allowances (refer note 28-Employee Benefit Expenses).
- 38.2 Lease upto Rs.1 lakh per month per asset has been considered as low value lease.

## 39 Assets classified as Held for Sale

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

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

I. RFQ

II RFP

III. Reverse Auction Bidding

IV. Issue of LoI

V. Share Transfer Agreement

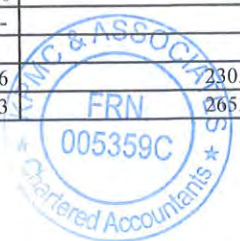
As per Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations", any asset or disposal group are classified as held for sale if their carrying amount will be recovered principally through sale transaction rather than through continuing use and sale is considered highly probable.

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

## 40 Contingent Liabilities

(Rs. in lakh)

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



- \* Comprising of tax demand raised by income tax authorities for assessment order passed for financial year 2016-17 Rs. 265.73 lakhs (previous year Rs. 265.73 lakhs) and for financial year 2019-20 Rs. 1.50 lakhs (previous year Rs. Nil) against which company has filed appeal with Commissioner of Income Tax (Appeals) and as on balance sheet date the matter is pending in appeal. The company is hopeful to get full relief in the appeal and no cash outflow in this regard is anticipated.
- # The previous Statutory Auditor of the company for FY 2019-20 has claimed an amount of Rs. 21.16 lakhs towards audit fee against the approved audit fee of Rs. 3.00 lakhs. During the financial year the company has paid/settled the approved audit fees of Rs. 3.00 lakhs. Therefore the claim raised by auditor net of fees already paid is disclosed as claim against the company not acknowledged as debt.

41 Capital and other commitments

(Rs. in lakh)

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

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

(Rs. in lakh)

| S. No. | Particulars                                                                                                                                                                                                   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (i)    | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year                                                                                      |                        |                        |
|        | - Principal amount due to micro and small enterprises                                                                                                                                                         | 66.63                  | 110.68                 |
|        | - Interest due on above                                                                                                                                                                                       | -                      | -                      |
| (ii)   | The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year                                                                | -                      | -                      |
| (iii)  | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | -                      | -                      |
| (iv)   | The amount of interest accrued and remaining unpaid at the end of the year                                                                                                                                    | -                      | -                      |
| (v)    | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise                              | -                      | -                      |

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



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**43 Transactions in foreign currency -**

**(i) Earnings**

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

**(ii) Expenditure**

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

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

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

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

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

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

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

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

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

**45 Balance Confirmation from parties**

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

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

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

## 46 Prior period items:

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

(Rs. in lakh)

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

## 47 Ratios

Details of ratios are as under: -

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

Capital employed = Tangible network + Total debt + Deferred tax liability



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

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

#### 50 Incorporation of Associate Companies

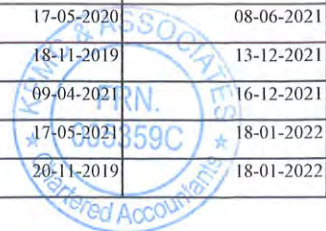
Independent Transmission Projects (ITPs) are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these ITPs unilaterally. The Company therefore, considers its investment in respective ITPs as an associate having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

(Rs. in lakh)

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

#### 51 Transfer/Disinvestment of Associate Companies

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



**PFC CONSULTING LIMITED**

(CIN: U74140DL2008GOI175858)

(A wholly owned subsidiary of Power Finance Corporation Limited)

Notes to the Consolidated Financial Statements for the year ending 31 March 2023

- 52 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

| Name of the entity                                               | Net assets i.e. total assets minus total |                  | Share in profit and loss |                 |
|------------------------------------------------------------------|------------------------------------------|------------------|--------------------------|-----------------|
|                                                                  | As % of                                  | Amount           | As % of consolidated     | Amount          |
| <b>Parent Company</b>                                            |                                          |                  |                          |                 |
| PFC Consulting Limited                                           | 100.00%                                  | 16,308.88        | 100.00%                  | 6,380.93        |
| <b>Indian Associates (Investment as per the equity method) :</b> |                                          |                  |                          |                 |
| Tanda Transmission Company Limited                               | 0.00%                                    | -                | 0.00%                    | 0.00            |
| Shongtong Karcham-Wangtoo Transmission Limited                   | 0.00%                                    | -                | 0.00%                    | 0.00            |
| Bijawar-Vidarbha Transmission Limited                            | 0.00%                                    | -                | 0.00%                    | 0.00            |
| Less : Investment in associates                                  | 0.00%                                    | -                | 0.00%                    | 0.00            |
| <b>Total</b>                                                     | <b>100.00%</b>                           | <b>16,308.88</b> | <b>100.00%</b>           | <b>6,380.93</b> |

- 53 The Group has 8 wholly owned subsidiaries as on 31 March 2023 (as at 31 March 2022 nine) registered for Independent Transmission Projects formed as special purpose vehicle (SPVs). These subsidiaries have been treated as "Associates" for the purpose of consolidation, except when the investment, or a portion thereof, is classified as held for sale, in which case it is measured at lower of their carrying amount and fair value less cost to sell. Although, under para 4 of Ind AS 110 and para 17 of Ind AS - 28, 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 2023. The details of these associates as on 31 March 2023 are given below :

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

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

- 54 Standards/ amendments issued but not yet effective

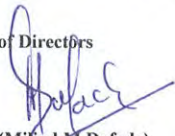
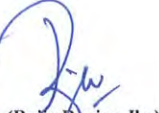
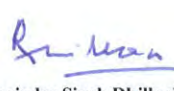
The Ministry of Corporate Affairs ("MCA") has notified amendment to existing Indian Accounting Standards on dated 31.03.2023 applicable w.e.f. 01.04.2023. The Company does not expect the amendments to have any significant impact on its financial statements.

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

- 56 Events occurring after the reporting date

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

For and on behalf of Board of Directors

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

As per our report of even date attached

For K P M C & Associates

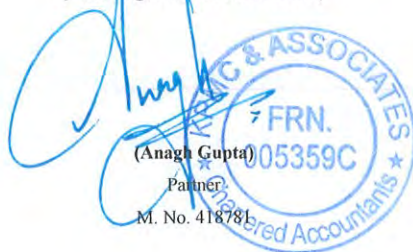
Chartered Accountants

(Firm Registration No: 005359C)



Place: New Delhi

Date: - 22-05-2023



(Anagh Gupta)

Partner

M. No. 418781

Form AOC 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "B":

Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. in lakh)

| S. No. | Name of Associates/Joint Ventures                                         | Chhatarpur Transmission Limited | Fatehgarh III Transmission Limited | Ananthpuram Kurnool Transmission Limited | Fatehgarh III Beawar Transmission Limited | Siot Transmission Limited | Bhadla III Transmission Limited | Beawar Dausa Transmission Limited | Fatehgarh IV Transmission Limited |
|--------|---------------------------------------------------------------------------|---------------------------------|------------------------------------|------------------------------------------|-------------------------------------------|---------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| 1.     | Latest audited Balance Sheet Date                                         | 31.03.2023                      | 31.03.2023                         | 31.03.2023                               | 31.03.2023                                | 31.03.2023                | 31.03.2023                      | 31.03.2023                        | 31.03.2023                        |
| 2.     | Shares of Associate held by the company on the year end                   |                                 |                                    |                                          |                                           |                           |                                 |                                   |                                   |
|        | No. of shares                                                             | 10,000                          | 10,000                             | 10,000                                   | 10,000                                    | 10,000                    | 10,000                          | 10,000                            | 10,000                            |
|        | Amount of Investment in Associates                                        | 1.00                            | 1.00                               | 1.00                                     | 1.00                                      | 1.00                      | 1.00                            | 1.00                              | 1.00                              |
|        | Extend of Holding %                                                       | 100%                            | 100%                               | 100%                                     | 100%                                      | 100%                      | 100%                            | 100%                              | 100%                              |
| 3.     | Description of how there is significant influence                         | 100% Control                    | 100% Control                       | 100% Control                             | 100% Control                              | 100% Control              | 100% Control                    | 100% Control                      | 100% Control                      |
| 4.     | Reason why the associate is not consolidated                              | N/A                             | N/A                                | N/A                                      | N/A                                       | N/A                       | N/A                             | N/A                               | N/A                               |
| 5.     | Networth attributable to Shareholding as per latest audited Balance Sheet | 0.84                            | 0.84                               | 0.86                                     | 0.83                                      | 0.84                      | 0.84                            | 0.84                              | 0.54                              |
| 6.     | Profit / Loss for the year                                                |                                 |                                    |                                          |                                           |                           |                                 |                                   |                                   |
| i)     | Considered in Consolidation                                               | 0.16                            | 0.16                               | -                                        | 0.17                                      | 0.16                      | 0.16                            | 0.16                              | 0.46                              |
| ii)    | Not Considered in Consolidation                                           | N/A                             | N/A                                | N/A                                      | N/A                                       | N/A                       | N/A                             | N/A                               | N/A                               |

Note:

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

ii) The Following 9 Companies were incorporated during the year:

- Siot Transmission Limited
- Fatehgarh III Beawar Transmission Limited
- Beawar Dausa Transmission Limited
- Fatehgarh III Transmission Limited
- Bhadla III Transmission Limited
- Fatehgarh IV Transmission Limited
- Khandukhal Rampura Transmission Limited
- Dharamjaigarh Transmission Limited
- Raipur Pool Dhamtari Transmission Limited

iii) The following ITPs has been transferred during the year:

- Khetri-Narela Transmission Limited transferred to PowerGrid Corporation of India Limited on 11th May 2022
- Mohanlalganj Transmission Limited transferred to PowerGrid Corporation of India Limited on 30th May 2022
- Khandukhal Rampura Transmission Limited transferred to Megha Engineering Private Limited on 07th October 2022
- Kishitwar Transmission Limited transferred to Sterlite Grid 26 Limited on 06th December 2022
- Bhadla Sikar Transmission Limited transferred to PowerGrid Corporation of India Limited on 28th March 2023
- Dharamjaigarh Transmission Limited transferred to PowerGrid Corporation of India Limited on 28th March 2023
- Raipur Pool Dhamtari Transmission Limited transferred to PowerGrid Corporation of India Limited on 28th March 2023

For and on behalf of Board of Directors

(Sachin Arora)  
Company Secretary  
M.No.A26459

(Milind M.Dafade)  
Chief Finance Officer

(Manoj Kumar Rana)  
Chief Executive Officer

(Rajiv Ranjan Jha)  
Director  
(DIN 03523954)

(Ravinder Singh Dhillon)  
Chairman  
(DIN 00278074)



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

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

