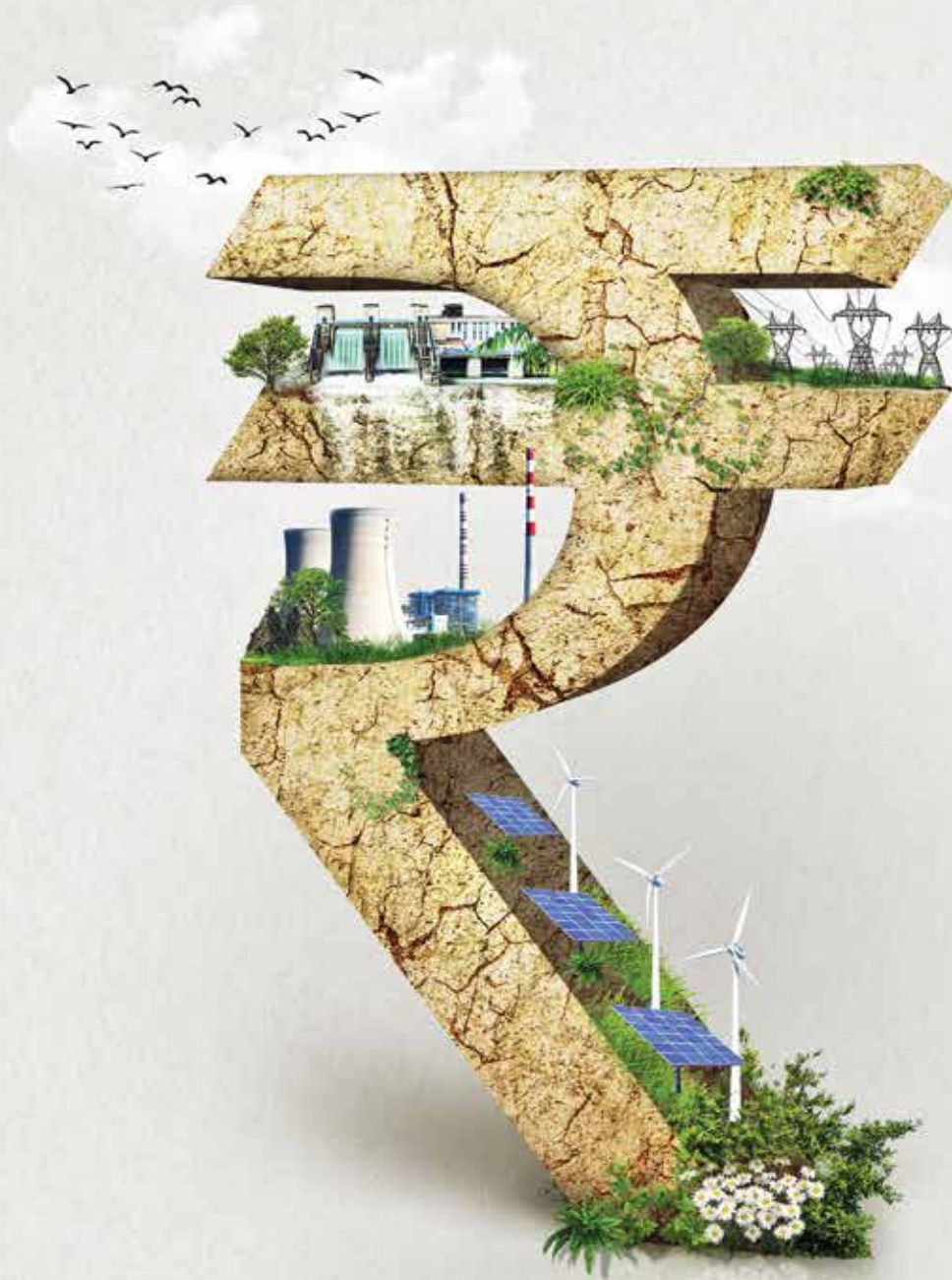


*Enriched by Power  
Fostering India's Green Growth*

**31<sup>st</sup>** ANNUAL REPORT  
2016-17



**POWER FINANCE CORPORATION LTD.**  
(A Government of India Undertaking)

---

## OUR vision

To be the leading institutional partner for the power and allied infrastructure sectors in India and overseas across the value chain.

---

## OUR mission

PFC would be the most preferred Financial Institution; providing affordable and competitive products and services with efficient and internationally integrated sourcing and servicing, partnering the reforms in the Indian Power Sector and enhancing value to its stakeholders; by promoting efficient investments in the power and allied sectors in India and abroad.

We will achieve this being a dynamic, flexible, forward looking, trustworthy, socially responsible organization, sensitive to our stakeholders' interests, profitable and sustainable at all times, with transparency and integrity in operations.





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# SECTION 01

## Corporate Overview

- ▶ Reference Information
- ▶ Performance at a Glance
- ▶ Chairman's Speech
- ▶ Directors' Profile



## REFERENCE INFORMATION

### Registered Office

'Urjanidhi',  
1, Barakhamba Lane, Connaught Place,  
New Delhi-110001 Tel. No. : (91)(11) 23456000  
Website: <http://www.pfcindia.com>

### Subsidiaries

PFC Consulting Limited  
PFC Green Energy Limited  
PFC Capital Advisory Services Limited  
Power Equity Capital Advisors (Private) Limited  
Chhattisgarh Surguja Power Limited  
Coastal Karnataka Power Limited  
Coastal Maharashtra Mega Power Limited  
Coastal Tamil Nadu Power Limited  
Orissa Integrated Power Limited  
Sakhigopal Integrated Power Company Limited  
Ghogarpalli Integrated Power Company Limited  
Tatiya Andhra Mega Power Limited  
Deoghar Mega Power Limited  
Cheyyur Infra Limited  
Odisha Infrapower Limited  
Deoghar Infra Limited  
Bihar Infrapower Limited  
Bihar Mega Power Limited  
Jharkhand Infrapower Limited  
Tanda Transmission Company Limited\*  
Ballabgarh-GN Transmission Company Limited\*  
Mohindergarh-Bhiwani Transmission Limited\*  
South-Central East Delhi Power Transmission Limited\*  
Fategarh-Bhadla Transmission Limited\*  
Bijawar- Vidarbha Transmission Limited\*  
Shongtong Karcham-Wangtoo Transmission Limited\*  
Goa- Tamnar Transmission Project Limited\*

### Shares Listed at

National Stock Exchange of India Limited  
Bombay Stock Exchange Limited

### Depositories

National Securities Depository Limited  
Central Depository Services (India) Limited

### Company Secretary

Shri Manohar Balwani

### Auditors

M/s. M.K. Aggarwal & Co., Chartered Accountants  
M/s. K.B. Chandna & Co., Chartered Accountants

### Registrar & Share Transfer Agent

Karvy Computershare Private Limited  
"Karvy Selenium Tower B",  
Plot No. 31 & 32,  
Financial District, Nanakramguda, Gachibowli,  
Hyderabad-500 032, Andhra Pradesh, India  
Tel: +91 40 67162222  
Fax: +91 40 23420814  
Email: [support@karvy.com](mailto:support@karvy.com)  
Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

### Bankers

Reserve Bank of India  
State Bank of India  
Bank of India  
ICICI Bank  
HDFC Bank  
IDBI Bank

\* Wholly owned subsidiaries of PFC Consulting Limited, a wholly owned subsidiary of PFC

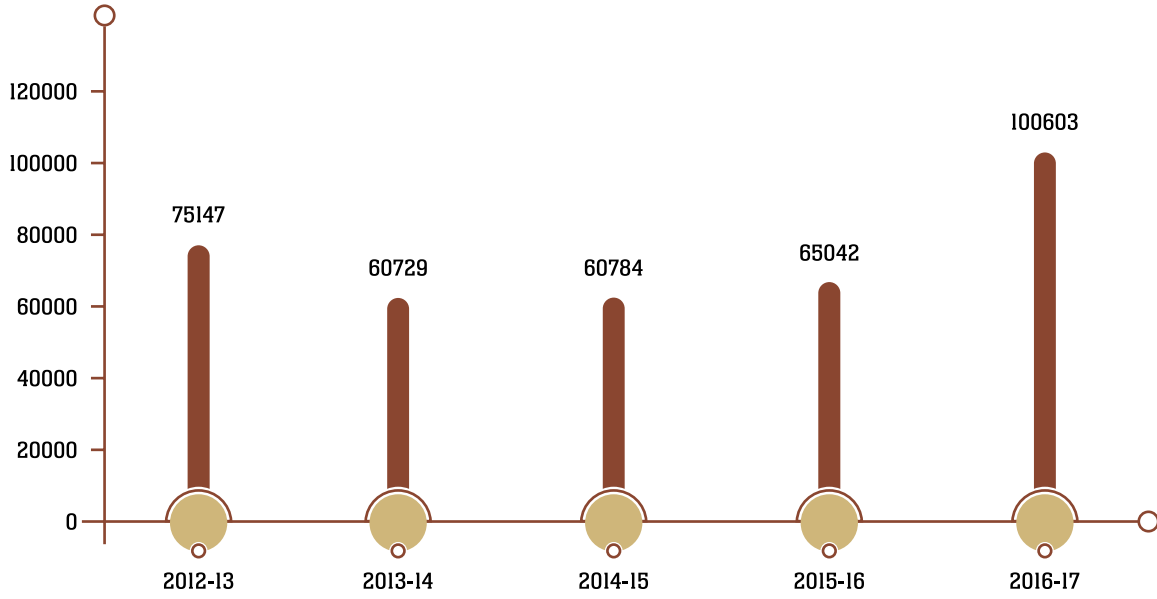


## PERFORMANCE AT A GLANCE

	PARTICULARS	2012-13	2013-14	2014-15	2015-16	2016-17
<b>I</b>	<b>RESOURCES</b>					
	(At the end of the Year) (₹ in Crore)					
	Equity Capital	1320	1320	1320	1320	2640
	Interest Subsidy Fund from GoI	146	124	111	107	110
	Reserves and Surplus	22734	26055	30899	34446	33830
	Borrowings:					
	(i) Foreign Currency Loans (incl. Foreign Currency Notes)	8424	8926	9731	10776	8444
	(ii) Bonds	105334	126505	159393	171137	189743
	(iii) Long Term Rupee Loans	17005	22470	14585	11000	2000
	(iv) Short Term Rupee Loans	8820	1314	4064	7572	2401
<b>II</b>	<b>FINANCING OPERATIONS</b>					
	(During the Year)					
	(₹ in Crore)					
	Loans and Grants Sanctioned	75147	60729	60784	65042	100603
	Loans and Grants Disbursed	45151	47162	44691	46588	62798
	Repayment by Borrowers to PFC	14929	18822	16284	25826	19592
	Repayment by PFC to Lenders	11304	22231	34188	52735	2112
<b>III</b>	<b>WORKING RESULTS</b>					
	(For the Year)					
	(₹ in Crore)					
	Total Income	17273	21538	24907	27564	27019
	Total Expenses	11306	13979	16529	18504	21909
	Profit Before Tax	5967	7558	8378	9060	5110
	Tax Expense	1547	2141	2419	2947	2983
	Profit After Tax	4420	5418	5959	6113	2126
<b>IV</b>	<b>NO. OF EMPLOYEES</b>	427	446	450	467	499

**Loans and Grants Sanctioned**

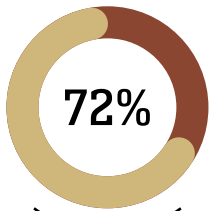
₹ In Crore



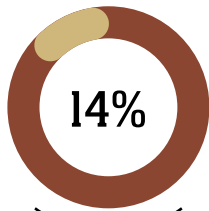
**Disbursement**

Sector-wise

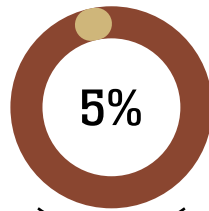
As on 31.03.2017



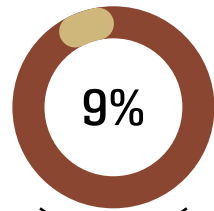
State Sector



Private Sector



Joint Sector

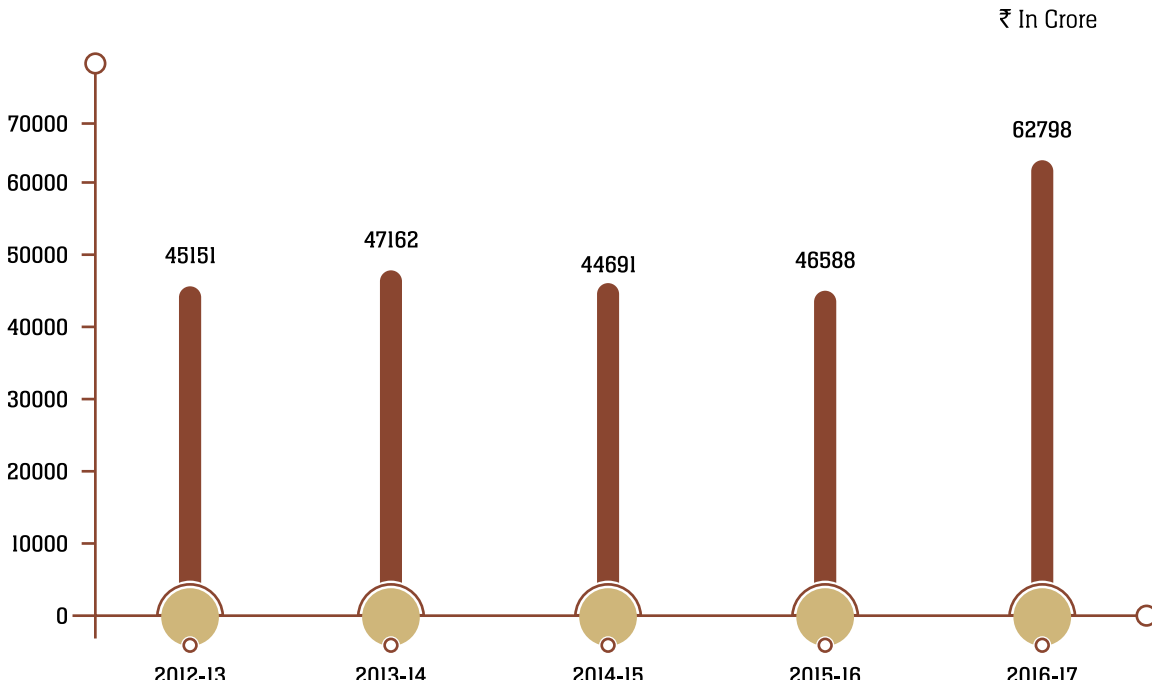


Central Sector





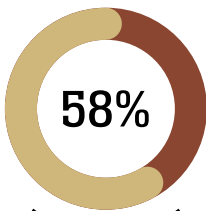
### Loans and Grants Disbursed



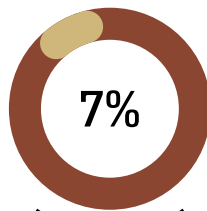
### Cumulative Disbursement

Discipline-wise

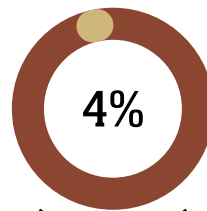
As on 31.03.2017



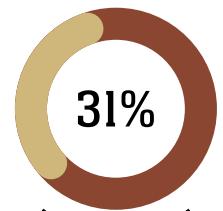
Generation



Transmission



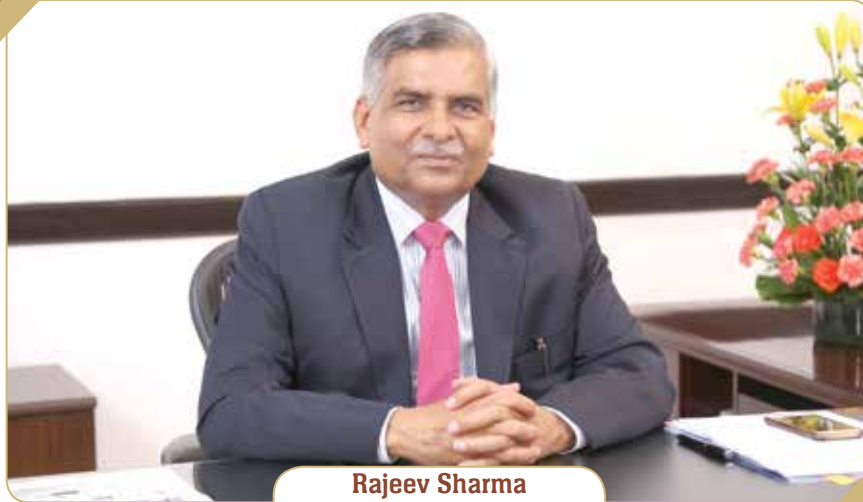
Distribution



Others\*

\*Includes Transitional Finance, STL, BLC, etc

## Chairman's Speech



**Rajeev Sharma**  
Chairman & Managing Director

### Ladies and Gentlemen,

It gives me great pleasure to welcome you all to the 31<sup>st</sup> Annual General Meeting of your Company.

Your Company is a lead financier in Indian power sector and is the largest Infrastructure Finance Company in the country based on net worth. As per DPE Survey (March, 2017), your company is the 7<sup>th</sup> highest profit making PSU among 320 PSUs based on profit for FY 2015-16. I would like to share with you some of the business highlights of FY 2016-17. For the first time, the annual loan sanctions crossed a figure of ₹1,00,000 Crore during FY 2016-17, reflecting an increase of 55% from ₹65,042 Crore achieved during the FY 2015-16. Annual disbursements of Rs.62,798 Crore in FY 2016-17 registered a growth of 35%, highest growth in a decade. Loan Assets too witnessed a positive growth despite ₹28,400 Crore prepayments under UDAY. The Company borrowed ₹66,800 Crore during the year, the highest ever in any financial year, at a competitive marginal cost of 7.47% which was below the REUTER's benchmark rates. During the FY 2016-17, your Company earned a net profit of ₹2,126 Crore.

Your Company's profit and other financial parameters for FY 2016-17 were adversely impacted on account of transition from Ministry of Power (MoP) approved norms to RBI approved restructuring norms retrospectively. Earlier, PFC was following MOP approved restructuring norms for generation loans sanctioned before 1<sup>st</sup> April, 2015. However, in view of RBI's direction dated 11<sup>th</sup> April, 2017 regarding restructuring norms, PFC decided to align itself with RBI norms for generation loans sanctioned before 1<sup>st</sup> April, 2015 also and accordingly applied RBI norms retrospectively w.e.f. 1<sup>st</sup> April, 2015. As a result of this, loans worth ₹23,309 Crore got downgraded to NPAs and loans amounting to ₹35,995 Crore got downgraded to Restructured Assets. Thus, the total impacted loans are ₹59,304 Crore. All these assets which were downgraded are generation projects and all are 100% government-owned companies. All these Companies have demonstrated 100% recovery rate in FY 2016-17 and none of these borrower accounts have ever been declared NPAs prior to this year.

Your Company does not see any stress in these loan assets affected due to RBI norms as they are likely to turn standard over next few years and provisions will start reversing from the second quarter of FY 2017-18. Out of the downgraded assets, about 80% of the recognized NPAs and 58% of the Restructured Assets are likely to get an upgrade in FY 2017-18 and FY 2018-19 respectively. We would like to reassure

**“Your Company does not see any stress in these loan assets affected due to RBI norms as they are likely to turn standard over next few years and provisions will start reversing from the second quarter of FY 2017-18.”**

our shareholders that your Company is making all efforts to ensure that these downgraded assets get an upgrade. I am happy to inform you that out of ₹23,309 crore NPAs about ₹11,000 crore have already got an upgrade w.e.f. 15<sup>th</sup> July, 2017.

After considering the above, the Domestic & International Credit Rating Agencies have retained your company's credit ratings (domestic highest ratings of AAA & international ratings at par with sovereign rating).



Shri Rajeev Sharma, CMD, PFC receiving the prestigious "Rajbhasha Kirti Puraskar" (in the category of region 'A') for the year 2016-17 from Hon'ble President of India Shri Ram Nath Kovind in the presence of Shri Rajnath Singh, Hon'ble Union Home Minister and Shri Kiren Rijju, Hon'ble Union Minister of State for Home Affairs.

## Overview of Economy

Indian economy is one of the fastest growing emerging market economies and remains a bright spot in the global landscape. The reduction in global oil prices boosted economic activity in India, further improved the external current account and fiscal positions, and helped in lowering inflation. In addition, continued fiscal consolidation, by reducing government deficits and debt accumulation, and an anti-inflationary monetary policy stance have helped cement macroeconomic stability.

The government has made significant progress on important economic reforms, which will support strong and sustainable growth going forward. In particular, introduction of Goods and Services Tax (GST) was a historic tax reform, which will create a common Indian market, improve tax compliance and governance, and boost investment and growth.

As per estimates of Central Statistics Office (CSO), economic growth rate for 2016-17 stands at 7.1%. According to World Bank, the Indian economy is expected to grow at 7.6% in 2017-18 and 7.8% in 2018-19. International credit rating agency Moody's has accorded the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term.

## Overview of the Power Sector

In FY 2016-17, India has turned around from a net importer of electricity to net exporter of electricity exporting around 6,444 Million Units to Nepal, Bangladesh and Myanmar. The overall generation has increased from 1,174 BU during 2015-16 to 1,242 BU during 2016-17, showing an overall growth rate of 5.83%. The total capacity addition in the 12<sup>th</sup> Plan was 99,210 MW against a target of

88,537 MW. India's Installed Capacity was 3.26 GW as on 31<sup>st</sup> March 2017. The share of private sector in the total installed capacity was about 44%.

Coal continues to remain the most widely available and used fuel. Coal availability has improved dramatically over the past one year with abundant domestic coal production by CIL. In order to cut down on use of imported coal and ensuring adequate supply of fuel to the power plants awaiting fuel supply, Government of India launched a Scheme for Harnessing and Allocating of Koyala (coal) Transparently in India (SHAKTI). The scheme has been envisaged to make optimal allocation of the natural resource across power units. As per a research done by CRISIL, over the next 5 years, domestic non-coking coal supply to the power sector is expected to increase at a CAGR of 8-9% to 728 million tons in 2020-21.

In order to address the issues faced by the hydro projects, Government is planning to come up with a proactive hydro power policy to push stalled hydro projects and explore possibility of extending benefits for hydro projects upto 100 MW (existing 25 MW) as available to renewable projects like wind and solar projects.

India's inter-regional power transmission capacity stands at 75 GW as on March, 2017. Strengthening and expanding the regional and intra-state grids along with improved rural electrification is expected to lower the power purchase costs by making available surplus power at low rates and will also benefit power generators.

Distribution is a critical link in the power sector value chain. Keeping in view the weak financial position of the distribution companies, Government of India launched Ujwal DISCOM Assurance Yojana (UDAY) which aims to improve financial health of Discoms. The savings accrued to DISCOMs on account of interest benefits due to takeover & restructuring of loans work out to ₹12,000 Crore approximately by December, 2016. Further, it is expected that AGS-ARR gap would narrow significantly by 2020-21 with implementation of UDAY scheme. At overall level, the gap has already reduced from 59 paisa per unit in FY 16 to about 45 paisa per unit in FY 17 (December, 2016). Additionally, two distribution schemes namely, IPDS & DDUGJY with total estimated outlay of ₹1.41 Lakh Crore were launched by the Government of India for urban and rural areas respectively, with an intention of giving a push to distribution sector across the country. These schemes will surely strengthen the distribution sector to a great extent.

## Other business highlights

### 1. PFC Consulting Limited

PFCGL is a wholly owned subsidiary of PFC and offers consultancy services in various areas of power sector. PFCGL rendered consultancy services to 57 clients spread across 23 States/UTs. 104 assignments have been undertaken so far. Additionally, PFCGL is also undertaking works relating to development of Ultra Mega Power Projects and is also acting as Bid Process Coordinator for Independent Transmission Projects.

During the FY 2016-17, total income of PFCGL was ₹120.67 Crore as against ₹73.55 Crore in FY 2015-16. PFCGL earned a net profit during of ₹57.85 Crore during FY 2016-17 as against the net profit of ₹37.06 Crore during FY 2015-16.

### 2. PFC Green Energy Limited

The Board of Directors of PFC GEL and PFC accorded its in-principle approval for merger of PFC GEL with PFC in their respective meetings held on July 18, 2016 and August 9, 2016 respectively. The merger process is currently under progress. Considering the proposed merger of the Company with its holding Company, it has disbursed ₹283.51 Crore to various ongoing renewable energy projects already sanctioned by it. As on March 31, 2017, the Company has a loan portfolio of ₹629.60 Crore.

During FY 2016-17, total revenue from operation grew by 67% to ₹64.79 Crore from ₹38.71 Crore in FY 2015-16 and Profit After Tax (PAT) grew by 33% to ₹30.15 Crore from ₹22.60 Crore in FY 2015-16.

### 3. PFC Capital Advisory Services Limited

Board of Directors of PFC approved merger of PFC Capital Advisory Services Ltd. (PFCCAS) with PFC Consulting Ltd. (PFCGL) subject to regulatory and other compliances. The process of merger is currently under progress.

During FY 2016-17, income from operations of PFCCAS was ₹1.53 Crore while net profit after tax of the Company is ₹1.06 Crore.



Hon'ble former President of India, Shri Pranab Mukherjee, handing over the prestigious 'SCOPE Gold Trophy for Good Corporate Governance for the year 2014-15' to Shri Rajeev Sharma, CMD, PFC. Present on the occasion were Shri Anant G. Geete, Hon'ble Union Minister of Heavy Industries & Public Enterprises and Shri Babul Supriyo, Hon'ble Minister of State for HI & PE.

## PFC's support for Ministry of Power, Government of India Schemes

### 1. Integrated Power Development Scheme (IPDS)

Your Company has been designated as the Nodal Agency for IPDS. Under the scheme, projects amounting of ₹3,018 Crore have been sanctioned during FY 2016-17 and projects amounting to ₹26,066 Crore have been sanctioned cumulatively. Your Company has also disbursed ₹2,333 Crore during FY 2016-17 and ₹2,660 Crore cumulatively to the State Utilities for projects sanctioned under IPDS.

#### R-APDRP (subsumed in IPDS)

Your Company sanctioned projects amounting to ₹37,956 Crore cumulatively for 1,405 towns under Part-A IT, 72 towns under Part-A (SCADA) and 1,228 towns under Part-B of R-APDRP. Your Company also disbursed ₹1,581 Crore during FY 2016-17 and ₹10,187 Crore cumulatively to the State Utilities for projects sanctioned under R-APDRP.

The reduction in AT&C loss is already visible in 1024 R-APDRP towns (as per Post Go-Live reports) because of establishment of IT system and Part-B completion in various towns coupled with administrative and other measures. Thus, your Company shall be contributing towards improving financial health of Distribution Utilities.

### 2. Ultra Mega Power Projects (UMPPs)

PFC is designated as the 'Nodal Agency' by Ministry of Power (MoP), Government of India, for development of Ultra Mega Power Projects (UMPPs), with a capacity of about 4,000 MW each. Fifteen such UMPPs have been identified at various locations across the country.

Till March 2017, nineteen Special Purpose Vehicles (SPVs) were established by the Company for UMPPs. Out of these, fourteen SPVs (operating SPVs) were incorporated to undertake preliminary site investigation activities necessary for conducting the bidding process for the projects. These SPVs shall be transferred to successful bidder(s) selected through Tariff Based International Competitive Bidding Process for implementation and operation. Additionally, SPVs (Infra SPVs) were incorporated by PFC for holding the land for power plant and land for coal blocks in case of domestic coal based UMPPs (Odisha, Bihar and Deochar UMPPs) and for holding land for power plant/port in case of imported coal based UMPP (Cheyyur UMPP). These SPVs would be transferred to the respective procurers of power from these projects.

### 3. Independent Transmission Projects (ITPs)

Ministry of Power has also initiated Tariff Based Competitive Bidding Process for development and strengthening of Transmission system through private sector participation. Till March 2017, twenty five Special Purpose Vehicles (SPVs), two by PFC and other twenty three by PFC Consulting Limited were established as wholly owned subsidiaries for ITPs. Out of these twenty five SPVs, Bokaro-Kodarma Maithon Transmission Company Limited was liquidated in December 2010 and seventeen SPVs were transferred to the successful bidders till March 31, 2017. During the year, Ministry of Power appointed PFC Consulting Limited as Bid Process Coordinator (BPC) for four new Independent Transmission Projects to be implemented through Tariff Based Competitive Bidding Process. PFC Consulting Limited incorporated four SPVs as its wholly owned subsidiaries for these projects and initiated bidding process accordingly.

### Corporate Social Responsibility

PFC's CSR and Sustainability Policy aims to ensure that your Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large by undertaking projects for Sustainable Development, mainly focusing on fulfillment of Power and Energy needs of the society. During the year, PFC implemented wide range of activities in the field of Solar energy, Skill development, Sanitation, Health, Environment sustainability and supported the differently abled. For the FY 2016-17, the Board had approved a CSR budget of ₹166.15 Crore based on 2% of the average stand-alone Profit Before Tax as per Companies Act, 2013. During FY 2016-17, ₹125.87 crore has been disbursed for CSR activities.

### Corporate Governance

Your Company's philosophy of Corporate Governance stems from its belief that the spirit of good governance lies in adherence to highest standards of transparency, accountability, ethical business practices, compliance of law in true letter and spirit, adequate disclosures, corporate fairness, social responsiveness and commitment to the organization to meet stakeholders aspirations and societal expectations. Your Company has been complying with the requirements of corporate governance as stipulated in the Companies Act, Listing agreement and DPE guidelines and has aligned its corporate governance philosophy to its corporate structure, conduct of business and disclosure practices.

### Strategy

GoI has a mission of adding 175 GW of renewable energy by 2022 and hence offering a number of incentives to renewable energy developers across solar and non-solar sources. The amendment in the Tariff Policy includes Renewable Purchase Obligation to be 8% from solar energy by March, 2022 and developers with new coal based thermal projects have a Renewable Generation obligation. The increased focus of GoI towards renewable energy has created attractive opportunities for investments in this sector. It is estimated that about ₹6 lakh Crore of investment is required in renewable sector by 2022. Your Company targets to tap significant market share of this business opportunity. During REINVEST 2015, PFC committed to provide a financial assistance of ₹15,000 Crore during 2015-19 out of which the Company has already sanctioned ₹9,954 Crore and disbursed ₹6,260 Crore to various Renewable Energy projects with a total capacity of 2,880 MW.

Additionally, your Company in order to accelerate business growth will also focus on debt refinancing opportunities available in the market. Your Company also intends to fund private transmission projects being bid out and also transmission projects of JVs formed by PSUs.

Other areas that your Company intends to explore for sustainable growth include funding renewable equipment manufacturers, balance of equipment, nuclear power projects, backward linkages to power sector like installation of LNG terminals, gas piping, coal



mining etc. Govt. of India is also envisaging various equity funds in power sector, your Company would also look at opportunities of investment in these equity funds.

Your Company will continue to play critical role in various flagship programmes of GoI aimed at overall development of Indian power sector. Your Company will also tap various business opportunities both fund based and fee based emerging out of such various programmes of GoI towards power sector. Your Company therefore will continue to play a significant role in the overall development of the Indian power sector.

### **Acknowledgements**

I am extremely thankful to the shareholders, who have reposed faith in us. My sincere and heartfelt thanks go out to the Hon'ble Minister of State (I/C) for Power & New and Renewable Energy and officials of the Ministry of Power for their continued support and guidance. I am also truly grateful to Board of Directors, Investors and Valued Clients for their support.

I also convey my gratitude to Ministry of Finance, Reserve Bank of India, Department of Public Enterprises, Securities and Exchange Board of India, National Stock Exchange of India Limited, Bombay Stock Exchange Ltd., NITI Aayog, CEA, C&AG, Statutory Auditors, Registrars, various Commercial Banks, Financial Institutions, and other concerned Government Department/Agencies at the Central and State level for their continued support. I also appreciate the continuous and unwavering support by our partners in the Print and Electronic Media.

Finally, I must thank all the employees without whose continuous and untiring efforts none of this would have been possible.

**(Rajeev Sharma)**  
**Chairman and Managing Director**  
DIN.: 00973413

## Directors' Profile



► **Shri Rajeev Sharma**  
**Chairman and Managing Director**  
 DIN.: 00973413

Shri Rajeev Sharma, 57 years, is the Chairman and Managing Director (CMD) of PFC. As CMD, PFC he is spearheading the operations of PFC and also playing a critical role in implementation of key power sector initiatives of Govt. of India namely Integrated Power Development Scheme, 24X7 Power for All, Ultra Mega Power Projects, Independent Transmission Projects and Ujjwal Discom Assurance Yojana.

Shri Sharma holds B.Tech (Electrical) from G B Pant University and Masters' Degree in Engineering from IIT Roorkee and also Masters' Degree in Business Administration from FMS, Delhi University.

Shri Sharma has more than 32 years of varied power sector experience. He has more than 20 years' experience of power sector policy making, initiating & implementing reform measures and project implementation at premier organizations like Central Electricity Authority (CEA), Ministry of Power (MoP) and Power Grid. He is considered the architect of Government's flagship schemes like Deen Dayal Upadhyaya Gram Jyoti Yojana, Rajiv Gandhi Grameen Vidyutikaran Yojana and Restructured Accelerated Power Development and Reforms Programme (R-APDRP). Further, he has more than 12 years' experience of financing power sector and implementing key power sector reforms, which includes almost 8 years of Board level experience at leading Navratna Companies i.e. PFC and Rural Electrification Corp. Ltd. (REC).

Shri Rajeev Sharma has taken over the charge of 'Chairman and Managing Director' of PFC with effect from October 1, 2016. Prior to joining PFC, Shri Sharma was the Chairman and Managing Director of REC. Under his dynamic leadership, Shri Sharma helped REC scale greater heights in financial and operational performance by doubling the revenue and profits in the last five years. He was Business Today's choice of 'Best CEO' of a PSU (Public Sector Undertaking).

In CEA, he was involved with the design, engineering and consultancy of Nathpa Jhakri Hydro Electric Project (1500 MW). During his tenure as Deputy Secretary in MoP, important projects like 2000 MW Talcher- Kolar HVDC Bipole and Tala Transmission System (first public private partnership) of POWERGRID were approved by the Government. He has also looked after APDRP, RGGVY apart from central power sector undertakings THDC, NEEPCO, BBMB and SJVNL.

Shri Rajeev Sharma was holding 32574 equity shares in the company as on March 31, 2017.



► **Shri D. Ravi**  
**Director (Commercial)**  
 DIN.: 00038452

Shri D. Ravi, 59 years, is B.E. (Electrical & Electronics Engg.) with Diploma in Business Management. As Director (Commercial), he is responsible for Commercial Division of PFC.

Shri D. Ravi joined PFC in the year 1993. Prior to that, he was with NHPC for about 13 years. In PFC, he handled Entity Appraisal of all loan proposals and loan documentation. He also handled Project Appraisal of Northern and Southern Region and Private Power Projects appraisal. He also handled the responsibility of obtaining ISO certification for Project Division of the Company. In addition, he also handled work of coordinating integrated rating of state distribution utilities with Ministry of Power.

Shri D. Ravi, was holding 2000 equity shares in the Company as on March 31, 2017.



► **Shri Chinmoy Gangopadhyay**  
**Director (Projects)**  
 DIN.: 02271398

Shri Chinmoy Gangopadhyay, 58 years, is a graduate in Electrical Engineering from IIT Kharagpur and MBA from FMS, New Delhi. He has more than 36 years of experience in power sector, serving organizations like NTPC, PFC (including PFCGL). He has been with PFC for more than 28 years and has handled project appraisal, UMPPs & ITPs, equity & financial products and power sector consultancy. He has also served as CEO of PFC Consulting Ltd.

Shri Chinmoy Gangopadhyay, was holding 21488 equity shares in the Company as on March 31, 2017.





► **Shri Naveen Bhushan Gupta**

**Director (Finance)**

DIN.: 00530741

Shri Naveen Bhushan Gupta, 57 years, is a member of the Institute of Chartered Accountants of India. He has more than 30 years of experience in power sector and has served in various capacities in organizations like NHPC, Power Grid Corporation of India Ltd. and Power Finance Corporation Limited. He carries with him rich experience in the fields of Fund Management, International Finance, Internal Audit, Accounts finalization, Lending Policies, Resource Mobilisation etc. He joined PFC in September, 2005 and before his appointment to the post of Director (Finance), has been working as Executive Director (Finance) in PFC.

Shri Naveen Bhushan Gupta, was holding 24584 equity shares in the Company as on date of assuming the charge of Director (Finance).



► **Dr. Arun Kumar Verma**

**Govt. Nominee Director**

DIN.: 02190047

Dr. Arun Kumar Verma, 58 years, is Government Nominee Director on the Board of PFC since October 13, 2015. He is an Indian Forest Service officer of 1986 Gujrat Cadre and is a Joint Secretary in Ministry of Power. He Holds a Master's degree in physics and is an Associate Member of Indira Gandhi National Forest Academy (AIGNFA) from FRI & C, Dehradun. He has done Ph.D in Tribal Development Policy. He has also done Post Graduate Programme in Public Policy & Management (PGPPM) from Indian Institute of Management, Bengaluru & Maxwell School of Citizenship and International Affairs, Syracuse University, USA.

He has over 30 years of administrative and management experience. He has served the Power Sector earlier as Managing Director, Uttar Gujrat Vij Company Limited. Before joining Ministry of Power, Government of India he was posted as Member Secretary of Gujarat Ecology Commission, Gandhinagar and Project Director of the World Bank Funded Integrated Coastal Zone Management from July 29, 2011 to November 14, 2014. He is also a Government Nominee Director on the Board of Rural Electrification Corporation Limited.

Dr. Arun Kumar Verma, was holding Nil equity shares in the Company as on March 31, 2017



► **Shri Sitaram Pareek**

**Independent Director**

DIN.: 00165036

**Shri Sitaram Pareek**, 65, B.com, FCA, DISA. He is a member of the Institute of Chartered Accountants of India since 1975. He is the founder partner of M/s SARDA & PAREEK, Chartered Accountants, Mumbai, having over 40 years of experience in Due Diligences, Statutory Audit of Companies including Listed Companies, Government Companies, Insurance & NBFC, Non-Profit making organizations etc.

He has handled assignments related to compliances of Taxation, International Taxation, Transfer Pricing, representation before Income Tax Authorities, Appellate Tribunal's (ITAT) & Settlement Commission.

He is also on the Board of Mumbai Metro One Private Ltd, a joint venture of MMRDA and Reliance ADA group, the first metro rail project in Mumbai. He was appointed on the Board of PFC in February, 2017.

Shri Sitaram Pareek was holding Nil equity shares in the Company as on March 31, 2017.



# SECTION 02

## Directors' Report

- ▶ Report of the Board of Directors 2016-2017
- ▶ Form No. MGT-9 Extract of Annual Return
- ▶ Annual Report on CSR Activities for the FY 2016-17
- ▶ Form No. AOC-2
- ▶ Management Discussion and Analysis Report
- ▶ Report on Corporate Governance
- ▶ Certificate on Corporate Governance
- ▶ Business Responsibility Report
- ▶ Secretarial Audit Report



## REPORT OF THE BOARD OF DIRECTORS 2016-2017

To

The Members,

Power Finance Corporation Limited

Your Directors are pleased to present their 31<sup>st</sup> Annual Report on the performance of your company for the financial year ended March 31, 2017 along with Audited Financial Statements, Auditor's Report, Secretarial Auditor's Report & review report by the Comptroller and Auditor General of India.

### 1.0 FINANCIAL AND OPERATIONAL HIGHLIGHTS

#### (a) PROFITABILITY

(₹ in crore)

Particulars	2016-17	2015-16
Opening balance of Surplus	8898.37	8871.98
Profit After Tax for the year	2126.39	6113.48
Transfer towards Reserve for Bad & Doubtful Debts u/s 36(I) (vii) (c) of Income Tax Act, 1961	(467.55)	(429.21)
Transfer to Special Reserve created and maintained u/s 36(I) (viii) of Income Tax Act, 1961	(1803.78)	(2004.16)
Transfer to Debenture Redemption Reserve	(298.02)	(316.27)
Transfer to General Reserve	0.00	(1101.00)
Interim Dividend	(1320.04)	(1755.66)
Proposed Final Dividend	0.00	(79.20)
Corporate Dividend Tax on Interim Dividend	(268.73)	(356.74)
Proposed Corporate Dividend Tax	0.00	(16.12)
Transfer from Debenture Redemption Reserve on account of utilization	36.40	0.00
Adjustment made during the year	0.03	0.03
Transfers to Special Reserve under Income Tax Act, 1961	0.00	(28.76)
Closing Balance of Surplus	6903.07	8898.37

#### (b) LENDING OPERATIONS (excluding RAPDRP/IPDS)

(₹ in crore)

Particulars	2016-17	2015-16
Sanction	100603	65042
Disbursement	62798	46588

#### (c) INTEGRATED POWER DEVELOPMENT SCHEME (IPDS) OPERATIONS (R-APDRP scheme subsumed)

(₹ in crore)

Particulars	2016-17	Cumulative (upto March'17)
<b>Sanctioned project cost</b>		
a. R-APDRP	(922)*	37956
b. IPDS	3018	26066
<b>Disbursement</b>		
a. R-APDRP	1581	10187
b. IPDS	2333	2660

\* Negative sanctions indicate loans cancelled

## 2.0 FINANCIAL PERFORMANCE

### 2.1 REVENUE

The total income achieved by your Company during the FY 2016-17 was ₹27,018.57 crore as compared to ₹27,564.31 crore in FY 2015-16. Operating income for the year is ₹26,716.23 crore as compared to ₹27,473.65 crore in the previous year.

### 2.2 EXPENSES

The total expenditure for the FY 2016-17 amounted to ₹21,908.78 crore as against total expenditure of ₹18,503.65 crore in FY 2015-16. Finance cost including bond issue expenses amounted to ₹16,459.27 crore in FY 2016-17 as compared to ₹16,507.25 crore in FY 2015-16. This constituted 75.13% of total expenses in FY 2016-17 as compared to 89.21% in FY 2015-16. Employee Benefit expenses and other expenses were 0.52% and 0.31% respectively of total expenses against 0.49% and 0.27% respectively in the previous year.



Signing of Loan Agreement for a term loan of ₹4009 crore to TSGENCO for setting up 5X800 MW, Coal Based Yadadri TPP. Ceremony attended by Shri Rajeev Sharma, CMD, PFC, Shri D. Prabhakar Rao, CMD, TSGENCO and other officials.

### 2.3 PROFIT

During the FY 2016-17, your Company earned a net profit of ₹2,126.39 crore as compared to ₹6,113.48 crore for the FY 2015-16.

Your Company had been in correspondence with RBI w.r.t. implementation of RBI's restructuring norms. Based on the various correspondence exchanged, RBI on April 11, 2017 has directed the Company to apply RBI restructuring norms and allowed exemption till March 31, 2022 from borrower-wise classification of loans to state sector utilities which are downgraded to NPA due to non-achievement of DCCO (Date of commencement of commercial operation) within RBI prescribed limits.

Your Company had been applying RBI restructuring norms on new generation loans sanctioned w.e.f. April 1, 2015 (Before April 1, 2015, MoP, GoI approved restructuring norms were applicable). After the receipt of RBI letter dated April 11, 2017, your Company has adopted RBI restructuring norms on remaining loans (other than loans to Transmission & Distribution, Renovation

& Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters). In generation loans sanctioned before March 31, 2015 and where restructuring has been done w.e.f. April 1, 2015, the asset classification has been given effect on March 31, 2017 as per RBI norms with consequent provisioning. The financial impact (decrease in PBT) on account to adoption of RBI's restructuring norms (shifting from MoP approved norms) has amounted to ₹3,954.55 crore.

Due to realignment with RBI Norms, ₹59,304.01 crore of loan assets got downgraded, of which ₹35,994.70 crore got downgraded to restructured and ₹23,309.31 crore to NPAs. This has negatively impacted the profits by ₹3,954.55 crore.

All the loan assets of ₹59,304.01 crore that got affected belong to State Government or Central Sector PSUs and are generation projects. Further, all Government sector borrowers are servicing dues regularly with recovery rate of 100% in FY 2016-17 i.e. there were no dues as on March 31, 2017 (except ₹4 crore which got cleared after March 31, 2017).

#### Details of the accounts that got impacted due to RBI Norms

A. Downgrade of loan assets to Restructured with 4.25% provisioning:-

✓ all restructured assets are of State Govt. or Central Power PSUs and all the loans are being serviced regularly (100% recovery rate)

✓ ₹35,994.70 crore loan assets were downgraded from Standard to Restructured having a negative impact of ₹1,403.79 crore on profit, of these restructured assets:-

◇ 58% or ₹20,890 crore : Already commissioned & will reverse in FY 2018-19

◇ 31% or ₹11,165 crore : Scheduled to commission in FY 2017-18

◇ 10% or ₹3,670 crore : Scheduled to commission in FY 2018-19

◇ 1% or ₹270 crore : Scheduled to commission in FY 2019-20

B. Downgrade of loan assets to NPAs with 10% provisioning:-

₹23,309.31 crore loan assets have been downgraded to NPAs having a negative impact of ₹2,550.76 crore on profit before tax, of these NPAs:-

✓ 79% or ₹18,504 crore will get an upgrade in FY 2017-18, of which:-

◇ 68% or ₹15,883 crore COD already achieved

◇ 2% or ₹525 crore COD to be achieved

◇ 9% or ₹2,096 crore COD to be achieved

✓ 19% or ₹4,494 crore will upgrade in FY 2018-19

✓ 1% or ₹312 crore will upgrade in FY 2019-20

All the above projects are State Govt. owned generation projects and are having FSAs & PPAs and are also being serviced regularly with 100% recovery.

The management does not see any stress in these loan assets of ₹59,304.01 crore affected due to RBI norms and they are likely to turn standard over next few years. Further 79% of NPAs are likely to get upgraded in FY 2017-18 itself.

Further, as per track record, Government borrowers have never been declared NPA (Except Sikkim Power which is standard now & Ratnagiri which is a JV of two public sector undertakings namely NTPC and GAIL).

Although, your company has retrospectively applied RBI Norms on private sector generation projects also w.e.f. April 1, 2015, no private account has been downgraded since the Company has been with in RBI Norms largely due to consortium funding of private generation projects.

The profit was also impacted this year due to reversal of Income of a Standard Asset of ₹413.03 crore (RKM) and additional tax incidence of ₹225 crore due to UDAY prepayments. Further, it may also be noted that without considering the impact of this reversal of Income and additional provisioning to align with provisioning policy of RBI, the profit of your Company would have been at ₹6,400 crore.



### Asset quality without the RBI impact

i. In fact without RBI impact, during the year 2016-17, your Company has actually decreased its NPAs as below:

- ✓ 4 loan accounts of ₹920 crore got upgraded to Standard
- ✓ 1 generation loan asset of ₹442 crore has been downgraded to NPA

ii. With all this, NPAs ratios for the year stand at:

	With RBI Impact	Without RBI Impact
Gross NPAs	12.50%	3.01% (improved from 3.15% last year)
Net NPAs	10.55%	1.68% (improved from 2.55% last year)

iii. As far as balance Restructured Book is concerned, other than ones impacted due to RBI norms is ₹19,445.92 crore.

- ✓ 26% or ₹5,000 crore have already got commissioned, ₹4,500 crore will be reversed in FY 2017-18 and ₹500 crore in FY 2018-19.
- ✓ 70% or ₹13,500 crore of this restructured book is Scheduled COD in FY2017-18.
- ✓ All this restructured book of ₹19,445.92 crore is private sector.

### Other financials

i. Despite sectoral challenges, your Company has registered strong business growth during FY 2016-17 reflected in:-

- ✓ Loan Sanctions growth by 55% to ₹1,00,603 crore from ₹65,042 crore.
- ✓ Disbursements growth by 35% to ₹62,798 crore from ₹46,588 crore.
- ✓ Despite UDAY prepayments of ₹28,400 crore during the year, disbursements have increase to show a positive loan asset growth with Loan Assets increasing by 3% to ₹2,45,525 crore from ₹2,38,920 crore.

ii. Without considering RBI impact, PFC has also maintained interest spread at a healthy level of 3.00% and NIM of 4.50% for the year.

### Resource Mobilisation

i. Your Company raised about ₹66,800 crore during the year, at a marginal cost of 7.47%.

ii. Capital adequacy ratio is maintained comfortably at 19.28%, with tier I capital of 16.20% against the RBI requirement of 15% and 10% tier I capital respectively.

iii. Your company has been allowed to raise 54EC Bonds which shall lead to further reduction in PFC's cost of funds.

The financial performance of the Company based on Audited Annual Accounts for the FY 2016-17, without considering the impact of alignment to RBI Restructuring norms, duly certified by statutory auditors is enclosed herewith as 'Annexure A' (Page No. 48) for better understanding of above.

### 2.4 SHARE CAPITAL

As on March 31, 2017, the paid-up share capital of your Company was ₹2,640.08 crore consisting of 2,64,00,81,408 equity shares of ₹10 each of which the Government of India holds 66.35% of the paid-up capital. During FY 2016-17, the Company allotted 1,32,00,40,704 bonus equity shares to the existing equity shareholders in the ratio of 1:1.

### 2.5 DIVIDEND

Dividend of ₹5 per equity share on paid up equity share capital of ₹2,640.08 crore (after issue of bonus shares) was paid in FY 2016-17 as against total dividend of ₹13.90 per equity share on paid up equity share capital of ₹1,320.04 crore during FY 2015-16. The dividend pay-out for the FY 2016-17 amounts to ₹1,320.04 crore representing 62.08% of the profits after tax as against a dividend pay-out of ₹1,834.86 crore representing 30.01% of the profits after tax in the previous year.

In view of alignment with RBI's restructuring norms, profits for the year has reduced to ₹2,126.39 crore as compared to previous year. Keeping in view the reduced profitability and interim dividend already paid amounting to ₹1,588.77 crore (including Corporate Dividend Tax), Board of Directors of your Company could not recommend declaration of further dividend. Accordingly, interim dividend @ 50% of equity share capital is considered as total dividend for the year.

### 3.0 OPERATIONAL PERFORMANCE

Your Company issued sanctions of ₹1,00,603 crore during the FY 2016-17 to State, Central, Private and Joint Sector entities. An amount of ₹62,798 crore was disbursed during the same period. With this as on March 31, 2017, the cumulative sanctions amount to ₹6,05,864 crore and cumulative disbursements amount to ₹4,55,355 crore.

In addition to above, projects worth ₹3,018 crore were sanctioned under IPDS and ₹28 crore under R-APDRP during FY 2016-17. An amount of ₹2,333 crore was disbursed under IPDS and ₹1,581 crore under R-APDRP during the same period. With this, cumulative approved project cost amounts to ₹26,066 crore under IPDS and ₹37,956 crore under R-APDRP and cumulative disbursements to utilities amount to ₹2,660 crore under IPDS and ₹10,187 crore under R-APDRP.



Exchanging Loan Agreement with Shri. S.L. Pimpalkhute, Director (Finance), MSEDCL for ₹ 3000 crore in the presence of Shri Rajeev Sharma, CMD, PFC, Shri D. Ravi, Director (Commercial) and Shri C. Gangopadhyay, Director (Projects), PFC.

### 3.1 Financial Assistance (Excluding R-APDRP/IPDS)

#### 3.1.1 Sector-wise

(₹ in crore)

Category	2016-17		Cumulative upto March, 2017	
	Sanctions	Disbursements	Sanctions	Disbursements
State Sector	82263	45757	441113	327802
Central Sector	4118	4659	44865	42068
Private Sector	11462	7652	92266	61137
Joint Sector	2760	4730	27620	24348
<b>Total</b>	<b>100603</b>	<b>62798</b>	<b>605864</b>	<b>455355</b>



## 3.1.2 Discipline-wise

(₹ in crore)

Category	2016-17		Cumulative upto March, 2017	
	Sanctions	Disbursements	Sanctions	Disbursements
Thermal Generation	25884	21451	288662	223530
Hydro Generation	8156	1327	53271	34058
Wind, Solar, Bagasse and Biomass	7021	2471	12298	6302
Renovation, Modernization and Uprating of Thermal & Hydro Power Stations	733	518	13656	10247
Transmission	16666	3605	63542	32013
Distribution	5697	1580	32399	18069
Short Term Loan	10638	8754	59381	56916
Medium Term Loan	15749	14149	15962	14362
Transitional Finance	-	325	45532	42357
Buyers Line of Credit	800	736	3704	2645
Others*	9259	7882	17457	14856
<b>Total</b>	<b>100603</b>	<b>62798</b>	<b>605864</b>	<b>455355</b>

\* Others include Funding of Regulatory Assets, Equipment Manufacturing Loan, Fuel Sources Development, Loan for Redemption of bond, Computerization, Project settlement, Purchase of power through PXI, Loan for Asset Acquisition, Loan Against Receivables, Studies, Bill Discounting, Pre Investment Fund, Decentralized Management, Technical Assistance Project etc.

## 3.2 Financial Assistance under IPDS/R-APDRP

(₹ in crore)

Scheme	2016-17		Cumulative upto March' 2017	
	Approved project cost	Disbursements*	Approved project cost	Disbursements*
<b>R-APDRP</b>				
Part A (IT)	(28)#	604	5382	3397
Part A (SCADA)	0	51	1556	512
Part B	(894)	926	31018	6278
<b>Total</b>	<b>(922)</b>	<b>1581</b>	<b>37956</b>	<b>10187</b>
<b>IPDS</b>				
IPDS	<b>3018</b>	<b>2333</b>	<b>26066</b>	<b>2660</b>

\* In addition to above, during FY 2016-17, ₹47 crore were released by MoP for nodal agency fee/ enabling activities under IPDS, ₹101 crore under Part-C including reimbursement of PFC's actual expenditure of R-APDRP and ₹304.70 crore has been disbursed by MoP directly to project implementing agencies of J&K under PMRP 2015. Cumulatively, MoP has released an amount of ₹77crore for nodal agency fee/enabling activities under IPDS and ₹364 crore under Part-C of R-APDRP.

# Approved Project cost R-APDRP(Part A(IT) is net cost (During FY 2016-17, Sanctions ₹28 crore and cancellation of ₹55.35 crore)

The MoU targets agreed with MoP under IPDS/ R-APDRP for FY 2016-17 and actual achievements during the year are tabulated below:

Sl. No	MoU Parameter	FY		Cumulative	
		Target	Actual	Target	Actual
1	Part-A Completion -Go Live Cum. (Towns)	171	134	1393	1356
2	Award of Works in Towns under IPDS (Towns)	361	1203	361	1203
3	Monitoring of energy data through National Power Portal (NPP) (Feeders)	17374	17521	24248	24395
4	Completion of Part-B works (Towns)	358	358	783	783
5	Establishment of SCADA Control Centers (Towns)	6	7	51	52
6	Completion of SCADA system (Towns)	18	18	18	18

#### 4.0 REALISATION

Your Company gives utmost priority to the realisation of its dues towards principal, interest etc. Out of ₹47,657.03 crore to be recovered towards principal, interest etc. under rupee term loans, bill discounting, working capital, lease financing, foreign currency loan, loans for equipment financing and guarantee fee, an amount of ₹46,076.16 crore was actually realised representing an overall recovery rate of 96.68% (previous year 94.50%).

Provisioning on Non Performing Loan Assets has been increased by an amount of ₹3,898.23 crore during the year. The Company has made a total provision of ₹5,356.25 crore towards Non-Performing Assets (NPA) against Loan Assets in its Annual Accounts upto the year 2016-17. After making provision on NPA, the level of net Non-Performing Assets (NPA) has been recorded at ₹25,345.96 crore which is 10.55% to the Total Net Loan Assets as on March 31, 2017.

In addition to above, your company has also made a provision of ₹557.84 crore and ₹2,356.23 crore on Standard Assets and Restructured Standard Assets respectively as on March 31, 2017, which would strengthen PFC's balance sheet by providing a buffer provisioning and inspire higher levels of confidence amongst investors, regulators and other stakeholders in your company.



Exchanging Loan Agreement for ₹ 5474 crore to TANGEDCO for setting up 2x800 MW, Coal-based 'UPPUR TPS' & for Renovation, Modernization and Upgrading of Sholayar Power House-I and for ₹ 3654 crore to TANTRANSCO for strengthening of Power Transmission network

#### 5.0 RESTRUCTURED LOANS

The details of loans restructured during the FY 2016-17 are as follows:

(₹ in crore)

Particular		FY 2016-17	FY 2015-16
Standard Loans Restructured	No. of Borrowers	11	5
	Amount Outstanding	36,445.60	14192.68
Sub-Standard Loans Restructured	No. of Borrowers	-	-
	Amount Outstanding	-	-
Doubtful Loans Restructured	No. of Borrowers	-	-
	Amount Outstanding	-	-
<b>Total</b>	<b>No. of Borrowers</b>	<b>11</b>	<b>5</b>
	<b>Amount Outstanding</b>	<b>36445.60</b>	<b>14192.68</b>

₹735.67 crore is restructured subsequently in 2 borrowers.

## 6.0 BORROWINGS

### 6.1 DEPOSITS

Your Company is a non-deposit taking NBFC, and thus has not accepted any public deposits during the FY 2016-17.

### 6.2 BORROWINGS FROM DOMESTIC MARKET

The major borrowings from Domestic market are given as follows:-

(₹ in crore)		
S. No.	Source	Amount
1.	Commercial Paper	28,673.91
2.	Bonds –Private Placement (Taxable)	36,115.00
3.	Term Loans	2,000.00
	<b>Total</b>	<b>66788.91</b>

Further, ₹5,000 crore were raised by issuing GoI fully serviced Bonds through private placement.

### 6.3 EXTERNAL BORROWINGS

During the FY 2016-17, your company did not raise any funds through external borrowing.

### 6.4 CASH CREDIT/ OVERDRAFT FACILITIES

For day to day operations, your company continued to follow prudent strategies for optimum utilization of fund based resources. To hedge any financial liquidity bottlenecks, ample credit lines to the tune of ₹12,960 crore were sanctioned as on March 31, 2017 by various scheduled commercial banks to the company for short term funding which do not bear any commitment charges towards unutilized limits.

## 7.0 PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

### 7.1 CONSERVATION OF ENERGY/ TECHNOLOGY ABSORPTION

There are no significant particulars, relating to conservation of energy and technology absorption as your Company does not own any manufacturing facility.



Shri Rajeev Sharma, CMD, PFC and Shri Santanu Basu, CMD, WBPDCI exchanging the 'Loan Agreement' for a term loan of ₹2,703.88 crore to WBPDCI for construction of Unit-5 (1X660MW) under Phase-III of Sagardighi TPS in Murshidabad District of West Bengal.

## 7.2 FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign exchange outgo aggregating ₹254.01 crore was made on account of debt servicing, financial & other charges and training expenses.

The Foreign exchange earnings for the FY 2016-17 were nil.

## 8.0 CREDIT RATING

### Domestic

Credit Ratings by Domestic credit rating agencies for domestic program of the Company during the FY 2016-17:

S. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL Ltd.	CRISIL AAA with stable outlook	CRISIL A1+
2.	ICRA Ltd.	ICRA AAA	ICRA A1+
3.	CARE Ltd.	CARE AAA	CARE A1+

### International

Credit Rating by International credit rating agencies:

S. No.	Rating Agency	Rating
1.	Fitch Ratings	BBB-/ Stable
2.	Standard & Poor (S&P)	BBB-/ Stable
3.	Moody's	Baa3/ Positive

## 9.0 RISK MANAGEMENT

### 9.1 ASSET LIABILITY MANAGEMENT

Your Company has put in place an effective Asset Liability Management System and constituted an Asset Liability Management Committee (ALCO) headed by Director (Finance). ALCO monitors risks related to liquidity and interest rate and also monitors implementation of decisions taken in the ALCO meetings. The Asset Liability Management framework includes periodic analysis of long term liquidity profile of asset receipts and debt service obligations. Such analysis is made every month in yearly buckets for the next 10 years and is being used for critical decisions regarding the time, volume and maturity profile of the borrowings, creation of new assets and mix of assets and liabilities in terms of time period (short, medium and long-term). While the liquidity risk is being monitored with the help of liquidity gap analysis, the interest rate risk is managed by analysis of interest rate sensitivity gap statements, evaluation of Earning at Risk (EaR) on change of interest rate and creation of assets and liabilities with the mix of fixed and floating interest rates.

The maturity profile of major items of assets and liabilities as at March 31, 2017 is set out below:

(₹ in crore)

Maturity pattern of certain items of Assets and Liabilities based on Audited Balance Sheet as on March 31, 2017							
Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	Beyond 2021-22	Total
Advances (Rupee Loan Assets)	32652	18241	20830	19371	18911	135260	245265
Foreign Currency Assets	5	0	0	0	0	255	260
Investments (Net of Provision)	1326	0	0	0	0	2265	3591
Foreign Currency Liabilities	1187	19	1641	2810	1836	951	8444
Borrowings (Rupee Liabilities)	26980	31907	26444	25562	22591	60931	194415

### 9.2 FOREIGN CURRENCY RISK MANAGEMENT

Your Company has put in place Currency Risk Management (CRM) policy to manage risks associated with foreign currency borrowings. The Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like currency forward, option, principal swap and forward rate agreements.

As on March 31, 2017, the total o/s foreign currency liabilities are USD 895 million, JPY 43,668 million and Euro 16 million. On an overall basis, the currency exchange rate risk is covered to the extent of 24% through hedging instruments and lending in foreign currency.

### 9.3 INTEGRATED ENTERPRISE WIDE RISK MANAGEMENT

Your Company has put in place a mechanism to ensure that the risks are monitored carefully and managed efficiently. In this regard, your company had constituted the Risk Management Committee of Directors to monitor various risks, examine risk management policies & practices and initiate action for mitigation of risks arising in the operations. To facilitate this, the Company had put in place an Integrated Enterprise – Wide Risk Management Policy (IRM Policy).

The Company has identified 21 risks (8 quantifiable risks and 13 non quantifiable risks) which may have an impact on profitability/revenues of the Company. In order to implement IRM policy, Risk Management Compliance Committee and a unit were constituted for monitoring/reporting of the identified risks.

## 10.0 ULTRA MEGA POWER PROJECTS (UMPPs) AND INDEPENDENT TRANSMISSION PROJECTS (ITPs)

### 10.1 UMPPs

Your Company has been designated as the 'Nodal Agency' by Ministry of Power (MoP), Government of India, for development of Ultra Mega Power Projects (UMPPs), with a capacity of about 4,000 MW each. Fifteen such UMPPs have been envisaged to be located at Madhya Pradesh (Sasan), Gujarat (Mundra), Andhra Pradesh (Krishnapatnam), Jharkhand (Tilaiya), Karnataka, Maharashtra (Munge), Tamil Nadu (Cheyyur), Odisha (Sundargarh), Bihar (Banka), Uttar Pradesh, 2 Additional UMPPs in Odisha and 2<sup>nd</sup> UMPP in Tamil Nadu, Gujarat and Jharkhand (Deoghar).

UMPP is the initiative of Government of India with Ministry of Power as the 'facilitator' for the development of these UMPPs while Central Electricity Authority (CEA) is the 'Technical Partner'. Till March 2017, nineteen Special Purpose Vehicles (SPVs) were established by the Company for UMPPs. Out of these, fourteen SPVs (operating SPVs) were incorporated to undertake preliminary site investigation activities necessary for conducting the bidding process for the projects. These SPVs shall be transferred to successful bidder(s) selected through Tariff Based International Competitive Bidding Process for implementation and operation. Five additional SPVs (Infra SPVs) were incorporated by PFC for holding the land for power plant and land for coal blocks in case of domestic coal based UMPPs (Odisha, Bihar, Deoghar and Tilaiya UMPPs) and for holding land for power plant/port in case of imported coal based UMPP (Cheyyur UMPP). These SPVs would be transferred to the respective procurers of power from these projects.

Out of these nineteen SPVs, four SPVs have been transferred to the successful bidders as indicated below:

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

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

### 10.2 ITPs

Ministry of Power has also initiated Tariff Based Competitive Bidding Process for development and strengthening of Transmission system through private sector participation.

The objective of this initiative is to develop transmission capacities in India and to bring in the potential investors after developing such projects to a stage having preliminary survey work, identification of route, preparation of survey report, initiation of process of land acquisition for sub-stations, if any, initiation of process of seeking forest clearance, if required etc.

Till March 2017, twenty five Special Purpose Vehicles (SPVs), two by PFC and other twenty three by PFC Consulting Limited were established as wholly owned subsidiaries for ITPs. Out of these twenty five SPVs, Bokaro-Kodarma Maithon Transmission Company Limited was liquidated in December 2010 and seventeen SPVs were transferred to the successful bidders till March 31, 2017.

During the year, Ministry of Power appointed PFC Consulting Limited as Bid Process Coordinator (BPC) for four new Independent Transmission Projects to be implemented through Tariff Based Competitive Bidding Process. PFC Consulting Limited incorporated four SPVs as its wholly owned subsidiaries for these projects and initiated bidding process as per following details:

S. No.	Project Name	SPV	Date of Incorporation	Present Status
1.	Transmission system for Ultra Mega Solar Park in Fatehgarh, Distt. Jaisalmer Rajasthan	Fatehgarh-Bhadla Transmission Ltd	30.12.2016	Bidding process is underway
2.	i) Additional 400kV feed to Goa ii) Additional System for Power Evacuation from Generation Projects pooled at Raigarh (Tamnar) Pool	Goa-Tamnar Transmission Project Ltd.	16.01.2017	Bidding process is underway.
3.	Connectivity and Long Term Access (LTA) to HPPCL 450 MW from Shongtong Karcham HEP	Shongtong Karcham-Wangtoo Transmission Ltd	13.01.2017	Bidding process is underway
4.	i) Connectivity System for Lanco Vidarbha Thermal Power Pvt. Ltd. (LVTPPL) ii) Inter State Transmission system strengthening in Chhatarpur area in Madhya Pradesh	Bijawar-Vidarbha Transmission Ltd.	13.01.2017	RFQ inputs awaited from CEA

During the year following five SPVs were transferred to successful bidders:

S.No.	SPV	Successful Bidder	Date of Transfer
1.	Odisha Generation Phase – II Transmission Limited	Sterlite Grid3 Ltd.	08.04.2016
2.	Warora-Kurnool Transmission Limited	Essel Infraprojects Ltd.	06.07.2016
3.	Gurgaon-Palwal Transmission Limited	Sterlite Grid 4 Ltd.	14.07.2016
4.	Medinipur-Jeerat Transmission Limited	Powergrid Corporation of India Ltd.	28.03.2017
5.	Kohima- Mariani Transmission Limited	Kalpatru Power transmission Ltd.	31.03.2017

The schemes Northern Region System Strengthening Scheme – XXXIII” (SPV- Ballabgarh-GN Transmission Company Limited), and Northern Region System Strengthening Scheme-XXXV (SPV-Mohindergarh-Bhiwani Transmission Ltd) have been de-notified from tariff based bidding process. Process has been initiated to liquidate these two SPVs.

## 11.0 INTEGRATED POWER DEVELOPMENT SCHEME (with RESTRUCTURED ACCELERATED POWER DEVELOPMENT AND REFORM PROGRAMME (R-APDRP) SUBSUMED IN IT)

In order to provide impetus to strengthening of power distribution sector in urban area, Ministry of Power, Government of India notified “Integrated Power Development Scheme” (IPDS) on December 3, 2014 with following components:

- Strengthening of sub-transmission and distribution networks in the urban areas;
- Metering of distribution transformers/ feeders/ consumers in the urban areas.
- IT enablement of distribution sector and strengthening of distribution network under R-APDRP for 12<sup>th</sup> and 13<sup>th</sup> Plans by carrying forward the approved outlay for R-APDRP to IPDS.

Erstwhile, R-APDRP Scheme has been subsumed in newly launched IPDS scheme.

The components at (i) and (ii) above have an estimated outlay of ₹32,612 crore including a budgetary support of ₹25,354 crore from Government of India during the entire implementation period.

R-APDRP scheme cost of ₹44,011 crore including a budgetary support of ₹22,727 crore as already approved by CCEA will be carried forward to the new scheme of IPDS in addition to the outlay for components at (i) and (ii) indicated above.

You company, as nodal agency, has contributed significantly during the year in implementation of IPDS (with RAPDRP subsumed under it) programme during the FY 2016-17:

**IPDS**

- ✓ Your company sanctioned projects of ₹3,018 crore during FY 2016-17 and ₹26,066 crore cumulatively under IPDS.
- ✓ Your company also disbursed ₹2,333 crore during FY 2016-17 and ₹2,660 crore cumulatively to the State Utilities for projects sanctioned under IPDS.



Shri Rajeev Sharma, CMD, PFC and Smt. Radhika Jha, former ED (IPDS), PFC receiving the coveted "One Globe Award for Excellence in Enabling a Mobile Economy" for the 'URJA App' developed by PFC from Hon'ble Union Minister of State Law & Justice Shri P.P. Chaudhary.

**R-APDRP**

- ✓ Your company sanctioned projects of ₹28 crore during FY 2016-17 and ₹37,956 crore cumulatively for 1,405 towns under Part-A IT, 72 towns under Part-A(SCADA) and 1228 towns under Part-B of R-APDRP.
- ✓ Your company also disbursed ₹1,581 crore during FY 2016-17 and ₹10,187 crore cumulatively to the State Utilities for projects sanctioned under R-APDRP.

**Progress of implementation****IPDS**

Under IPDS, Project Management Agency appointment has been done in 55 Utilities and TPA has been signed with 53 Utilities.

Out of NIT value of ₹22,483 crore issued, projects worth ₹13,809 crore has already been awarded in 223 out of 538 sanctioned circles and implementation has started in said circles. Further, your company also sanctioned ₹2,233 crore as counterpart loans and disbursed an amount of ₹57 crore under IPDS during the year.

Nodal agency is in process of appointing Third Party Concurrent Evaluation Agency (TPCEA) for concurrent evaluation of IPDS projects and for inspections on sample basis.

**R-APDRP**

With the measures taken so far, 20 out of 21 Data Centers, 19 out of 21 Disaster Recovery Centres and 40 out of 46 Customer Care Centers have been commissioned. Further, 1356 towns have been declared Go-Live in 28 States and declaration of Go-Live in balance 49 towns

of J&K (15), Tamil Nadu (8), Puducherry (4), Odisha (12), Arunachal Pradesh (4), Mizoram (3) and Nagaland (3) is under progress. In 1356 Go-live towns, all business process software modules are functional and energy audit reports are being derived from the system.

During the year, your company disbursed an amount of ₹457 crore and cumulatively ₹1,877 crore as counterpart loan under Part-B of R-APDRP. Implementation work has commenced cumulatively in 1227 Part-B towns to strengthen & improve distribution system and reduce AT&C losses to 15% or below and system strengthening works have been cumulatively completed in 783 towns.

Cumulatively, 52 out of 72 sanctioned SCADA Control Centers have been commissioned and 18 out of 72 SCADA towns were completed.

The reduction in AT&C loss is already visible in 1024 R-APDRP towns (as per Post Go-Live reports) because of establishment of IT system and Part-B completion in various towns coupled with administrative and other measures. Thus, your company shall be contributing towards improving financial health of Distribution Utilities.

#### Other developments:

- ✦ Study of ten Discoms was conducted where AT&C losses reduced in last 5 years. The committee pin pointed various administrative, technical and commercial interventions adopted by these Utilities to reduce AT&C losses. The report was released by Secretary (Power), MoP in July, 2016.
- ✦ Urban Distribution Feeder Monitoring system is being developed as an integral part of National Power Portal (NPP). NIC alongwith PFC is implementing the project. The 11 kV Feeder data of 46 Discoms in 28 States has been received and integrated on NPP. As on March 31, 2017, transaction data of 24,395 Feeders uploaded by Discoms on NPP and master data of 28,878 Feeders taken on-board. Further, data from additional 6,752 Feeders are likely to be available on NPP in FY 2017-18.
- ✦ A system has been developed in-house for web-based project monitoring of IPDS/ R-APDRP. Discoms are uploading award details, execution details alongwith financial progress of the projects on the portal at regular intervals. MoP/ PFC is monitoring the progress of project implementation online through the system.
- ✦ Power System reliability data is being compiled in the form of SAIDI/SAIFI reports for R-APDRP towns. Utilities are being encouraged to take subsequent necessary administrative interventions for reduction of AT&C losses, based on Post Go Live reports (D1 to D7).
- ✦ Revamped IPDS Portal with Web analytics for Post Go-Live parameters: now include 7 Post Go-Live parameters viz. AT&C loss reduction, Consumer Grievance redressal, New Connection release, High loss feeders, power reliability indices (SAIFI/SAIDI), Feeder meters communication and e-payment report, along-with their graphical web analytics.
- ✦ PFC on behalf of Ministry of Power has engaged IPDS Consultants as Urban Vidyut Abhiyanta (UVA) purely on contractual basis, as per PFC policy. There are 42 UVAs engaged with PFC as on date. PFC has deployed these UVAs in Discoms to monitor IPDS project implementation.
- ✦ PFC on behalf of Ministry of Power has developed a Mobile App URJA (Urban Jyoti Abhiyaan) for Urban Power Distribution Sector to enhance Consumer Connect, Project Monitoring of Urban Distribution Sector projects etc. The APP also depicts daily outage schedules in various Utilities. The web version of URJA is also available at [www.urjaindia.co.in](http://www.urjaindia.co.in). The App won its first laurel in form of an award for 'Most efficient use of Information and Communications Technology (ICT) for Consumer Connect' at 3<sup>rd</sup> eLets PSU Summit. Your company was also honoured with the prestigious "One Globe Award for Excellence in Enabling a Mobile Economy" for the URJA App at the 6<sup>th</sup> Annual One Globe Forum.
- ✦ Capacity building / training of Utility personnel were re-launched under IPDS with the first training programme on the theme "Efficiency Improvement Measures in Distribution System" organized at Power Management Institute (PMI) of NTPC.

## 12.0 INITIATIVES TOWARDS REFORMS AND RESTRUCTURING

### Categorization of Utilities

For purposes of funding, your company classifies State Power Generation and Transmission Utilities into A++, A+, A, B and C categories. The categorization (biannually) of State Power Generation and Transmission utilities is arrived based on the evaluation of utility's performance against specific parameters covering operational & financial performance including regulatory environment, generation of audited accounts, etc. With regards to State Power Distribution utilities (including SEBs/utilities with integrated operations), your company's categorization policy provides for adoption of MoP's Integrated Ratings by aligning such ratings/ gradings with PFC's standard categories of A+, A, B and C. The categorization enables your company to determine credit exposure





limits and pricing of loans to the state power utilities. As on 3<sup>rd</sup> August, 2017, 106 utilities were categorized, 4 as A++, 31 as "A+", 35 as "A", 23 as "B" and 13 as "C".

### Quarterly and Annual Report of State Power Utilities

During the year, your Company has undertaken the initiative of revising its existing Quarterly Performance Research report to focus on the distribution sector and to make the report more exhaustive and informative. The information/formats of the new revised Quarterly Report were developed after discussions with various stakeholders and the consultants i.e. CARE & ICRA.

The data for new quarterly report is being collected from 40 distribution utilities covered under the Annual Integrated Rating exercise.

The first edition of the revised report with data for July – September 2015 vis-à-vis April – June 2015 and FY 2014-15 was forwarded to MoP in June 2016. The latest edition of the Report with data for Q4 FY 2016-17 was submitted in June 2017.

PFC also publishes the Report on the Performance of State Power Utilities (SPUs) on an annual basis. The 13<sup>th</sup> edition of the Report for the years 2012-13 to 2014-15 covering 100 utilities for the year 2014-15 was submitted to MoP in July 2016. The 14<sup>th</sup> edition of the Report for the years 2013-14 to 2015-16 is under compilation. The Report is a comprehensive study of the performance of the State Power Utilities on key financial and operational parameters. The Report contains key performance parameters e.g. profitability, gap between average cost of supply and average realization (Rs./kwh), net worth, capital employed, receivables, payables, capacity (MW), generation (Mkwh), AT&C losses (%) etc. and consumption pattern of the sector at utility, state, regional and national level.

## 13.0 POLICY INITIATIVES

Your Company constantly reviews and revises its lending policies/guidelines/products to suitably align these with market requirements as also with its corporate objectives.

During the FY 2016-17, your Company reviewed its policies/guidelines/products with respect to Short Term Loan and Debt Refinancing with a view to make the same more market oriented and borrower friendly.

During the year, interest rates and financial charges/fees in respect of term loan and short term loan were reviewed and revised to ensure sustainability and aligning with the market.

In spite of growing competition in the market as well as concerns on interest rates, your company could balance its objectives of business growth and profitability.

## 14.0 RENEWABLE ENERGY AND CLEAN DEVELOPMENT MECHANISM

Power is one of the most important components of infrastructure, critical to sustain economic growth. The Indian power sector is undergoing a significant change that is redefining the industry outlook. Sustained economic growth continues to drive power demand in India. The Government of India's focus to attain 'Power For All' has accelerated capacity addition in the country. Over the years, renewable energy sector in India has emerged as a significant player in the grid connected power generation capacity. It supports the government agenda of sustainable growth, while, emerging as an integral part of the solution to meet the nation's energy needs and an essential player for energy access. It has been realized that renewable energy has to play a much deeper role in achieving energy security in the years ahead and be an integral part of the energy planning process.

Renewable energy sector landscape in India has, during the last few years, witnessed tremendous changes in the policy framework with accelerated and ambitious plans to increase the contribution of solar energy. The Government of India has set a target to achieve 175 GW installed capacity by 2022. This includes 60 GW from wind power, 100 GW from solar power, 10 GW from biomass power and 5 GW from small hydro power.

The increased focus of GoI towards renewable energy has created attractive opportunities for investments in this sector.

In addition to above, during FY 2016-17, PFC issued sanctions of ₹8,156 crore to Hydro Generation and disbursed ₹1,327 crore. Further, PFC sanctioned ₹7,021 crore to Wind, Solar, Bagasse and Biomass related projects and disbursed an amount of ₹2471 crore during the same period.



Financial assistance of ₹5 Crore to APSSDC for imparting Skill Development Training to underprivileged unemployed youth in the state of Andhra Pradesh. MoA between PFC and APSSDC in presence of Hon'ble Chief Minister of AP, Shri N. Chandra Babu Naidu at Amaravati, Andhra Pradesh.

## 15.0 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

Your Company being a Non-Banking Financial Company engaged in business of financing companies, its loan operations are exempt from the relevant provisions of Section 186 of the Companies Act, 2013.

The particulars of investments during the FY 2016-17 are as follows:-

- ✦ During the FY 2015-16, PFC has invested ₹124 crore in Energy Efficiency Services Limited (EESL), a Joint Venture Company of PFC, REC, NTPC and POWERGRID. Out of which, ₹99 crore is towards Share Application Money pending for allotment. The application money pending for allotment was fully allotted to PFC during FY 2016-17 on April 25, 2016.
- ✦ During the year, the Company has subscribed to 26,05,42,051 fully paid equity shares of NHPC Limited of face value of ₹10 per share under Offer for Sale by GoI. The shares have been subscribed at a cost of ₹21.78 per share including brokerage and other statutory charges aggregating to ₹567.50 crore.

In case of a borrower Shree Maheshwar Hydel Power Corporation Limited (SMHPCL), which was classified as a doubtful loan asset, the Company invoked the pledge of equity shares. Accordingly, 6,57,46,779 number of equity shares of ₹10 each pledged by the promoters have been transferred to the Company on June 1, 2016. These equity shares have been recognised at a value of ₹1.

Further, 6,61,00,000 number of equity shares of ₹10 each have been allotted to the Company on June 1, 2016 on partial conversion of sub-debt loan given earlier to the extent of ₹66.10 crore. A provision for diminution in value of these shares of ₹66.10 crore has been made as per Prudential Norms of RBI.

Further, in case of another borrower GMR Chhattisgarh Energy Ltd. (GCEL), the Company has converted its debt into equity under approved Strategic Debt Restructuring (SDR) package and 27,50,00,000 number of equity shares of ₹10 each have been allotted to the Company on February 23, 2017. As at March 31, 2017, provision for diminution in value of investment works out to ₹81.95 crore. Company has opted to distribute the provision over four calendar quarters in accordance with RBI's SDR norms. Accordingly, a provision for diminution in value of investment of ₹20.49 crore has been provided in the last quarter of the current year. The balance diminution in value of investment of ₹61.46 crore shall be provided in FY 2017-18.



## 16.0 SUBSIDIARIES

To focus on additional business in the areas of consultancy, renewable energy, consortium lending, equity financing, etc. following wholly owned subsidiaries have been incorporated by your Company, as on date:

- (i) PFC Consulting Limited
- (ii) PFC Green Energy Limited
- (iii) PFC Capital Advisory Services Limited
- (iv) Power Equity Capital Advisors Private Limited

The Board of Directors of the Company have approved the Merger of PFC Capital Advisory Services Ltd. (PFC CAS) with PFC Consulting Ltd. (PFC CL). It is envisaged that the area of operations of PFC CAS (Debt Syndication, Debenture Trustee, Strategy/ Financial Advisory) can complement the area of operations of PFC CL (Reform Advisory, Tariff Bid Process Advisory, Communication Services etc.) providing synergy in the merger of PFC CL and PFC CAS.

Further, the Board of Directors of PFC Green Energy Limited (PFC GEL) and PFC accorded its in-principal approval for merger of PFC GEL with PFC in their respective meetings held on July 18, 2016 and August 9, 2016 respectively.

The process of mergers is under way.

Further, your Company is designated by Ministry of Power, Government of India as the 'nodal agency' for facilitating development of Ultra Mega Power Projects and its wholly owned subsidiary i.e. PFC Consulting Limited is the 'Bid Process Coordinator' for Independent transmission projects. As on March 31, 2017, for the said purpose, the following Special Purpose Vehicles (SPVs) have been incorporated as subsidiaries/deemed subsidiaries of the Company:

- i) Chhattisgarh Surguja Power Limited (Previously known as Akaltara Power Ltd.)
- ii) Coastal Karnataka Power Limited
- iii) Coastal Maharashtra Mega Power Limited
- iv) Coastal Tamil Nadu Power Limited
- v) Orissa Integrated Power Limited
- vi) Sakhigopal Integrated Power Company Limited
- vii) Ghogarpalli Integrated Power Company Limited
- viii) Tatiya Andhra Mega Power Limited
- ix) Deoghar Mega Power Limited
- x) Cheyyur Infra Limited
- xi) Odisha Infrapower Limited
- xii) Deoghar Infra Limited
- xiii) Bihar Infrapower Limited
- xiv) Bihar Mega Power Limited
- xv) Jharkhand Infrapower Limited
- xvi) Ballabgarh-GN Transmission Company Limited\*
- xvii) Tanda Transmission Company Limited \*
- xviii) Mohindergarh-Bhiwani Transmission Limited\*
- xix) South-Central East Delhi Power Transmission Limited\*
- xx) Fatehgarh-Bhadla Transmission Limited\*
- xxi) Bijawar-Vidarbha Transmission Limited\*
- xxii) Shongtong Karcham-Wangtoo Transmission Limited\*
- xxiii) Goa-Tamnar Transmission Project Limited\*

\* wholly owned subsidiaries of PFC Consulting Limited

## 16.1 PFC CONSULTING LIMITED

Your Company had been offering consultancy support to the Power Sector through its Consultancy Services Group (CSG) since October 1999. Leveraging the experience of the CSG Unit and appreciating the growth in the services offered by the Group and recognizing the potential of such services in reforming Power Sector, your Company decided to organize these services as a distinct dedicated business entity. Accordingly, PFC Consulting Limited (PFCCL) was incorporated in the form of a wholly owned subsidiary on March 25, 2008, in order to give it requisite autonomy in functions and flexibility in operations. PFCCL is mandated to promote, organize and carry out consultancy services to the Power Sector and is also undertaking the work related to the development of UMPPs and ITPs. PFCCL has been nominated as the 'Bid Process Coordinator' for selection of developer for the Independent Transmission Projects (ITPs) by Ministry of Power, GoI.

The Services offered by PFCCL are broadly in the following areas:

- ✓ Advisory services on issues emanating from implementation of Electricity Act 2003 like reform, restructuring, regulatory etc.
- ✓ Bid process management including Tariff based competitive bidding as per the Guidelines issued by MoP, GoI for various segments of Power Sector
- ✓ Project-structuring/ planning/ development/ specific studies, implementation monitoring, efficiency improvement projects
- ✓ Human Resource Management Plans
- ✓ Organisation performance improvement plans
- ✓ Contract related services for power sector
- ✓ Financial management, resource mobilization, accounting systems etc.
- ✓ Coal block development
- ✓ Renewable and non-conventional energy project development including "Waste to Energy" Projects
- ✓ Advisory Services for Distribution system Improvement Schemes
- ✓ Project Management Activities under IPDS and DDUGJY Schemes
- ✓ Detailed Project Reports and selection of Implementation Agency for Smart Grid
- ✓ Bidding under DEEP Portal for procurement of Power

Till date, consultancy services have been rendered to 57 clients spread across 23 States/UTs by PFCCL. The total number of assignments undertaken as on date is 104.

Further, during the FY 2016-17, the total income of PFCCL was ₹120.67 crore vis-à-vis ₹73.55 crore in the previous FY 2015-16 and the net profit earned by PFCCL during FY 2016-17 was ₹57.85 crore as against the corresponding net profit of ₹37.06 crore last fiscal.

## 16.2 PFC GREEN ENERGY LIMITED

PFC Green Energy Limited (PFC GEL) was incorporated on March 30, 2011 as a wholly owned subsidiary of the Company to extend finance and financial services to promote green (renewable and non-conventional) sources of energy. As on March 31, 2017, PFC GEL had an authorized share capital of ₹1200 crore and paid up share capital of ₹300 crore comprising of ₹10 crore equity shares of ₹10 each and ₹20 crore Fully Convertible Preference Shares of ₹10 each.

The Board of Directors of PFC GEL and PFC accorded its in-principal approval for merger of PFC GEL with PFC in their respective meetings held on July 18, 2016 and August 9, 2016 respectively.

PFC GEL continues to accomplish a healthy growth during the FY 2016-17. The total revenue from operation grew by 67% from ₹38.71 crore to ₹64.79 crore, profit before tax (PBT) grew by 31% from ₹32.95 crore to ₹43.14 crore and profit after tax (PAT) grew by 33% from ₹22.60 crore to ₹30.15 crore in FY 2016-17.

Considering the proposed merger of the company with its holding company, it has disbursed ₹283.51 crore to various ongoing renewable energy projects already sanctioned by it. As on March 31, 2017, the company had a loan portfolio of ₹629.60 crore.

During FY 2016-17, PFC GEL contributed ₹53.85 lakh towards 'Swachh Bharat Kosh' under its Corporate Social Responsibility.



### 16.3 PFC CAPITAL ADVISORY SERVICES LIMITED

PFC Capital Advisory Services Limited (PFCCAS) was incorporated as a wholly owned subsidiary of your company on July 18, 2011 to focus on sectoral requirements for financial advisory services, including syndication services. The authorised capital of the Company is ₹1 crore and the paid up share capital of the Company is ₹0.10 crore.

During the year, income from operations of PFCCAS was ₹1.53 crore while net profit after tax of the company is ₹1.06 crore.

Further, Board of Directors of PFC approved merger of PFC Capital Advisory Services Ltd. (PFCCAS) with PFC Consulting Ltd. (PFCCCL) subject to regulatory and other compliances in line with the recommendation of the Board of PFC Capital Advisory Services Ltd. (PFCCAS) with PFC Consulting Ltd. (PFCCCL).

### 16.4 POWER EQUITY CAPITAL ADVISORS PRIVATE LIMITED

Power Equity Capital Advisors Private Limited (PECAP), the wholly owned subsidiary of your company has not been able to transact any business due to lack of business proposals even after its acquisition by PFC and accordingly approval has been sought from MoP for dissolving and getting the name of the Company struck off from the records of Registrar of Companies, which is under consideration of MoP, GoI.

### 17.0 JOINT VENTURES, ASSOCIATE COMPANIES AND OTHER MAJOR INVESTMENTS (as on March 31, 2017)

#### 17.1 ENERGY EFFICIENCY SERVICES LIMITED

Energy Efficiency Services Limited (EESL) was incorporated on December 10, 2009. EESL was jointly promoted by Power Grid, NTPC, REC and PFC with 25% equity stake each for implementation of Energy Efficiency projects in India and abroad. It is the main implementation arms of the National Mission on Enhanced Energy Efficiency (NMEEE). Your Company has subscribed to 9,90,00,000 fully paid equity shares of EESL of face value of ₹10 per share as on March 31, 2016 and the same have been allotted on April 25, 2016. As on March 31, 2017, the stake of your company was 31.71% in EESL. EESL has reported profit after tax of ₹ 51.86 crore (Previous year: ₹37.08 crore) for FY 2016-17.

#### 17.2 PTC INDIA LIMITED

PTC India Limited (PTC) was jointly promoted by Power Grid, NTPC, NHPC and PFC. PFC has invested ₹12 crore in PTC which is 4.05% of PTC's total equity. PTC is the leading provider of power trading solutions in India, a Government of India initiated public-private partnership, whose primary focus is to develop a commercially vibrant power market in the country. During the FY 2016-17, PTC maintained its leadership position with trading volumes of 48.32 BUs. PTC has reported profit after tax of ₹290.87 crore for the year.

#### 17.3 POWER EXCHANGE INDIA LIMITED

Power Exchange India Limited (PXIL) is India's first institutionally promoted Power Exchange that provides innovative and credible solutions to transform the Indian Power Markets. PXIL, provides nation-wide, electronic Exchange for trading of power and handles power trading and transmission clearance, simultaneously, it provides transparent, neutral and efficient electronic platform. PXIL offers various products such as Day Ahead, Day Ahead Contingency, Any Day, Intra Day and Weekly Contracts. PXIL provides trading platform for Renewable Energy Certificates. PFC has made an equity investment of ₹3.22 crore in exchange (being 6.64% of PXIL's paid up equity share capital as on March 31, 2017). Due to erosion of Net Worth of PXIL, PFC has provided the entire investment amount of ₹3.22 crore as provision for diminution in the value of investment in its books.

#### 17.4 SHREE MAHESHWAR HYDEL POWER CORPORATION LIMITED

In June, 2016, PFC, being one of the lenders of Shree Maheshwar Hydel Power Corporation Limited (SMHPCL) has enforced its legal rights as per the Pledge deed dated November 30, 2006 as amended from time to time and subordinate loan agreement dated September 29, 2006, by invoking the shares pledged by the promoters of SMHPCL in favor of PFC and by partial converting sub debt loan into equity shares. Upon invocation of pledged shares and partial conversion of sub-debt, the total shareholding of PFC in SMHPCL stands 13,18,46,779 Equity Shares of ₹10 each representing 23.32% of paid up equity share capital of SMHPCL.

## 17.5 NATIONAL POWER EXCHANGE LIMITED

In order to promote short term trading through power exchange, PFC had promoted National Power Exchange Ltd (NPEX), jointly with NTPC, NHPC and TCS during 2008-09. PFC has contributed ₹2.19 crore (being 16.66% of paid up equity upto March 31, 2016) towards equity contribution in NPEX. NTPC and NHPC had expressed their intention to exit from JV Company and based on the recommendations of the Group of Promoters (GoP) of NPEX in March 2014, the Board of Directors of NPEX had decided for voluntary winding up of NPEX. The voluntary winding up procedure with respect to the NPEX has been completed and the liquidator has distributed the surplus funds to the promoters. Accordingly, PFC has received an amount ₹1.21 crore from liquidation of NPEX on July 21, 2016. The company was dissolved w.e.f March 31, 2017 by the order of The High Court of Delhi issued on May 26, 2017. The balance amount of investment of ₹0.98 crore has been written off as loss on the investment in the books of PFC in FY 2016-17.



Shri Ajay Kumar Bhalla, Secretary (Power) and Shri Rajeev Sharma, CMD, PFC signed a performance-related MoU on behalf of Govt. of India and PFC, respectively. Also present on the occasion were Ms. Shalini Prasad, Addl Secretary, MOP, Dr. Arun Kumar Verma, Jt. Secretary, MOP and other senior officials of MOP and PFC.

## 18.0 MEMORANDUM OF UNDERSTANDING WITH GOVT. OF INDIA

Your Company has been consistently accorded 'Excellent' Rating by Government of India since FY 1993-94 except for FY 2004-05. For the FY 2015-16, your company was accorded 'Excellent rating'. The rating for FY 2016-17 is still awaited.

## 19.0 PRESIDENTIAL DIRECTIVES

The Company has not received any Presidential directives during last three years.

## 20.0 CORPORATE SOCIAL RESPONSIBILITY

The aim of your company's Corporate Social Responsibility and Sustainability Policy (CSR and Sustainability Policy) is to ensure that your Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large by undertaking projects for Sustainable Development, mainly focusing on fulfillment of Power and Energy needs of the society.

In line with Section 135 of the Companies Act, 2013, at least 2% of the average Stand-alone Net Profit Before Tax (PBT) of the company earned during the three immediately preceding financial years is allocated every financial year for CSR activities.

PFC has implemented its CSR and Sustainability Policy with all its earnest and zeal. To oversee the activities of CSR, PFC has in place a Board level CSR&SD Committee of Directors headed by an Independent Director.

During the year, PFC implemented wide range of activities in the field of Solar energy, Skill development, Sanitation, Health, Environment sustainability and supported the differently abled.

For the FY 2016-17, the Board had approved the CSR budget of ₹166.15 crore based on 2% of the average stand-alone Profit Before Tax as per Companies Act 2013 excluding dividend received from other companies covered under and complying with Section 135 of the Act in line with Rule 2(f) (ii) of Companies (CSR Policy) Rules 2014.

The CSR Report under Companies (CSR Policy), Rules is annexed herewith.



Shri Rajeev Sharma, CMD, PFC presented a token of remittance for ₹56.43 crore towards "Swachh Bharat Kosh" to Shri Ashok Lavasa, Finance Secretary and Secretary (Expenditure), Ministry of Finance, GoI and the Chairperson of the Swachh Bharat Kosh (SBK). Shri Vivek Joshi, Administrator, SBK and Directors and senior officers of PFC were also present on this occasion.

## 21.0 HRD INITIATIVES

### DEVELOPMENT & TRAINING

During the year 2016-17, the focus of conducting in house programs was maintained in order to ensure specific skill development in line with the corporate goals. Customized programs like training on Indian Accounting Standards, Financial Modeling & Credit Analysis, Private Equity, Non-Performing Assets Management, Early Warning Signals & Restructuring of Stressed Accounts, Induction program, Training for promotion, Health Management, Personality Development, CDA Rules & Filing of Property Return etc. were organized along with other need-based programs.

As on March 31, 2017, 21 number of in-house training programs were organized by the Company for its employees. A total of 1947 man-days were achieved through conducting various in-house programs and by sponsoring PFC employees to the programs organized by external training agencies.

### RECREATIONAL ACTIVITIES

Your Company is committed towards holistic personality development of its employees through facilities like Gymnasium, Library, Table Tennis and participation of employees in various sports, cultural and literary activities.



Shri Anant G. Geete, Hon'ble Minister of Heavy Industries and Public Enterprises at PFC Stall during CSR Fair held at Pragati Maidan.

As a member of Power Sports Control Board, your company has been organizing an Inter-CPSU Tournament every year for the employees of PSCB member organisations. PFC organized 16<sup>th</sup> Inter-CPSU Cricket Tournament under the aegis of PSCB. Employees of PFC exhibit an enthusiastic participation in various Inter-CPSU sports tournaments such as Cricket, Badminton, Table Tennis, Carrom, Chess, etc. organized by the PSCB member organisations. The participation in these sports results in a greater level of team spirit and fitness among the employees.

Employees of PFC also participate in various Inter-PSU competitions organized at Delhi-NCR level by Nagar Rajbhasha Karyanvayan Samiti (NARAKAS) every year such as Debate, Poetry, Shrut Lekhan & General Hindi Knowledge competitions. PFC also organizes Inter-PSU competitions under the aegis of NARAKAS. Employees also explore their love for writing, photography, etc. through active engagement with 'Urja Deepti' – a quarterly paper magazine of PFC. Entries selected for the magazine are also rewarded in the form of cash incentive to the employees to encourage them for frequent engagement with the recreational activities and promotion of the official language.

PFC has organized one hour session of yoga classes for 20 days to ensure healthy lifestyle of its employees. Training program on 'Stress Management & Team Building' was also organized during the year for its employees.

In addition to the above, many cultural and literary activities like speech, debate, pictorial theme representation, nukkad natak, etc. were organized in the Company to celebrate various special occasions during last one year.

#### **HUMAN RESOURCE MANAGEMENT**

Your company has put in place effective human resource acquisition and maintenance function, which is benchmarked with best corporate practices designed to meet the organizational needs. This apart from other strategic interventions leads to an effective management of Human Resources thereby ensuring high level of productivity.

The Industrial Relations within the company has been very cordial and harmonious with the employees committing themselves entirely to the objectives of the company. There was no mandays lost during the year under review. The attrition rate for the period from April 1, 2016 to March 31, 2017 comes out to 0.21%.





Inauguration of PFC stall at the 'INTELECT 2017' by the Hon'ble former Union Minister of State for Power, Coal & NRE (I/c) Shri Piyush Goyal on 23<sup>rd</sup> January, 2017

## WELFARE MEASURES

Your Company follows good management practices. The employees of the company have access to the Top Management officials thereby contributing effectively in the management and growth of the company.

Commitment of the workforce is ensured through an effective package of welfare measures which include comprehensive insurance, medical facilities and other amenities which lead to a healthy workforce.

## RESERVATION OF POSTS FOR SC/ST/OBC/EX-SERVICEMEN AND PHYSICALLY HANDICAPPED PERSONS IN THE SERVICES OF COMPANY

Group	Total Employees as on March 31, 2017	SCs	SC%	STs	ST%	OBC	OBC%
A	388	67	17.27%	20	5.16%	68	17.53%
B	92	15	16.30%	8	8.70%	12	13.04%
C	17	3	17.65%	1	5.88%	3	17.65%
D	2	0	0.00%	0	0.00%	1	33.33%
<b>Total</b>	<b>499</b>	<b>85</b>	<b>17.03%</b>	<b>29</b>	<b>5.81%</b>	<b>84</b>	<b>16.83%</b>

PFC as a part of its social responsibility makes all efforts to ensure compliance of the Directives and Guidelines issued by the Government of India from time to time pertaining to the welfare of SC/ ST/ OBC employees. The steps taken include due reservations and relaxation as applicable under the various directives for direct recruitment as well as for promotions. A separate Liaison officer has been appointed to look into the matter of reservations.

## REPRESENTATION OF WOMEN EMPLOYEES

Your Company has women in important and critical functional areas. Women representations have gone across hierarchical levels. The Company provides equal growth opportunities for the women in line with Govt. of India philosophy on the subject. The women are adequately represented, with 20.04% of the total work force.

Group	Total Employees as on March 31, 2017	Number of Women Employees	Percentage of overall staff strength
A	388	63	16.23%
B	92	34	36.96%
C	17	3	17.65%
D	2	0	0.00%
<b>Total</b>	<b>499</b>	<b>100</b>	<b>20.04%</b>

PFC as part of its social responsibility makes all efforts to ensure compliance of the Directives and guidelines issued by the Government of India from time to time pertaining to the welfare of female employees. A committee to examine the cases related to sexual harassment is in place. During the FY 2016-17, no case has been filed under the "Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013".

## 22.0 DIRECTORS' RESPONSIBILITY STATEMENT

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

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

## 23.0 STATUTORY AUDITORS

M/s. M.K. Aggarwal & Co., Chartered Accountants and M/s K. B. Chandna & Co., Chartered Accountants were appointed as Joint Statutory Auditors of the Company for the FY 2016-17 by the Comptroller & Auditor General of India.

The Joint Statutory Auditors have audited the accounts of the Company for the FY 2016-17 and have given their report without any qualification. The copy of the audit report is annexed herewith.

### SECRETARIAL AUDITOR

M/s. Agarwal S. & Associates, Company Secretaries was appointed as the Secretarial Auditor of the Company for the FY 2016-17 by the Board of Directors of the Company.

The observations of the Secretarial Auditor and reply of the management on the observations, for the FY 2016-17 along with copy of the audit report is annexed herewith.

## 24.0 COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

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



## 25.0 DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Internal Auditor of the Company i.e. M/s A.R. & Co., Chartered Accountants quarterly certifies on the adequacy of internal financial controls with reference to the financial statements of the Company.

The Statutory Auditor of the Company i.e. M/s. M.K. Aggarwal & Co., Chartered Accountants and M/s K. B. Chandna & Co., Chartered Accountants have also given their Report on the Internal Financial Controls stating that the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on internal control over financial reporting criteria established by the Company considering the essential components of internal control as per Guidance Note of the Institute of Chartered Accountants of India.

## 26.0 PARTICULARS OF REMUNERATION U/S 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

As per the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of remuneration of each director to the median employees' remuneration and details of employees receiving remuneration exceeding the limits as prescribed from time to time in the Board's Report.

However, as per notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Board's Report.

## 27.0 DEBENTURE TRUSTEES

The details of Debenture Trustees appointed by the company for the different series of Bonds issued by your company are annexed herewith.

## 28.0 STATUS OF UNCLAIMED AMOUNTS

### Bonds

The total unclaimed and unpaid amount as on March 31, 2017 was ₹13.78 crore (principal and interest). Further, an amount of ₹0.56 crore (principal and interest) remains unpaid pending submission of succession certificate by the claimants. The unpaid/unclaimed amount of bonds transferred to IEPF during FY 2016-17 is ₹4.30 crore.

### Equity

The unclaimed balance amount of dividend (equity) and application money received and due for refund (FPO) as on March 31, 2017 was ₹1.47 crore and ₹0.038 crore respectively. The unclaimed amount of ₹28,56,105 become due for transfer to Investor Education and Protection Fund (IEPF) during the year ended March 31, 2017. Of this, an amount of ₹19,53,354 was deposited in IEPF during FY 2016-17 and the balance amount of ₹9,02,751 was deposited in IEPF on April 3, 2017 vide DD dated March 31, 2017. The detail of investors' (whose refund is due) is available on PFC's website and IEPF website of Ministry of Corporate Affairs.

## 29.0 EMPLOYEES STOCK OPTIONS PLAN (ESOP)

The Department of Public Enterprises (DPE), Ministry of Heavy Industries & Public Enterprises, Govt. of India, through its directions on pay revision had made it mandatory for all the Central Public Sector Enterprises (CPSEs) to formulate an Employee Stock Option Plan (ESOP) and pay 10% to 25% of the Performance Related Pay (PRP) of the employees in the form of ESOPs. In accordance with these directions of the DPE, the Board of Directors of your company had formulated an Employee Stock Option Plan titled as 'PFC-ESOP 2010'. Shareholders had also approved this Employee Stock Option Plan in their 24<sup>th</sup> Annual General Meeting held on September 21, 2010. Subsequently, the Board of Directors had decided that 25% of the PRP of the employees should be given in the form of ESOPs. However, later in view of a clarification dated July 30, 2012 issued by DPE, this PRP based Stock Option Plan has been made optional. The details regarding ESOP are available on Company website i.e. [www.pfcindia.com](http://www.pfcindia.com). The above scheme has been implemented in the Company as per the applicable Rules/Regulations/DPE guidelines and clarifications. A certificate in this regard by statutory auditors will be placed at the ensuing AGM of the Company.

Further, as on date, there is no option pending for grant or exercise under the 'PFC-ESOP 2010'.

Further no option was granted/exercised to/by any employee during the year 2016-17.



Shri Rajeev Sharma, CMD, PFC administering pledge to employees on the occasion of Vigilance Awareness Week

### 30.0 VIGILANCE

During the FY 2016-17, the Vigilance Unit functioned as an effective tool of management, the thrust being on preventive vigilance. This aspect was emphasized by conducting periodic and surprise inspections of various units and by issuing effective guidelines to streamline systems with the aim of eliminating gaps and ensuring transparency in day-to-day operations. Information technology was used as an effective tool for providing on-line services to all the stakeholders and to enhance organizational efficiency. Vigilance Unit also undertook the review of Operational Manuals of various units of the Company. The detailed investigation was carried out in respect of registered complaints during this period.

In accordance with directives of CVC, Vigilance Awareness week was observed from October 31, 2016 to November 5, 2016 in the head office and regional offices of the Company.

In compliance of the instructions of CVC, the sensitive posts in the Company were identified afresh and the concerned officers were rotated. Agreed lists for the year 2016 were finalized in respect of corporate office at Delhi and regional offices at Mumbai and Chennai in consultation with the CBI. Prescribed periodical statistical returns were sent to CVC, CBI, MoP on time.

Thus, the Vigilance Unit continuously worked for systemic improvements with a view to bring about greater transparency, objectivity and accountability thereby contributing to the overall efficiency and effectiveness of the organization.

### 31.0 OFFICIAL LANGUAGE

Your Company was awarded the First Prize in Public Sector Category in Region 'A' of 'Rajbhasha Kirti Puraskar' for the year 2015-16 by Rajbhasha Vibhag, Ministry of Home Affairs for its concerted efforts made in implementation of Official Language Policy. PFC also received 'Rajbhasha Shield' third prize for the year 2014-15 by Ministry of Power.

Meetings of the Official Language Implementation Committee (OLIC) were organised in each quarter. Departmental Hindi meetings were also organized at the unit level. Several Sangoshties and/or talks in Hindi on various topics like, 'Financial Planning', 'Rashtriya Pension Scheme', 'Hriday Rog', 'Ahimsa', 'Bharat ka Samvidhan' were organized in Hindi wherein various officials of PFC participated. On the occasion of International Yoga Day on June 21, 2016, CMD addressed the employees in Hindi highlighting the importance and benefits of Yoga.

Hindi Day and Hindi Month were celebrated to create a Hindi oriented environment in the Company. During the Hindi Month, apart from other activities, various competitions, like Vartani Shodhan, 'Tasveer kya kahati hai', 'Boond-Boond Se Sagar Banta' and 'Bhanumati ka Pitara' were organized. A Paricharcha under the aegis of TOLIC was also organized wherein officials of various organisations

participated. Four Hindi workshops were organized for the employees of the Company with a view to improve their efficiency in doing their day to day official work in Hindi. The Annual Report of the Company was published in bilingual form.

### 32.0 RIGHT TO INFORMATION ACT

The Right to Information Act, 2005 has been enacted by the Parliament to provide for right to information for citizens to secure access to information under the control of public authorities. The basic object of the Right to Information Act is to empower the citizens, promote transparency and accountability in the working of the Government, contain corruption, and make our democracy work for the people in real sense. It goes without saying that an informed citizen is better equipped to keep necessary vigil on the instruments of governance and make the government more accountable. The Act is a big step towards making the citizens informed about the activities of the Government.

PFC is a Public Authority under the RTI Act 2005. In compliance with the requirements of the Right to Information Act 2005, your Company has put in place a web based RTI workflow system and a comprehensive mechanism for handling RTI applications. The Company has designated a Public Information Officer (PIO) and Appellate Authority at its registered office for effective implementation of the RTI Act.

During the FY 2016-17, all 120 applications received under the RTI Act, were duly processed and replied to. In compliance with Section 4 of the RTI Act, requisite disclosures have been updated and hosted on PFC website. Your company has also complied with the directions of Central Information Commission (CIC) regarding filing of online Quarterly/Annual Return for the FY 2016-17.

#### SUO-MOTO DISCLOSURES UNDER SECTION 4 OF THE RTI ACT 2005

In order to strengthen compliance of the provisions of disclosures as contained in Section 4 of the RTI Act, 2005, Department of Personnel & Training (DoPT) vide its OM No. 1/6/2011-IR dated 15.04.2013 issued guidelines on the following :-

- (i) Suo-moto disclosure of more items under Section 4;
- (ii) Guidelines for digital publication of proactive disclosure under Section 4;
- (iii) Guidelines for certain clauses of Section 4(1)(b) to make disclosure more effective;
- (iv) Compliance mechanism for suomoto disclosure (proactive disclosure) under RTI Act, 2005.

In compliance of the aforesaid guidelines, your company has placed the requisite information on the website of the company.

### 33.0 GRIEVANCE REDRESSAL

Your Company has a Grievance Redressal System for dealing with grievances of the public at large. The systems are duly notified and the Nodal Officers ensure quick redressal of grievances within the permissible time frame. Your Company has also notified Citizen's Charter to ensure transparency in its work activities. The Charter is available on the website of PFC to facilitate easy access.

### 34.0 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders were passed by any regulator or court or tribunal impacting the going concern status and company's operations during the FY 2016-17.

### 35.0 DETAILS OF PROCUREMENT FROM MSEs

The details of the procurements made from Micro and Small Enterprises (MSEs) during the FY 2016-17 and the targets for FY 2017-18 as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 is as under:

S.No.	Particulars	FY 2016-17 (₹)	Target for FY 2017-18 (₹)
I	Total annual procurement (in value)	16,07,50,983	17,68,00,000
II	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	5,45,53,083	3,54,00,000

S.No.	Particulars	FY 2016-17 (₹)	Target for FY 2017-18 (₹)
III	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs*	-	-
IV	% age of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of total procurement	34%	20%
V	% age of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement*	-	-
VI	Total number of vendor development Programmes for MSEs	5 vendors per year	5 vendors per year
VII	Confirmation of uploading annual MSE procurement profile on your website by hyperlink of same	<a href="http://www.pfcindia.com/Home/VS/125">http://www.pfcindia.com/Home/VS/125</a>	

\* Provision for SC/ST entrepreneurs was made in the tender documents. However, no SC/ST vendor participated in bidding process.

### 36.0 STATUTORY AND OTHER INFORMATION

Information required to be furnished as per the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE's Guidelines on Corporate Governance for CPSEs etc. is annexed to this report as follows:

Particulars	Annexure
The financial performance of the Company based on Audited Annual Accounts for the FY 2016-17, without considering the impact of alignment to RBI Restructuring norms certified by statutory auditors.	A
Details of Debenture Trustees	B
Extract of Annual Return (MGT-9)	C
Annual Report on CSR Activities	D
Disclosure of particulars of contracts/arrangements entered into by the company with related parties (AOC-2)	E
Management Discussion and Analysis Report	F
Report on Corporate Governance	G
Business Responsibility Report	H
Secretarial Audit Report	I

### 37.0 ACKNOWLEDGEMENT

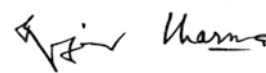
The Board of Directors acknowledge and place on record their appreciation for the guidance, co-operation and encouragement extended to the Company by the Government of India, Ministry of Power, Ministry of Finance, Ministry of Corporate Affairs, Reserve Bank of India, Department of Public Enterprises, Securities and Exchange Board of India, National Stock Exchange of India Limited, Bombay Stock Exchange Limited and other concerned Government departments/agencies at the Central and State level as well as various domestic and international financial institutions/banks, agencies etc.

The Board also conveys its gratitude to the shareholders, various International and Indian Banks/Multilateral agencies/financial Institutions/ credit rating agencies for the continued trust and for the confidence reposed by them in PFC. Your Directors would also like to convey their gratitude to the clients and customers for their unwavering trust and support.

The Company is also thankful to the Comptroller & Auditor General of India and the Statutory Auditors and Secretarial Auditor for their constructive suggestions and co-operation.

We would also like to place on record our appreciation for the untiring efforts and contributions made by the employees to ensure excellent all round performance of your Company.

For and on behalf of the Board of Directors



(Rajeev Sharma)

Chairman & Managing Director

DIN: 00973413

Place: New Delhi  
Dated: August 24, 2017

## Annexure - A of Board's Report

**Financial Performance of PFC based on Audited Annual Accounts for FY 2016-17, without considering the impact of alignment to RBI Restructuring Norms in view of RBI's letter dated 11.04.2017.**

	Unit	Standalone		Consolidated	
		FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Revenue from Operations	(₹ Crore)	27,244	27,474	27,817	27,780
Operating Profit (PBT excluding other income, extraordinary & exceptional items)	(₹ Crore)	8,759	8,970	8,894	9,062
Profit Before Tax (PBT)	(₹ Crore)	9,061	9,061	9,215	9,167
Profit After Tax (PAT)	(₹ Crore)	5,937	6,113	6,046	6,184
Net NPA / Loan Assets	%	1.80	2.55	1.80	2.55
Net NPA / Loan Assets (excluding outstanding of RKM Powergen Pvt. Ltd)	%	1.84	2.60	1.84	2.60
Overdue Loans / Total Loan Assets (excluding overdue in NPA cases)	%	0.25	0.82	0.25	0.82
Dividend #	(₹ Crore)	1,320	1,834.86	1,320	1,834.86
Net worth	(₹ Crore)	40,280	35,766	40,655	36,028

# ₹1,320 crores has been paid as interim dividend, however, final dividend was not permissible considering FY 2016-17 profit and statutory laws including provisions of Income Tax Act.

**FOR M.K. AGGARWAL & CO.**

Chartered Accountants  
Firm's Registration No.: 01411N  
by the hand of

Sd/-

**CA M.K. AGGARWAL**

Partner  
Membership No.014956

Date: July 28, 2017

Place: New Delhi

**FOR K. B. CHANDNA & CO.**

Chartered Accountants  
Firm's Registration No.: 00862N  
by the hand of

Sd/-

**CA SANJEEV CHANDNA**

Partner  
Membership No.087354

## Debenture Trustees appointed by the company for the different series of Bonds

Sl. No.	Name & Address of Trustee	Bond Series
1.	<b>Visra ITCL (India) Ltd. (Formerly IL&amp;FS Trust Company Limited)</b>  The IL&FS Financial Centre, Plot C-22, G-Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051	9.60% TAXU PFC Bonds (2017)-XIII Series 8.21% TAXU PFC Bonds (2017)-XVII Series 7.87% TAXU PFC Bonds (2017)-XVIII Series Zero Coupon Bonds-(2022) XIX Series 8.19% PFC Subordinated Tier II- Debt Bond Series 105 8.01% TAX FREE BOND SERIES 107-A 8.46% TAX FREE BOND SERIES 107-B 9.81% SECURED TAXABLE BOND SERIES 109 9.65% PFC Subordinated Tier II- Debt Bond Series 111 9.70% TAXABLE SECURED BOND SERIES 112A 9.70% TAXABLE SECURED BOND SERIES 112B 9.70% TAXABLE SECURED BOND SERIES 112C 9.69% TAXABLE SECURED BOND SERIES 113 9.70% PFC Subordinated Tier II- Debt Bond Series 114 7.19% 10YRS TAX FREE BONDS 12-13 TR -I SERIES I 7.69% 10YRS TAX FREE BONDS 2012-13 TR-I SERIES-1 7.36% 15YRS TAX FREE BONDS 2012-13 TR-I SERIES-2 7.86% 15YRS TAX FREE BONDS 2012-13 TR-I SERIES-2 6.88% TR-2 TAX FREE BONDS 12-13 7.38% TR-2 TAX FREE BONDS 12-13 7.04% TR-2 TAX FREE BONDS 12-13 7.54% TR 2 TAX FREE BONDS 12-13 8.18% Tax Free Bonds 13-14 Series 1A 8.43% Tax Free Bonds 13-14 Series 1B 8.54% Tax Free Bonds 13-14 Series 2A 8.79% Tax Free Bonds 13-14 Series 2B 8.67% Tax Free Bonds 13-14 Series 3A 8.92% Tax Free Bonds 13-14 Series 3B
2.	<b>IDBI Trusteeship Services Ltd.</b>  Vishawastha Bhavan, 1 <sup>st</sup> Floor, 218 Pratapganj Peth, Satara- 415002	7.6% TAXABLE BOND SERIES XXV 8.85% TAXU BOND SERIES XXVIII 9.96% TAXU BOND SERIES XXXV 9.28% TAXU BOND SERIES- XLC 9.68% BOND SERIES XLVII-C 10.55% TAXU BOND (XLVIII-C)-2018 10.85%- TAXU BONDS-XLIX-B 11.00% TAXU BOND -LI-C 11.25% TAXU BOND SERIES LII-C 8.60% TAX BOND SERIES-57 B 8.60% TAX BOND SERIES-57 C 8.80% TAXU BOND SERIES-59B INCMTBMK+179BSP TAXU BOND SERIES-60B 8.50% TAXU BOND SERIES-61 8.50% TAXU BOND SERIES-61 8.70% TAXU BOND SERIES-62A 8.80% TAXU BOND SERIES-62B 8.90% TAXU BOND SERIES-63 8.90% TAXU BOND SERIES-63 8.95% TAXU BOND SERIES-64 8.95% TAXU BOND SERIES-64



Sl. No.	Name & Address of Trustee	Bond Series
3.	<b>PNB Investment Services Ltd.</b> 10, Rakeshdeep Building, Yusuf Sarai Commercial Complex, Gulmohar Enclave, New Delhi-110049	8.70% TAXU PFC Bonds-65-Series 8.70% TAXU PFC Bonds-65-Series 8.65% TAXU PFC Bonds-66 A-Series 8.75% TAXU PFC Bonds-66 B-Series 8.85% TAXU PFC Bonds-66 C-Series 8.70% TAXU PFC Bonds-68 B-Series 8.78% TAXU PFC Bonds-70-Series 9.05% TAXU PFC Bonds-71 Series 9.05% TAXU PFC Bonds-71 Series 9.05% TAXU PFC Bonds-71 Series 8.97% TAXU PFC Bonds-72-A Series 8.99% TAXU PFC Bonds-72 B-Series 9.18% TAXU PFC Bonds – Series 73 9.70% TAXU PFC Bonds – Series 74 9.61% TAXU PFC Bonds – Series 75-C 9.36% TAXU PFC Bonds – Series 76-A 9.46% TAXU PFC Bonds – Series 76-B 9.45% TAXU PFC Bonds – Series 77-B 9.44% TAXU PFC Bonds – Series 78-B 7.51% SEC TAX FREE PFC Bonds – Series 79-A 7.75% SEC TAX FREE PFC Bonds – Series 79-B 8.09% SEC TAX FREE PFC Bonds – Series 80-A 8.16% SEC TAX FREE PFC Bonds – Series 80-B 9.70% TAXU PFC Bonds – Series 82-C 9.30% TAXU PFC Bonds – Series 85-C 9.26% TAXU PFC Bonds – Series 85-D 9.42% TAXU PFC Bonds – Series 87-D 9.48% TAXU PFC Bonds– Series 88-C Infrastructure Bonds (2011-12) – tranche I- Series-I Infrastructure Bonds (2011-12) – tranche I- Series-II Infrastructure Bonds (2011-12) – tranche I- Series-III Infrastructure Bonds (2011-12) – tranche I- Series-IV 8.43% Series I Private Placement Infra 8.43% Series II Infra Private Placement 8.72% Series III Infra bonds Private Placement 8.72% Series IV Infra Bonds Private Placement
4.	<b>Catalyst Trusteeship Ltd. (Formerly GDA Trusteeship Ltd.)</b> “GDA HOUSE”, Plot No.85, Bhusari Colony (Right), Paud Road, Pune-411038	Infrastructure Bonds (2010-11)– tranche I-Series-I Infrastructure Bonds (2010-11)– tranche I-Series-II Infrastructure Bonds (2010-11)– tranche I-Series-III Infrastructure Bonds (2010-11)– tranche I-Series-IV 8.20% Public Issue of Tax Free Bonds FY 2011-12 8.30% Public Issue of Tax Free Bonds FY 2011-12 7.21% TAX FREE Bond Series 94-A 7.38% TAX FREE Bonds Series 94-B 7.22% TAX FREE Bonds Series 95-A 7.38% TAX FREE PFC Bonds Series 95-B 9.52% PFC BONDS SERIES 89-A 9.61% PFC BONDS SERIES 90-A 9.41% PFC BONDS SERIES 90-B BOND SERIES 91-A BOND SERIES 91-B 9.01% PFC Bonds Series 92-A 9.27% PFC Bonds Series 92-B

Sl. No.	Name & Address of Trustee	Bond Series
		9.29% PFC Bonds Series 92-C
		PFC Bonds Series 93-B
		8.72% TAXABLE BONDS SERIES 98-II (2018)
		8.72% TAXABLE BONDS SERIES 98-III (2019)
		8.77% PFC Bonds Series 99-A
		8.82% PFC Bonds Series 99-B
		8.86% PFC Bonds Series 100-A
		8.84% PFC Bonds Series 100-B
		8.95% PFC Bonds Series 101-A
		9.00% PFC Bonds Series 101-B
		8.90% PFC Bonds Series 102-A (I)
		8.90% PFC Bonds Series 102-A (II)
		8.90% PFC Bonds Series 102-A (III)
		8.87% PFC BOND SERIES 102-B
		8.94% PFC Bonds Series 103
		9.11% PFC Bonds Series 115-I
		9.15% PFC Bonds Series 115-II
		9.20% PFC Bonds Series 115- III
		9.32% PFC Bonds Series 117-A
		9.37% PFC Bonds Series 117-B
		9.30% PFC Bonds Series 118-A
		9.39% PFC Bonds Series 118-B-I
		9.39% PFC Bonds Series 118-B-II
		9.39% PFC Bonds Series 118-B-III
		9.32% PFC Bonds Series 119-B
		8.98% PFC Bonds Series 120-A
		8.98% PFC Bonds Series 120-B
		8.90% PFC Bonds Series 121-A
		8.96% PFC Bonds Series 121-B
		8.76% PFC Bonds Series 122
		8.50% PFC Bonds Series 123-A
		8.65% PFC Bonds Series 123-B
		8.66% PFC Bonds Series 123-C
		8.52% PFC Bonds Series 124-A
		8.55% PFC Bonds Series 124-B
		8.48% PFC Bonds Series 124-C
		8.65% PFC Bonds Series 125
		8.65% PFC Bonds Series 126
		8.36% PFC Bonds Series 127
		8.20% PFC Bonds Series 128
		8.29% PFC Bonds Series 129-A
		8.29% PFC Bonds Series 129-B
		8.40% PFC Bonds Series 130-A
		8.42% PFC Bonds Series 130-B
		8.39% PFC Bonds Series 130-C
		8.34% PFC Bonds Series 131-A
		8.38% PFC Bonds Series 131-B
		8.41% PFC Bonds Series 131-C



Sl. No.	Name & Address of Trustee	Bond Series
5.	<b>Milestone Trusteeship Services Pvt Ltd.</b> 602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital Bandra (E), Mumbai-400 051, Tel: 022-67167082 Fax 022-67167077	8.03% PFC BOND SERIES 132-A 8.09% PFC BOND SERIES 132-B 8.00% PFC BOND SERIES 133-A 8.00% PFC BOND SERIES 133-B 8.35% PFC BOND SERIES 134-A 8.39% PFC BOND SERIES 134-B 8.40% PFC BOND SERIES 135-A 8.50% PFC BOND SERIES 135-B 7.16% PFC BOND SERIES 136 8.53% PFC BOND SERIES 137 8.45% PFC BOND SERIES 138 8.12% PFC BOND SERIES 139-A 8.12% PFC BOND SERIES 139-B 8.17% PFC BOND SERIES 139-C 8.28% PFC BOND SERIES 140-A 8.36% PFC BOND SERIES 140-B 8.46% PFC BOND SERIES 141-A 8.40% PFC BOND SERIES 141-B 7.88% PFC BOND SERIES 142-A 8.00% PFC BOND SERIES 142-A 8.12% PFC BOND SERIES 143 7.98% PFC BOND SERIES 144 7.85% PFC BOND SERIES 145 8.05% PFC BOND SERIES 146 8.03% PFC BOND SERIES 147 7.95% PFC BOND SERIES 148 8.04% PFC BOND SERIES 149 7.50% PFC BOND SERIES 150-A 7.63% PFC BOND SERIES 150-B 7.47% PFC BOND SERIES 151-A 7.56% PFC BOND SERIES 151-B 7.55% PFC BOND SERIES 152 7.40% PFC BOND SERIES 153 7.27% PFC BOND SERIES 154 7.27% PFC BOND SERIES 155 7.27% PFC BOND SERIES 156-Gol Fully Serviced Bond 7.27% PFC BOND SERIES 157 7.27% PFC BOND SERIES 158-Gol Fully Serviced Bond 7.27% PFC BOND SERIES 159 7.27% PFC BOND SERIES 160-Gol Fully Serviced Bond 7.27% PFC BOND SERIES 161 7.27% PFC BOND SERIES 162 7.27% PFC BOND SERIES 163 7.27% PFC BOND SERIES 164-Gol Fully Serviced Bond 7.27% PFC BOND SERIES 165 7.11% PFC TAXFREE BONDS 1A 17.10.2015 7.36% PFC TAXFREE BONDS 1B 17.10.2015 7.27% PFC TAXFREE BONDS 2A 17.10.2015 7.52% PFC TAXFREE BONDS 2B 17.10.2015 7.35% PFC TAXFREE BONDS 3A 17.10.2015 7.60% PFC TAXFREE BONDS 3B 17.10.2015

## Form No. MGT-9 EXTRACT OF ANNUAL RETURN

**As on the financial year ended on March 31, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L65910DL1986GOI024862										
ii)	Registration Date	July 16, 1986										
iii)	Name of the Company	Power Finance Corporation Limited										
iv)	Category / Sub-Category of the Company	Public Company/Government Company, NBFC, Limited by Shares, Company having share capital										
v)	Address of the Registered office and contact details	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><b>Registered Office</b></td> <td style="width: 50%;"><b>Company Secretary</b></td> </tr> <tr> <td>'Urjanidhi',</td> <td>Shri Manohar Balwani</td> </tr> <tr> <td>I, Barakhamba Lane,</td> <td>Tel: +91 11 23456020</td> </tr> <tr> <td>Connaught Place,</td> <td>Fax: +91 11 23456786</td> </tr> <tr> <td>New Delhi- 110001</td> <td>e-mail: investorsgrievance@pfcindia.com</td> </tr> </table>	<b>Registered Office</b>	<b>Company Secretary</b>	'Urjanidhi',	Shri Manohar Balwani	I, Barakhamba Lane,	Tel: +91 11 23456020	Connaught Place,	Fax: +91 11 23456786	New Delhi- 110001	e-mail: investorsgrievance@pfcindia.com
<b>Registered Office</b>	<b>Company Secretary</b>											
'Urjanidhi',	Shri Manohar Balwani											
I, Barakhamba Lane,	Tel: +91 11 23456020											
Connaught Place,	Fax: +91 11 23456786											
New Delhi- 110001	e-mail: investorsgrievance@pfcindia.com											
vi)	Whether listed company Yes / No	Yes										
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	<p><b>Karvy Computershare Private Limited</b>  <b>Communication Address</b>  Karvy Computershare Private  "Karvy Selenium Tower B", Plot No. 31 &amp; 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500 032, Andhra Pradesh, India</p> <p>Tel: +91 40 67162222, Fax: +91 40 23420814  Email: support@karvy.com, Website: www.karvycomputershare.com</p>										

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Interest on Loans and Income from other services	64990 (Other financial service activities, except insurance and pension funding activities)	100

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

Sl. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1	PFC Consulting Limited	U74140DL2008GOI175858	Subsidiary	100	Section 2(87) of Companies Act, 2013
2	PFC Green Energy Limited	U65923DL2011GOI216796	Subsidiary	100	
3	PFC Capital Advisory Services Limited	U74140DL2011GOI222484	Subsidiary	100	
4	Power Equity Capital Advisors Private Limited	U65100DL2008PTCI75845	Subsidiary	100	
5	Chhattisgarh Surguja Power Limited (Previously known as Akaltara Power Ltd.)	U40102DL2006GOI146111	Subsidiary	100	
6	Coastal Karnataka Power Limited	U40102DL2006GOI146109	Subsidiary	100	

Sl. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section	
7	Coastal Maharashtra Mega Power Limited	U40102DL2006G01146953	Subsidiary	100	Wholly owned subsidiaries of PFC Consulting Limited	
8	Coastal Tamil Nadu Power Limited	U40102DL2007G01157615	Subsidiary	100		
9	Orissa Integrated Power Limited	U40102DL2006G01152423	Subsidiary	100		
10	Sakhigopal Integrated Power Company Limited	U40108DL2008G01178409	Subsidiary	100		
11	Ghogarpalli Integrated Power Company Limited	U45207DL2008G01178456	Subsidiary	100		
12	Tatiya Andhra Mega Power Limited	U40200DL2009G01189476	Subsidiary	100		
13	Deoghar Mega Power Limited	U40300DL2012G01234839	Subsidiary	100		
14	Cheyur Infra Limited	U93000DL2014G01263819	Subsidiary	100		
15	Odisha Infrapower Limited	U93000DL2014G01263902	Subsidiary	100		
16	Deoghar Infra Limited	U93000DL2015G01282164	Subsidiary	100		
17	Bihar Infrapower Limited	U93000DL2015G01282192	Subsidiary	100		
18	Bihar Mega Power Limited	U93000DL2015G01282653	Subsidiary	100		
19	Jharkhand Infrapower Limited	U40300DL2015G01288311	Subsidiary	100		
20	Ballabgarh-GN Transmission Company Limited	U74999DL2013G01257470	Subsidiary			
21	Tanda Transmission Company Limited	U74999DL2013G01257471	Subsidiary			
22	Mohindergarh-Bhiwani Transmission Limited	U40106DL2014G01274558	Subsidiary			
23	South-Central East Delhi Power Transmission Limited	U40109DL2015G01276863	Subsidiary			
24	Fatehgarh-Bhadla Transmission Limited	U40300DL2016G01309971	Subsidiary			
25	Bijawar-Vidarbha Transmission Limited	U40300DL2017G01310540	Subsidiary			
26	Shongtong Karcham-Wangtoo Transmission Limited	U40300DL2017G01310556	Subsidiary			
27	Goa-Tamnar Transmission Project Limited	U40106DL2017G01310611	Subsidiary			
28	Energy Efficiency Services Limited	U40200DL2009PLC196789	JV	31.71		Section 2(6) of the Companies Act, 2013
29	Shree Maheshwar Hydel Power Corporation Limited	U40101MPI993PLC007667	Associate Company	23.32		

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoter and Promotor Group										
(I)	Indian									
a)	Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b)	Central Govt/ State Govt (s)	894924366	0	894924366	67.80	1751631394	0	1751631394	66.35	1.45
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-total (A) (I):-</b>	<b>894924366</b>	<b>0</b>	<b>894924366</b>	<b>67.80</b>	<b>1751631394</b>	<b>0</b>	<b>1751631394</b>	<b>66.35</b>	<b>1.45</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>(2) Foreign</b>										
a) Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00	
b) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00	
c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00	
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00	
e) Others	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>894924366</b>	<b>0</b>	<b>894924366</b>	<b>67.80</b>	<b>1751631394</b>	<b>0</b>	<b>1751631394</b>	<b>66.35</b>	<b>1.45</b>	
<b>B. Public Shareholding</b>										
<b>I. Institutions</b>										
a) Mutual Funds/UTI	19790150	0	19790150	1.50	84148928	0	84148928	3.19	-1.69	
b) Banks / FI	39198732	0	39198732	2.97	34431411	0	34431411	1.30	1.67	
c) Central Govt/ State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00	
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
e) Insurance Companies	128979672	0	128979672	9.77	215729156	0	215729156	8.17	1.60	
f) FIIs	176100368	0	176100368	13.34	409564159	0	409564159	15.51	-2.17	
g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00	
h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00	
i) Others	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub-total (B)(1):-</b>	<b>364068922</b>	<b>0</b>	<b>364068922</b>	<b>27.58</b>	<b>743873654</b>	<b>0</b>	<b>743873654</b>	<b>28.18</b>	<b>-0.60</b>	
<b>2. Non-Institutions</b>										
a) Bodies Corp.	18411601	0	18411601	1.39	39131118	0	39131118	1.48	-0.09	
b) Individuals										
i) Individuals holding nominal share capital upto Rs. 1 lakh	33900166	16888	33917054	2.57	70837116	54978	70892094	2.69	-0.12	
ii) Individuals holding nominal share capital in excess of Rs 1 lakh	4193186	0	4193186	0.32	20740808	0	20740808	0.79	-0.47	
c) Others										
Clearing Members	504699	0	504699	0.04	5726464	0	5726464	0.22	-0.18	
Foreign Nationals	800	0	800	0.00	1000	0	1000	0.00	0.00	
Non Resident Indians	1490147	0	1490147	0.11	2053189	0	2053189	0.08	0.04	
NRI Non-repatriation	0	0	0	0.00	1612409	0	1612409	0.06	-0.06	
Trusts	2529929	0	2529929	0.19	4419278	0	4419278	0.17	0.02	
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub-total (B)(2):-</b>	<b>61030528</b>	<b>16888</b>	<b>61047416</b>	<b>4.62</b>	<b>144521382</b>	<b>54978</b>	<b>144576360</b>	<b>5.48</b>	<b>-0.85</b>	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>425099450</b>	<b>16888</b>	<b>425116338</b>	<b>32.20</b>	<b>888395036</b>	<b>54978</b>	<b>888450014</b>	<b>33.65</b>	<b>-1.45</b>	
<b>Total (A) + (B)</b>	<b>1320023816</b>	<b>16888</b>	<b>1320040704</b>	<b>100.00</b>	<b>2640026430</b>	<b>54978</b>	<b>2640081408</b>	<b>100.00</b>	<b>0.00</b>	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by Custodians, against which Depository Receipts have been issued									
(1) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2) Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>1320023816</b>	<b>16888</b>	<b>1320040704</b>	<b>100.00</b>	<b>2640026430</b>	<b>54978</b>	<b>2640081408</b>	<b>100.00</b>	

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	President of India	894924366	67.80	Nil	1751631394	66.35	Nil	1.45

**(iii) Change in Promoters' Shareholding**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>I.</b>	<b>President of India</b>				
	At the beginning of the year – Opening balance	894924366	67.80	894924366	67.80
	Date   Type of Transaction				
	16/09/2016   Bonus Allotment	894924366	33.90	1789848732	67.80
	20/01/2017   Sale (transferred to ETF account for OFS)	31297873	1.19	1758550859	66.61
	10/02/2017   Balance transferred back from ETF account after OFS	3729532	0.14	1762280391	66.75
	17/03/2017   Sale (transferred to ETF account for OFS)	12285358	0.47	1749995033	66.29
	24/03/2017   Balance transferred back from ETF account after OFS	1636361	0.06	1751631394	66.35
	<b>At the End of the year – Closing balance</b>			<b>1751631394</b>	<b>66.35</b>

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year		
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company	
<b>1</b>	<b>LIFE INSURANCE CORPORATION OF INDIA</b>					
	At the beginning of the year - Opening balance	119830788	9.08	119830788	9.08	
	Date	Type of Transaction				
	16/09/2016	Bonus Allotment	119830788	4.54	239661576	9.08
	23/09/2016	Sale	200000	0.01	239461576	9.07
	30/09/2016	Sale	1464477	0.06	237997099	9.01
	07/10/2016	Sale	4000172	0.15	233996927	8.86
	14/10/2016	Sale	929428	0.04	233067499	8.83
	21/10/2016	Sale	3563187	0.13	229504312	8.69
	03/02/2017	Sale	2041096	0.08	227463216	8.62
	10/02/2017	Sale	2445000	0.09	225018216	8.52
	17/02/2017	Sale	2718435	0.10	222299781	8.42
	24/02/2017	Sale	3805393	0.14	218494388	8.28
	03/03/2017	Sale	5549672	0.21	212944716	8.07
	10/03/2017	Sale	5648579	0.21	207296137	7.85
	17/03/2017	Sale	3091701	0.12	204204436	7.73
	24/03/2017	Sale	5645000	0.21	198559436	7.52
	31/03/2017	Sale	1428048	0.05	197131388	7.47
	At the End of the year - Closing balance			197131388	7.47	
<b>2</b>	<b>LIFE INSURANCE CORPORATION OF INDIA P &amp; GS FUND</b>					
	At the beginning of the year - Opening balance	18291098	1.39	18291098	1.39	
	Date	Type of Transaction				
	16/09/2016	Bonus Allotment	18291098	0.69	36582196	1.39
	23/09/2016	Sale	200000	0.01	36382196	1.38
	30/09/2016	Sale	402500	0.02	35979696	1.36
	07/10/2016	Sale	1435803	0.05	34543893	1.31
	14/10/2016	Sale	896564	0.03	33647329	1.27
	21/10/2016	Sale	682541	0.03	32964788	1.25
	03/02/2017	Sale	969734	0.04	31995054	1.21
	10/02/2017	Sale	882111	0.03	31112943	1.18
	17/02/2017	Sale	864670	0.03	30248273	1.15
	24/02/2017	Sale	2240000	0.08	28008273	1.06
	03/03/2017	Sale	1293907	0.05	26714366	1.01
	10/03/2017	Sale	850084	0.03	25864282	0.98
	17/03/2017	Sale	1490220	0.06	24374062	0.92
	24/03/2017	Sale	2587603	0.10	21786459	0.83
	31/03/2017	Sale	1255017	0.05	20531442	0.78
	At the End of the year - Closing balance			20531442	0.78	
<b>3</b>	<b>MORGAN STANLEY ASIA (SINGAPORE) PTE.</b>					
	At the beginning of the year - Opening balance	15734713	1.19	15734713	1.19	
	Date	Type of Transaction				
	08/04/2016	Sale	605288	0.05	15129425	1.15
	15/04/2016	Purchase	68594	0.01	15198019	1.15
	22/04/2016	Sale	70000	0.01	15128019	1.15
	29/04/2016	Sale	58000	0.00	15070019	1.14



Sl. No.	Name of the Shareholder		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
06/05/2016		Sale	1303838	0.10	13766181	1.04
13/05/2016		Sale	167883	0.01	13598298	1.03
20/05/2016		Purchase	241440	0.02	13839738	1.05
27/05/2016		Sale	579235	0.04	13260503	1.00
03/06/2016		Sale	99565	0.01	13160938	1.00
10/06/2016		Purchase	13315	0.00	13174253	1.00
17/06/2016		Sale	66000	0.00	13108253	0.99
24/06/2016		Purchase	374854	0.03	13483107	1.02
30/06/2016		Sale	36967	0.00	13446140	1.02
08/07/2016		Purchase	201000	0.02	13647140	1.03
15/07/2016		Sale	6000	0.00	13641140	1.03
22/07/2016		Sale	106793	0.01	13534347	1.03
29/07/2016		Sale	15000	0.00	13519347	1.02
05/08/2016		Sale	434426	0.03	13084921	0.99
19/08/2016		Sale	699167	0.05	12385754	0.94
26/08/2016		Sale	3441190	0.26	8944564	0.68
02/09/2016		Sale	2170919	0.16	6773645	0.51
09/09/2016		Sale	3680686	0.28	3092959	0.23
16/09/2016		Bonus Allotment	6373971	0.24	9466930	0.36
23/09/2016		Sale	476453	0.02	8990477	0.34
07/10/2016		Sale	596206	0.02	8394271	0.32
14/10/2016		Sale	1262924	0.05	7131347	0.27
21/10/2016		Sale	460475	0.02	6670872	0.25
28/10/2016		Sale	18000	0.00	6652872	0.25
04/11/2016		Purchase	16834	0.00	6669706	0.25
11/11/2016		Sale	204000	0.01	6465706	0.24
18/11/2016		Sale	959655	0.04	5506051	0.21
25/11/2016		Sale	317938	0.01	5188113	0.20
02/12/2016		Sale	1209843	0.05	3978270	0.15
09/12/2016		Sale	630082	0.02	3348188	0.13
16/12/2016		Sale	225759	0.01	3122429	0.12
23/12/2016		Sale	1356803	0.05	1765626	0.07
30/12/2016		Purchase	60000	0.00	1825626	0.07
06/01/2017		Sale	2539	0.00	1823087	0.07
13/01/2017		Sale	4779	0.00	1818308	0.07
20/01/2017		Sale	95346	0.00	1722962	0.07
03/02/2017		Sale	11340	0.00	1711622	0.06
10/02/2017		Sale	57473	0.00	1654149	0.06
17/02/2017		Sale	149724	0.01	1504425	0.06
10/03/2017		Sale	646415	0.02	858010	0.03
24/03/2017		Sale	10371	0.00	847639	0.03
At the End of the year - Closing balance					847639	0.03

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year		
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company	
<b>4</b>	<b>SWISS FINANCE CORPORATION (MAURITIUS) LIMITED</b>					
	At the beginning of the year - Opening balance		10961745	0.83	10961745	0.83
	Date	Type of Transaction				
	08/04/2016	Purchase	152561	0.01	11114306	0.84
	15/04/2016	Purchase	146480	0.01	11260786	0.85
	22/04/2016	Purchase	306058	0.02	11566844	0.88
	29/04/2016	Sale	126815	0.01	11440029	0.87
	06/05/2016	Purchase	9312	0.00	11449341	0.87
	13/05/2016	Purchase	22000	0.00	11471341	0.87
	20/05/2016	Purchase	167702	0.01	11639043	0.88
	27/05/2016	Sale	51155	0.00	11587888	0.88
	03/06/2016	Purchase	136343	0.01	11724231	0.89
	10/06/2016	Purchase	9882	0.00	11734113	0.89
	17/06/2016	Sale	4919	0.00	11729194	0.89
	24/06/2016	Purchase	130844	0.01	11860038	0.90
	30/06/2016	Sale	2000	0.00	11858038	0.90
	01/07/2016	Sale	686000	0.05	11172038	0.85
	08/07/2016	Purchase	106282	0.01	11278320	0.85
	15/07/2016	Purchase	12000	0.00	11290320	0.86
	22/07/2016	Sale	1349079	0.10	9941241	0.75
	29/07/2016	Sale	321000	0.02	9620241	0.73
	05/08/2016	Sale	855000	0.06	8765241	0.66
	12/08/2016	Sale	6724423	0.51	2040818	0.15
	19/08/2016	Sale	336372	0.03	1704446	0.13
	26/08/2016	Sale	732021	0.06	972425	0.07
	02/09/2016	Purchase	544840	0.04	1517265	0.11
	09/09/2016	Purchase	392414	0.03	1909679	0.14
	16/09/2016	Bonus Allotment	673858	0.03	2583537	0.10
	23/09/2016	Purchase	518039	0.02	3101576	0.12
	30/09/2016	Purchase	215098	0.01	3316674	0.13
	07/10/2016	Purchase	104525	0.00	3421199	0.13
	14/10/2016	Purchase	330806	0.01	3752005	0.14
	28/10/2016	Sale	24000	0.00	3728005	0.14
	04/11/2016	Purchase	20237	0.00	3748242	0.14
	11/11/2016	Sale	11996	0.00	3736246	0.14
	18/11/2016	Sale	22946	0.00	3713300	0.14
	25/11/2016	Sale	749243	0.03	2964057	0.11
	02/12/2016	Purchase	6000	0.00	2970057	0.11
	09/12/2016	Purchase	474931	0.02	3444988	0.13
	16/12/2016	Sale	12000	0.00	3432988	0.13
	23/12/2016	Sale	294000	0.01	3138988	0.12
	30/12/2016	Sale	180000	0.01	2958988	0.11
	06/01/2017	Sale	35651	0.00	2923337	0.11
	13/01/2017	Sale	176526	0.01	2746811	0.10
	20/01/2017	Sale	2772	0.00	2744039	0.10
	27/01/2017	Purchase	60939	0.00	2804978	0.11

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	03/02/2017	Purchase	929873	0.04	3734851	0.14
	10/02/2017	Sale	94863	0.00	3639988	0.14
	17/02/2017	Sale	57402	0.00	3582586	0.14
	24/02/2017	Purchase	5034	0.00	3587620	0.14
	03/03/2017	Purchase	18385	0.00	3606005	0.14
	10/03/2017	Purchase	30055	0.00	3636060	0.14
	17/03/2017	Sale	280600	0.01	3355460	0.13
	24/03/2017	Sale	1100730	0.04	2254730	0.09
	31/03/2017	Purchase	40782	0.00	2295512	0.09
	At the End of the year - Closing balance				2295512	0.09
<b>5</b>	<b>HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAOPPOR</b>					
	At the beginning of the year - Opening balance		6700000	0.51	6700000	0.51
	Date	Type of Transaction				
	16/09/2016	Bonus Allotment	6700000	0.25	13400000	0.51
	At the End of the year - Closing balance				13400000	0.51
<b>6</b>	<b>STATE BANK OF INDIA</b>					
	At the beginning of the year - Opening balance		6309199	0.48	6309199	0.48
	Date	Type of Transaction				
	16/09/2016	Bonus Allotment	6309199	0.24	12618398	0.48
	07/10/2016	Sale	124901	0.00	12493497	0.47
	28/10/2016	Sale	1387202	0.05	11106295	0.42
	25/11/2016	Sale	1115489	0.04	9990806	0.38
	02/12/2016	Sale	2193085	0.08	7797721	0.30
	16/12/2016	Sale	332741	0.01	7464980	0.28
	23/12/2016	Sale	402051	0.02	7062929	0.27
	13/01/2017	Sale	805596	0.03	6257333	0.24
	20/01/2017	Sale	1180000	0.04	5077333	0.19
	27/01/2017	Sale	1170492	0.04	3906841	0.15
	03/02/2017	Sale	890000	0.03	3016841	0.11
	10/02/2017	Sale	645000	0.02	2371841	0.09
	17/02/2017	Sale	180000	0.01	2191841	0.08
	24/02/2017	Sale	355000	0.01	1836841	0.07
	03/03/2017	Sale	760000	0.03	1076841	0.04
	10/03/2017	Sale	635000	0.02	441841	0.02
	17/03/2017	Sale	441841	0.02	0	0.00
	24/03/2017	Purchase	200000	0.01	200000	0.01
	At the End of the year - Closing balance				200000	0.01
<b>7</b>	<b>PUNJAB NATIONAL BANK</b>					
	At the beginning of the year - Opening balance		5743158	0.44	5743158	0.44
	Date	Type of Transaction				
	16/09/2016	Bonus Allotment	5743158	0.22	11486316	0.44
	02/12/2016	Sale	866100	0.03	10620216	0.40
	16/12/2016	Sale	40675	0.00	10579541	0.40
	13/01/2017	Sale	1646052	0.06	8933489	0.34
	20/01/2017	Sale	3074044	0.12	5859445	0.22
	27/01/2017	Sale	1495394	0.06	4364051	0.17

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	03/02/2017	Sale	908504	0.03	3455547	0.13
	10/02/2017	Sale	350000	0.01	3105547	0.12
	17/02/2017	Purchase	260000	0.01	3365547	0.13
	24/02/2017	Sale	1080000	0.04	2285547	0.09
	03/03/2017	Sale	546819	0.02	1738728	0.07
	10/03/2017	Sale	115607	0.00	1623121	0.06
	17/03/2017	Sale	51595	0.00	1571526	0.06
	24/03/2017	Sale	603062	0.02	968464	0.04
	31/03/2017	Purchase	209638	0.01	1178102	0.04
	At the End of the year - Closing balance				1178102	0.04
<b>8</b>	<b>HDFC STANDARD LIFE INSURANCE COMPANY LIMITED</b>					
	At the beginning of the year - Opening balance		5639121	0.43	5639121	0.43
	Date	Type of Transaction				
	08/04/2016	Sale	75000	0.01	5564121	0.42
	15/04/2016	Sale	120000	0.01	5444121	0.41
	06/05/2016	Purchase	268185	0.02	5712306	0.43
	13/05/2016	Purchase	1678	0.00	5713984	0.43
	27/05/2016	Sale	312377	0.02	5401607	0.41
	03/06/2016	Sale	14474	0.00	5387133	0.41
	17/06/2016	Sale	450000	0.03	4937133	0.37
	24/06/2016	Sale	1878203	0.14	3058930	0.23
	30/06/2016	Sale	445000	0.03	2613930	0.20
	15/07/2016	Sale	18678	0.00	2595252	0.20
	29/07/2016	Sale	100000	0.01	2495252	0.19
	12/08/2016	Sale	400000	0.03	2095252	0.16
	19/08/2016	Sale	250000	0.02	1845252	0.14
	26/08/2016	Sale	50000	0.00	1795252	0.14
	09/09/2016	Sale	79286	0.01	1715966	0.13
	16/09/2016	Bonus Allotment	1767374	0.07	3483340	0.13
	04/11/2016	Sale	31153	0.00	3452187	0.13
	18/11/2016	Sale	20255	0.00	3431932	0.13
	At the End of the year - Closing balance				3431932	0.13
<b>9</b>	<b>MORGAN STANLEY MAURITIUS COMPANY LIMITED</b>					
	At the beginning of the year - Opening balance		5380595	0.41	5380595	0.41
	Date	Type of Transaction				
	08/04/2016	Purchase	511889	0.04	5892484	0.45
	15/04/2016	Sale	254965	0.02	5637519	0.43
	22/04/2016	Purchase	59522	0.00	5697041	0.43
	29/04/2016	Purchase	1036835	0.08	6733876	0.51
	06/05/2016	Purchase	378000	0.03	7111876	0.54
	13/05/2016	Purchase	70000	0.01	7181876	0.54
	20/05/2016	Purchase	200199	0.02	7382075	0.56
	27/05/2016	Purchase	89793	0.01	7471868	0.57
	03/06/2016	Purchase	121570	0.01	7593438	0.58
	10/06/2016	Sale	39122	0.00	7554316	0.57
	17/06/2016	Purchase	110689	0.01	7665005	0.58

Sl. No.	Name of the Shareholder		Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	24/06/2016	Purchase	589303	0.04	8254308	0.63
	30/06/2016	Purchase	475339	0.04	8729647	0.66
	01/07/2016	Purchase	308000	0.02	9037647	0.68
	08/07/2016	Purchase	7389213	0.56	16426860	1.24
	15/07/2016	Sale	641487	0.05	15785373	1.20
	22/07/2016	Sale	17622	0.00	15767751	1.19
	29/07/2016	Purchase	89927	0.01	15857678	1.20
	05/08/2016	Purchase	418030	0.03	16275708	1.23
	12/08/2016	Purchase	163315	0.01	16439023	1.25
	19/08/2016	Purchase	772042	0.06	17211065	1.30
	26/08/2016	Purchase	135710	0.01	17346775	1.31
	02/09/2016	Sale	979467	0.07	16367308	1.24
	09/09/2016	Purchase	647539	0.05	17014847	1.29
	16/09/2016	Bonus Allotment	15304082	0.58	32318929	1.22
	23/09/2016	Purchase	2778662	0.11	35097591	1.33
	30/09/2016	Purchase	4589783	0.17	39687374	1.50
	07/10/2016	Sale	524013	0.02	39163361	1.48
	14/10/2016	Purchase	264330	0.01	39427691	1.49
	21/10/2016	Purchase	733270	0.03	40160961	1.52
	28/10/2016	Purchase	615177	0.02	40776138	1.54
	04/11/2016	Purchase	1963009	0.07	42739147	1.62
	11/11/2016	Purchase	525245	0.02	43264392	1.64
	18/11/2016	Purchase	1655574	0.06	44919966	1.70
	25/11/2016	Purchase	223042	0.01	45143008	1.71
	02/12/2016	Purchase	11697649	0.44	56840657	2.15
	09/12/2016	Sale	749357	0.03	56091300	2.12
	16/12/2016	Purchase	66063	0.00	56157363	2.13
	23/12/2016	Sale	531298	0.02	55626065	2.11
	30/12/2016	Sale	887601	0.03	54738464	2.07
	06/01/2017	Purchase	95584	0.00	54834048	2.08
	13/01/2017	Sale	2410807	0.09	52423241	1.99
	20/01/2017	Purchase	4588	0.00	52427829	1.99
	27/01/2017	Purchase	483202	0.02	52911031	2.00
	03/02/2017	Purchase	1848243	0.07	54759274	2.07
	10/02/2017	Purchase	1098441	0.04	55857715	2.12
	17/02/2017	Sale	50085	0.00	55807630	2.11
	24/02/2017	Sale	762461	0.03	55045169	2.08
	03/03/2017	Purchase	2464214	0.09	57509383	2.18
	10/03/2017	Purchase	2141318	0.08	59650701	2.26
	17/03/2017	Purchase	3073226	0.12	62723927	2.38
	24/03/2017	Purchase	6061400	0.23	68785327	2.61
	31/03/2017	Purchase	909026	0.03	69694353	2.64
	At the End of the year - Closing balance				69694353	2.64

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year		
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company	
<b>10</b>	<b>VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE</b>					
	At the beginning of the year - Opening balance		5143602	0.39	5143602	0.39
	Date	Type of Transaction				
	08/04/2016	Purchase	11032	0.00	5154634	0.39
	22/04/2016	Purchase	15720	0.00	5170354	0.39
	10/06/2016	Purchase	13616	0.00	5183970	0.39
	24/06/2016	Purchase	46464	0.00	5230434	0.40
	22/07/2016	Purchase	9504	0.00	5239938	0.40
	29/07/2016	Purchase	30132	0.00	5270070	0.40
	05/08/2016	Purchase	25026	0.00	5295096	0.40
	12/08/2016	Purchase	25515	0.00	5320611	0.40
	19/08/2016	Purchase	36288	0.00	5356899	0.41
	09/09/2016	Purchase	34410	0.00	5391309	0.41
	16/09/2016	Bonus Allotment	5356899	0.20	10748208	0.41
	07/10/2016	Purchase	36704	0.00	10784912	0.41
	14/10/2016	Purchase	25234	0.00	10810146	0.41
	21/10/2016	Purchase	86025	0.00	10896171	0.41
	28/10/2016	Purchase	34410	0.00	10930581	0.41
	11/11/2016	Purchase	74555	0.00	11005136	0.42
	25/11/2016	Purchase	90613	0.00	11095749	0.42
	02/12/2016	Purchase	51615	0.00	11147364	0.42
	06/01/2017	Purchase	26856	0.00	11174220	0.42
	13/01/2017	Purchase	57069	0.00	11231289	0.43
	20/01/2017	Purchase	26856	0.00	11258145	0.43
	03/02/2017	Purchase	80568	0.00	11338713	0.43
	17/02/2017	Purchase	22380	0.00	11361093	0.43
	24/03/2017	Purchase	49230	0.00	11410323	0.43
	31/03/2017	Purchase	48136	0.00	11458459	0.43
	At the End of the year - Closing balance				11458459	0.43

Kindly note during FY 2016-17, the Company allotted bonus equity shares to the existing equity shareholders in the ratio of 1:1.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Rajeev Sharma</b>				
	At the beginning of the year	16287	0.00	16287	0.00
	Increase / Decrease in Shareholding during the year *	16287	0.00	32574	0.00
	At the end of the year			32574	0.00
2.	<b>R. Nagarajan</b>				
	At the beginning of the year	26869	0.00	26869	0.00
	Increase / Decrease in Shareholding during the year *	26869	0.00	53738	0.00
	At the end of the year			53738	0.00
3.	<b>D. Ravi</b>				
	At the beginning of the year	1000	0.00	1000	0.00
	Increase / Decrease in Shareholding during the year *	1000	0.00	2000	0.00
	At the end of the year				

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	<b>C. Gangopadhyay</b>				
	At the beginning of the year	10744	0.00	10744	0.00
	Increase / Decrease in Shareholding during the year *	10744	0.00	21488	0.00
	At the end of the year			21488	0.00
5.	<b>Arun Kumar Verma</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	No change	No change	No change
	At the end of the year			Nil	0.00
6.	<b>Sitaram Pareek</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	No change	No change	No change
	At the end of the year				
7.	<b>Manohar Balwani</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	No change	No change	No change
	At the end of the year			Nil	0.00

\* During FY 2016-17, the Company allotted bonus equity shares to the existing equity shareholders in the ratio of 1:1.

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In ₹ Crore)

		Secured Loans excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	9835.70	10,775.58	-	20,611.28
ii)	Interest due but not paid	0.00	0.00	-	0.00
iii)	Interest accrued but not due	430.40	33.07	-	463.47
	<b>Total (i+ii+iii)</b>	<b>10,266.10</b>	<b>10,808.65</b>	<b>-</b>	<b>21,074.75</b>
<b>Change in Indebtedness during the financial year</b>					
	Addition	786.39	0.00	-	786.39
	Reduction	(859)	(2,112.01)	-	(2971.01)
	Exchange loss	-	(219.68)	-	(219.68)
	<b>Net Change</b>	<b>(72.61)</b>	<b>(2,331.69)</b>	<b>-</b>	<b>(2404.3)</b>
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	9758.90	8,443.89	-	18202.79
ii)	Interest due but not paid	0.00	0.00	-	0.00
iii)	Interest accrued but not due	434.59	31.69	-	466.27
	<b>Total (i+ii+iii)</b>	<b>10193.49</b>	<b>8,475.57</b>	<b>-</b>	<b>18669.06</b>

#### \*Notes

1 Exchange rates relevant for closing of annual accounts are as follows:

	31-03-2016	31-03-2017
USD/INR	66.77	64.85
JPY/INR	0.5964	0.580025
EUR/INR	75.78	69.2925

2 In case of principal amount (loan liability), additions represent "borrowing during the year" and reduction represents "repayments during the year".

3 In case of interest payments, the rate relevant for the remittance is used for booking interest expense and therefore, no exchange gain / loss arises for the purpose of accounting. Therefore, change in interest is shown as "addition"

4 Exchange loss mentioned above is calculated as per "taxation method" for reconciliation; in case loss as per amortization rule in AS-II is taken, opening and closing balances of loan liability will not reconcile.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD						Total Amount
		M. K. Goel	Rajeev Sharma (w.e.f. October 1, 2017)	A. K. Agarwal	G. Gangopadhyay (w.e.f. January 1, 2017)	D.Ravi	R. Nagarajan	
<b>1.</b>	<b>Gross salary</b>							
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	73,10,892	15,65,362	67,40,918	7,61,673	40,92,535	52,19,374	2,56,90,754
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	3,72,624	2,80,577	8,97,513	1,24,783	1,64,360	1,68,577	20,08,434
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0	0	0	0
2.	Stock Option	0	0	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0	0	0
4.	Commission	0	0	0	0	0	0	0
	- as % of profit	0	0	0	0	0	0	0
	- others	0	0	0	0	0	0	0
5.	Others (Company Contribution to PF & Non Taxable Perquisites)	9,86,901	8,73,195	5,19,091	1,80,923	6,71,024	6,45,470	32,31,134
	<b>Total (A)</b>	<b>86,70,417</b>	<b>27,19,134</b>	<b>81,57,522</b>	<b>10,67,379</b>	<b>49,27,919</b>	<b>60,33,421</b>	<b>3,15,75,792</b>
	Ceiling as per the Act *							

\*PFC being a Government Company, the appointment of CMD & Directors and fixation of their remuneration are decided by President of India in terms of the Articles of Association of the Company.

## B. Remuneration to other directors:

(In ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
<b>1.</b>	<b>Independent Directors</b>	<b>Vijay Mohan Kaul</b>	<b>Yogesh Chand Garg</b>	<b>Sitaram Pareek</b>	
	Fee for attending board / committee meetings	195975	341700	100504	638179
	Commission	0	0	0	0
	Others	15774	61900	0	77674
	<b>Total (1)</b>	<b>211749</b>	<b>403600</b>	<b>100504</b>	<b>715853</b>
<b>2.</b>	<b>Other Non-Executive Directors#</b>	<b>Arun Kumar Verma</b>			
	Fee for attending board / committee meetings		0		
	Commission		0		
	Others		0		
	<b>Total (2)</b>		<b>0</b>		
	<b>Total (B)=(1+2)</b>				<b>715853</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>3,22,91,645</b>
	<b>Overall Ceiling as per the Act*</b>				

# Government nominees are not entitled to any remuneration or sitting fee from the Company.

\*The Independent Directors were paid the sitting fees at a rate fixed by the Board i.e. ₹20,000 within the limits as prescribed under the Companies Act, 2013 i.e. ₹1,00,000 for attending each meeting of the Board and Committees of Directors.




**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD**

(In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Manohar Balwani, CS	
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		26,93,233
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		2,46,686
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961		0
2.	Stock Option		0
3.	Sweat Equity		0
4.	Commission		0
	- as % of profit		0
	- others		0
5.	Others (Company Contribution to PF & Non Taxable Perquisites)		5,20,875
	<b>Total</b>		<b>34,60,794</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

## Annual Report on CSR Activities for the FY 2016-17

(Pursuant to Rule 9 of Companies (Accounts) Rules, 2014 and Rule 8 of Companies (Corporate Social Responsibility Policy), Rules, 2014)

S. No.	Particulars	Details						
1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The aim of PFC's Corporate Social Responsibility and Sustainability Policy (CSR and Sustainability Policy) is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large by undertaking projects for Sustainable Development, mainly focusing on fulfillment of Power and Energy needs of the society.</p> <p>After the notification of Companies Act 2013, PFC's Corporate Social Responsibility Policy was revised with the approval of Board of Directors in its meeting held on August 14, 2014 with the recommendation of the CSR&amp;SD Committee. Subsequently, based on the fresh DPE guidelines and notifications from Ministry of Corporate Affairs (MCA), the Policy was again revised, by the Board in its meeting held on February 27, 2015 and the CSR Policy was renamed as CSR and Sustainability Policy.</p> <p>In line with Section 135 of the Companies Act, 2013, at least 2% of the average Stand-alone Net Profit Before Tax (PBT) of the company earned during the three immediately preceding financial years is allocated every financial year for CSR activities.</p> <p>PFC has implemented its CSR and Sustainability Policy with all its earnest and zeal. To oversee the activities of CSR, PFC has in place a Board level CSR&amp;SD Committee of Directors headed by an Independent Director.</p> <p>During the year, PFC implemented wide range of activities in the field of Solar energy, Skill development, Sanitation, Health, Environment sustainability and supported the differently abled.</p> <p>The details of the PFC's CSR policy and projects/programs is available at the following link: <a href="http://www.pfcindia.com/DocumentRepository/ckfinder/files/CSR/CSR_Policy_26082016.pdf">http://www.pfcindia.com/DocumentRepository/ckfinder/files/CSR/CSR_Policy_26082016.pdf</a></p>						
2	Composition of the CSR Committee	<p>PFC has in place a CSR&amp;SD Committee to give directions to the CSR and SD activities of PFC and to make recommendations to the Board of Directors for taking up various CSR &amp; SD projects.</p> <p>As on March 31, 2017 the Committee comprised of the following:</p> <table border="0"> <tr> <td>1. Shri Sitaram Pareek, Independent Director</td> <td>Chairman</td> </tr> <tr> <td>2. Shri D. Ravi, Director(Commercial)</td> <td>Member</td> </tr> <tr> <td>3. Shri Chinmoy Gangopadhyay, Director (Projects)</td> <td>Member</td> </tr> </table>	1. Shri Sitaram Pareek, Independent Director	Chairman	2. Shri D. Ravi, Director(Commercial)	Member	3. Shri Chinmoy Gangopadhyay, Director (Projects)	Member
1. Shri Sitaram Pareek, Independent Director	Chairman							
2. Shri D. Ravi, Director(Commercial)	Member							
3. Shri Chinmoy Gangopadhyay, Director (Projects)	Member							
3	Average net profit of the company for last three financial years	₹8,307.28 Crore						
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	For the FY 2016-17, the Board had approved the CSR budget of ₹166.15 crore based on 2% of the average stand-alone Profit Before Tax as per Companies Act 2013 excluding dividend received from other companies covered under and complying with Section 135 of the Act in line with Rule 2(f) (ii) of Companies (CSR Policy) Rules 2014.						
<b>5</b>	<b>Details of CSR spent during the financial year:</b>							
a	Total amount to be spent for the financial year;	₹268.31 crore (i.e. ₹166.15 crore for FY 2016-17 and ₹102.16 crore carried forward from previous years)						
b	Amount unspent , if any;	₹100.20 crore^						
c	Manner in which the amount spent during the financial year is detailed below.	During FY 2016-17, ₹168.11 crore has been spent in the following manner:-						

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 16-17 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)*	Amount spent: Direct or through Implementing agency
1	Upgradation of Adult Education Centers (AECs) to Model AECs under Saakshar Bharat Programme of Ministry of HRD	Education / Vocational Skill development	Pan India	6.60	2.83	4.86	Through Implementing agency
2	Street Lighting/High Mast Light of Kargil Town & District HQ (J&K)	Environmental Sustainability (Solar Applications/Afforestation /Waste Management/Energy efficient LED lighting)	Jammu & Kashmir	3.80	1.67	3.72	
3	Adopting entire colony constructed for flood victims of Rajoli Village of Waddepally Mandal for providing street lighting using Solar Power LED lights	Environmental Sustainability (Solar Applications/Afforestation /Waste Management/Energy efficient LED lighting)	Telangana	3.54	0.91	2.64	
4	Providing Clean Lighting and ICT Services to schools (102 no.) in Meghalaya, AP and Orissa through Solar PV energy	Environmental Sustainability (Solar Applications/Afforestation /Waste Management/Energy efficient LED lighting)	Pan India	3.29	0.22	2.89	
5	Water Distribution Pipeline in se-lected wards of Chanderi town, Ashok Nagar district, Madhya Pradesh state	Sanitation/Drinking water / Healthcare	Madhya Pradesh	3.66	1.83	1.83	
6	Skill Programme for SC/ST/OBC/Women & EWS for 1000 persons	Education / Vocational Skill development	Pan India	3.85	0.19	3.85	

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 16-17 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)*	Amount spent:  Direct or through Implementing agency
7	Improving Operational Reliability and Service Quality of Primary Health Centres (PHC) through provision of Clean & Reliable Power by installing micro solar PV power plants	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Pan India	7.54	0.61	6.11	
8	Financial Assistance for Relief & Rehabilitation activities in the flood affected areas of Uttarakhand for rebuilding of infrastructure destroyed during calamity	Others	Uttarakhand	3.00	1.02	1.02	
9	Financial Assistance for Supply, installation and commissioning of Solar Lighting System at Streets of villages of Bokaro district of Jharkhand	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Jharkhand	1.05	0.51	0.77	
10	Financial Assistance for Supply, installation and commissioning of Grid connected Roof Top Solar PV (RTSPV) Projects of aggregate capacity of 500 kWp in Kalinga Institute of Social Science (KISS) in the city of Bhubaneswar of Odisha state	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Odisha	2.03	0.69	1.82	

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 16-17 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)*	Amount spent: Direct or through Implementing agency
11	Financial Assistance for Skill Development Training to 4230 Per-sons with Disabilities (PwDs)	Education / Vocational Skill development	Pan India	0.98	0.69	0.98	
12	Skill Development Programme for 900 Woman Safai Karamchari & their dependents	Education / Vocational Skill development	Pan India	1.93	1.59	1.59	
13	Financial Assistance for LED based Solar Home Lighting for Bidi Workers in Ashok Nagar District of Madhya Pradesh (3675 nos)	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Madhya Pradesh	5.45	0.54	5.45	
14	Financial Assistance for Project for Supply, Installation & Commissioning of LED based Solar Street Lighting System in villages of Arunachal Pradesh	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Arunachal Pradesh	5.34	1.28	3.95	
15	Skill Development Training Programmes for youth belonging to Scheduled Castes (4750 persons)	Education / Vocational Skill development	Pan India	4.75	2.51	3.51	
16	Skill Development Programme for SC/ ST/ OBC / Women & EWS of society (1500 persons)	Education / Vocational Skill development	Pan India	4.13	0.37	4.06	

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 16-17 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)*	Amount spent:  Direct or through Implementing agency
17	Financial Assistance for promotion of Sustainable Sanitation by creating awareness and construction of 3,000 nos. of Toilets in the villages of Rajasthan, Bihar & West Bengal	Sanitation/Drinking water / Healthcare	Pan India	7.16	0.27	6.70	
18	Financial Assistance to project for extending Clean Energy Solutions to 25000 nos. of households across backward districts of Bihar	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Bihar	9.00	5.11	5.11	
19	Employment oriented Skill Development Programme for SC/ ST/OBC/Women & EWS for 1425 persons	Education / Vocational Skill development	Pan India	5.06	0.72	3.56	
20	Financial Assistance to 'Project of LED based Solar Home Lighting Systems (SHS) in 8589 nos. households in districts of Arunachal Pradesh	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Arunachal Pradesh	15.12	5.42	5.42	
21	Skill Development Programme for 1200 persons with disabilities (PWDs)	Education / Vocational Skill development	Pan India	1.26	1.08	1.08	

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 16-17 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)*	Amount spent: Direct or through Implementing agency
22	Construction of Toilets in the Government Schools of Andhra Pradesh under Swachh Bharat Swachh Vidyalaya Abhiyan (8100 toilets)	Sanitation/Drinking water / Healthcare	Andhra Pradesh	209.62	46.63	166.06	
23	Construction of Toilets in the Government Schools of Rajasthan under Swachh Bharat Swachh Vidyalaya Abhiyan (1100 toilets)	Sanitation/Drinking water / Healthcare	Rajasthan	25.97	4.14	14.68	
24	Financial Assistance to Project for implementation of 500 nos. of Solar based LED Street Lighting Systems in Phoolpur, Uttar Pra-desh	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.09	0.75	0.86	
25	Financial Assistance to Project for implementation of 500 nos. of Solar based LED Street Lighting Systems in Bhadohi, Uttar Pradesh	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.09	0.75	0.86	
26	Project for implementation of 500 nos. of solar based LED Street Lighting System in Pilibhit, Uttar Pradesh	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.28	0.64	0.64	

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 16-17 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)*	Amount spent:  Direct or through Implementing agency
27	Project for providing financial assistance for Employment Oriented Training and Skill Development programme for SC/ST/OBC/Women & EWS of society for 2000 persons	Education / Vocational Skill development	Pan India	7.89	4.35	4.35	
28	Financial assistance to Project for Skill Development programme for persons belonging to SC/ST/OBC/Women/PWD & EWS of society for 3000 persons	Education / Vocational Skill development	Pan India	9.30	3.67	3.67	
29	Financial assistance from PFC for the Project for conducting Skill Development Training Programme for SC/ST/OBC/PWD/Women & EWS of society for 2500 candidates	Education / Vocational Skill development	Pan India	15.00	10.45	10.45	
30	Financial assistance to Project for Installation and commissioning of 544 nos. of LED based Solar PV Street Lighting System in Giridih, Bokaro and Dhandbad districts of Jharkhand	Environmental Sustainability (Solar Applications/Afforestation/Waste Management/Energy efficient LED lighting)	Jharkhand	1.19	0.94	0.94	



S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 16-17 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)*	Amount spent: Direct or through Implementing agency
31	Financial assistance to Project for Skill Development programme for SC/ST/OBC/Women/PWD & EWS of society for 900 persons	Education / Vocational Skill development	Pan India	2.20	1.87	1.87	
32	Financial Assistance to Project for implementation of 500nos. Of solar based LED Street Lighting System in Basti, Uttar Pradesh	Environmental Sustainability (Solar Applications/Afforestation /Waste Management/Energy efficient LED lighting)	Uttar Pradesh	1.28	0.64	0.64	
33	Contribution to National Sports Development Fund (NSDF) for promotion and development of Sports in India	Sports	Pan India	0.10	0.10	0.10	
34	Financial Assistance to Project for Fitment of cochlear Implants to 100 nos. Hearing Impaired Children	Sanitation/Drinking water / Healthcare	Pan India	6.30	4.72	4.72	
35	Financial Assistance to Project for implementation of 500 nos. of solar based LED Street Lighting System in Srawasti District of Uttar Pradesh	Environmental Sustainability (Solar Applications/Afforestation /Waste Management/Energy efficient LED lighting)	Uttar Pradesh	1.13	0.90	0.90	
36	Financial contribution to "Swachh Bharat Kosh" under PFC's CSR initiatives	Sanitation/Drinking water / Healthcare	Pan India	54.82	54.82	54.82	

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/sanctioned) project or programs wise (₹ crore)	Amount spent (₹ crore) in FY 16-17 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (₹ crore)*	Amount spent: Direct or through Implementing agency
37	Financial Assistance for implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Bhadohi (Sant Ravidas Nagar) district of Uttar Pradesh – Phase II	Environmental Sustainability (Solar Applications/ Afforestation /Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.09	0.11	0.11	
38	Construction of 4 nos. of Sanitary Toilets in Shillong through Hindustan Prefab Limited	Sanitation/Drinking water / Healthcare	Meghalaya	0.43	0.31	0.31	
39	Impact Assessment/ Training/Pay & Allowances etc.	Administrative Overheads	NA	2.26	2.26	2.26	
					<b>TOTAL</b>	<b>168.11</b>	

\* Including expenditure on activities carried forward from previous years

6.	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	Due to Multiyear projects, amount disbursed to Implementing Agencies as advance but not spent etc.  As per the DPE guidelines, the CSR Budget is non-lapsable and any unspent amount is carried forward to the next year for utilization for the purpose for which it was allocated.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	The implementation and monitoring of PFC's CSR and Sustainability Policy is in compliance with CSR objectives and Policy of PFC.

^As per the DPE guidelines, the CSR Budget is non-lapsable and any unspent amount is carried forward to the next year for utilization for the purpose for which it was allocated.

Note: During the FY 2016-17, an amount of ₹ 125.87 crore (including Administrative Overheads) has been disbursed against CSR activities and ₹ 3.93 crore has been refunded.

Sd/-  
**(Rajeev Sharma)**  
Chairman & Managing Director  
DIN: 00973413

Sd/-  
**(Sitaram Pareek)**  
Chairman, CSR Committee  
DIN: 00165036

**Form No. AOC-2**

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

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

S. No.	Particulars	Details
<b>1.</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis</b>	
(a)	Name(s) of the related party and nature of relationship	Shree Maheshwar Hydel Power Corporation Limited (SMHPCL), Associate Company
(b)	Nature of contracts/arrangements/transactions	Reschedulement of Senior debt, Sub-debt and Zero Coupon Bonds (ZCB)
(c)	Duration of the contracts / arrangements/transactions	Specific duration/timelines and other terms of such reschedulement of loans & ZCB to be finalized and approved subsequently
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	In-principal approval for reschedulement of Senior debt of ₹325 crore, Sub-debt of ₹308.9 crore and ZCB of ₹103.87 crore.
(e)	Justification for entering into such contracts or arrangements or transactions	Revival of the Project as per the recommendations of High Level Committee constituted by Govt. of Madhya Pradesh.
(f)	Date(s) of approval by the Board	August 9, 2016
(g)	Amount paid as advances, if any:	-
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not applicable
<b>2.</b>	<b>Details of material contracts or arrangement or transactions at arm's length basis</b>	<b>NIL</b>
(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/arrangements/transactions	-
(c)	Duration of the contracts / arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	-
(e)	Date(s) of approval by the Board, if any:	-
(f)	Amount paid as advances, if any:	-

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

Sd/-

**(Rajeev Sharma)**

Chairman & Managing Director

DIN: 00973413

Place: New Delhi

Date: August 24, 2017

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management of the Company (PFC) is pleased to present its Report on Industry scenario including Company's performance during the FY 2016-17.

### (A) Industry Structure and Development

India is witnessing a surge in economic growth in the recent years, thanks to the sustained efforts of the Government. The 'Make in India' initiative of the Government is aimed to transform India as a global manufacturing hub. Further, the Government of India is also keen on creating a conducive environment for doing business in India.

In an economy, the sustainable growth emanates with progress of all sectors for which growth of infrastructure sector is of paramount importance. Power is one of the most critical components of infrastructure that affects economic growth and the well-being of our nation. Therefore, an efficient, resilient and financially healthy power sector is the need of the hour.

Considering the importance of power sector in the Indian economy, the Government is working around 6 fundamental principles to achieve the goal of Ujwal Bharat. These are SULABH (Accesible Power), SASTI (Cheap Power), SWACHH (Clean Power), SUNIYOJIT (Well Planned Infrastructure; Preparing India for the Future), SUNISHCHIT (Assured Power for All) and SURAKSHIT (Empowering each Citizen of India with Transparent Governance and Securing their Future). Some of the major initiatives taken in recent times are:

- a. **24X7 Power for All:** Government of India's aim is to provide access to electricity to all households in the country. State specific Plans for States/UTs, have been prepared and are under implementation. In these documents/plans, an assessment of energy required to provide '24x7 Power for All' for connected and unconnected consumers, adequacy of power to the State from various generating sources, inter-state transmission system, intra-state transmission system and distribution to ensure 24X7 power supply has been made.
- b. **Unnat Jyoti by Affordable LED's for All (UJALA):** The initiative is part of the Government of India's efforts to spread the message of energy efficiency in the country. More than 23 crore LED bulbs have been distributed under UJALA and this has served a twofold purpose - helped save ₹12,400 crore in electricity bills, and reducing CO2 emissions by over 2.5 crore tonnes annually.
- c. **Ujwal Discom Assurance Yojana (UDAY):** UDAY is a comprehensive scheme, envisaging Financial & Operational turnaround of Power Distribution Utilities (DISCOMs) of the country. The distribution sector saw progress, with savings of nearly Rs. 12,000 crores for DISCOMs due to issuance of UDAY Bonds worth ₹2.32 lakh crore. These savings will help in providing affordable power to consumers. Through reforms, India's ranking in 'Ease of Getting Electricity' by the World Bank rose from 99 in 2015 to 26 in 2017.
- d. **Integrated Power Development Scheme" (IPDS) (R-APDRP Scheme subsumed in it) :** In order to provide impetus to strengthening of power distribution sector in urban area, Ministry of Power, Government of India notified "Integrated Power Development Scheme" (IPDS) on December 3, 2014 with following components:
  - i) Strengthening of sub-transmission and distribution networks in the urban areas;
  - ii) Metering of distribution transformers/ feeders/ consumers in the urban areas;
  - iii) IT enablement of distribution sector and strengthening of distribution network under R-APDRP for 12<sup>th</sup> and 13<sup>th</sup> Plans by carrying forward the approved outlay for R-APDRP to IPDS.
- e. **Accountability and Transparency through Mobile Apps:** The Government is operating under the highest standards of transparency and accountability, with 'consumer is king', at the heart of all efforts. The launch of various apps to track the functioning of various departments and schemes is part of this. Some of the apps launched in the past year include URJA to track electricity situation in urban areas and the progress of the Integrated Power Development Scheme (IPDS), TARANG to track transmission projects and URJA MITRA for power cut information.

Power sector consist of three important chains i.e. Generation, Transmission and Distribution, and a chain is as strong as its weakest link, the same is true for the power value chain. Each link has to keep pace with the other to achieve sustainable performance in future. The developments, achievements and issues in various segments of the industry is as under:-

## Generation

### Installed Capacity

As on March 31, 2017, India's total installed capacity was 3,26,849 MW. Thermal sources continued to have a dominant share at 67% (21,83,30 MW), Hydro 14%(44478 MW), Renewable 18% (57260 MW)and Nuclear 6780 MW. The installed capacity stood at 1,03,967 MW (32%) in state sector, 1,42,624 MW (44%) in private sector and 80,257 MW (24%) in central sector.

### Capacity addition

The capacity addition target for the FY 2016-17 was set at 9914MW. However exceeding the target,a capacity addition of 14,325 MW has been achieved during the FY 2016-17, the details of which are as follows:

Source	Central	State	Private	Total	Share (%)
<b>Thermal</b>	3230.5	3802	4698	<b>11730.5</b>	81.89
<b>Hydro</b>	80	1490	24	<b>1594</b>	11.13
<b>Nuclear</b>	1000	-	-	<b>1000</b>	6.98
<b>Total</b>	<b>4310.5</b>	<b>5292</b>	<b>4722</b>	<b>14324.5</b>	<b>100</b>
<b>Share (%)</b>	30.09	36.94	32.97	<b>100</b>	

(Source: CEA)

For the 12<sup>th</sup> Plan period (2012-17), the capacity addition was estimated at 88,537 MW comprising 26,182 MW in the central sector, 15,530 MW in the state sector, and 46,825 MW in the private sector respectively.

Against the above targets, the achievements upto March, 2017 are as follows:

Source	Central	State	Private	Total
<b>Thermal</b>	15868.60	22201.35	53660.50	<b>91730.45</b>
<b>Hydro</b>	2584.02	2276.00	619.00	<b>5479.02</b>
<b>Nuclear</b>	2000	0.00	0.00	<b>2000.00</b>
<b>Total</b>	<b>20452.62</b>	<b>24477.35</b>	<b>54279.50</b>	<b>99209.47</b>
<b>Achievement (%)</b>	78.12	157.61	115.92	<b>112.05</b>

(Source: CEA)

### Transmission

Transmission forms an indispensable link in the power sector value chain. The large expansion in production and consumption of electricity has to be supported by a significant expansion and strengthening of the transmission network.

The natural resources for electricity generation in India are unevenly dispersed and concentrated in a few pockets. Hydro resources are located in the Himalayan foothills, North Eastern Region (NER). Coal reserves are concentrated in Jharkhand, Odisha, West Bengal, Chhattisgarh, parts of Madhya Pradesh, whereas lignite is located in Tamil Nadu and Gujarat. Also lot of power station, generating from Gas and renewable energy sources like Solar, Wind etc. have been installed in various parts of country.

An extensive network of Transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers.

Against a target of adding 23,384 Ckms of transmission lines for FY 2016-17, 26,300 Ckms have been achieved which is 112.5% of the target. Similarly, the overall increase in the transformation capacity has been 81,816 MVA during the year 2016-17 which is 181.1% of the target of 45,188 for 2016-17.

### Distribution

In the overall functioning of the power sector, Distribution segment plays a crucial role as it is the only interface between utilities and consumers and it is the part of the system which generates the revenues needed to pay generation and transmission utilities. Therefore, the viability of power sector depends upon the distribution sector.

Under the Indian Constitution, power is a concurrent subject and the responsibility for distribution and supply of power to rural and urban consumers rests with the states. Government of India provides assistance to states through various Central Sector / centrally sponsored schemes for improving the distribution sector.

To reduce aggregate technical and commercial (AT&C) losses, establish IT-enabled energy accounting/auditing, and improve collective efficiency, the 'Integrated Power Development Scheme (IPDS)' which subsumes the Restructured Accelerated Power Development and Reforms Programme (R-APDRP), has been launched. The outlay for the IPDS is ₹ 32,612 crore which includes a budgetary support of ₹25,354 crore from Govt. of India. Its key features are strengthening of the sub transmission and distribution network in urban areas, metering of distribution feeders/ transformers /consumers in urban areas and IT enablement of distribution sector.

Another scheme, the 'Deendayal Upadhyaya Gram Jyoti Yojana' (DDUGJY), has also been launched with the objectives of: (a) separating agriculture and non-agriculture feeders (b) strengthening and augmentation of sub-transmission and distribution infrastructure in rural areas; and (c) metering in rural areas. The existing 'Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)' is subsumed under the DDUGJY. The outlay for the DDUGJY is ₹44,033 crore which includes a budgetary support of ₹33,453 crore from Govt. of India.

To promote investment in the distribution sector, GoI has set up a National Electricity Fund (NEF) (Interest Subsidy Scheme) to provide interest subsidy on loans disbursed to the Distribution Companies (DISCOMS) – both in public and private sector, to improve the distribution network for areas not covered by RGGVY and R-APDRP project areas (now DDUGJY and IPDS). The preconditions for eligibility are linked to certain reform measures taken by the States and the amount of interest subsidy is linked to the progress achieved in reforms linked parameters.

GoI had notified the scheme for Financial Restructuring of State Distribution Companies (Discoms) for achieving their financial turnaround by restructuring their short term liabilities with support through a Transitional Finance Mechanism from Central Govt.

## (B) Opportunities & Threats

### Opportunities

Your Company is a leading financial institution in India focused on the power sector. It plays a strategic role in the GoI's initiatives for the development of the power sector in India. PFC works closely with GoI, state Governments and power sector utilities, other power sector intermediaries and private sector clients for the development and implementation of policies and structural and procedural reforms for the power sector in India. In addition, it is involved in various GoI programs for the power sector, including acting as the nodal agency for the UMPP program and the IPDS/(R-APDRP subsumed in it) and as a bid process coordinator through our wholly owned subsidiary PFC Consulting Limited for the ITP scheme.

PFC provides a comprehensive range of financial products and related advisory and other services from project conceptualization to the post-commissioning stage to our clients in the power sector, including for generation (conventional and renewable), transmission and distribution projects as well as for related renovation and modernization projects. PFC provides various fund based financial assistance including long-term project finance, short-term loans, buyer's line of credit, underwriting of debt and debt refinancing schemes as well as non-fund based assistance including default payment guarantees, credit enhancement guarantees and letters of comfort. Your company also provide various fee-based technical advisory and consultancy services for power sector projects through our wholly owned subsidiary.

The primary sources of funds include equity capital, internal resources and domestic and foreign borrowing.

PFC is a listed Government company and a public financial institution under the Companies Act. It is registered with the RBI as a non-deposit taking systemically important NBFC and was classified as an IFC in July 2010. Your Company's NBFC and IFC classification enables it to effectively capitalize on available financing opportunities in the power sector in India. We believe the classification as an IFC enhances company's ability to raise funds on a cost-competitive basis (including through issuance of Rupee denominated infrastructure bonds that offer certain tax benefits to the bondholders), and increase the lending exposures to individual entities, corporations and groups, compared to other NBFCs that are not classified as IFCs.

### Threats

Despite the encouraging growth trajectory in the energy space over the last few years, the Indian Power sector has still not been able to induce and sustain the required capacity addition matching the ever growing power demand of the country. Some of the key threats facing the Power Sector are:

- a. **Fuel Security Concerns:** Thermal capacity addition is plagued by the growing fuel availability concerns faced by the Industry. Significant gas based capacity of more than 20,000 MW is idle due to non-availability of gas.
- b. **Financial Health of State DISCOM's:** Years of populist tariff schemes, considerable AT&C losses and operational inefficiencies have adversely affected the financial health of State DISCOM's.
- c. **Under-procurement of Power by States:** Increasing power generation costs due to limited fuel availability, poor financial health of State DISCOM's, high AT&C losses have contributed in suppressed demand projections by State DISCOM's.
- d. After Cancellation of coal blocks, Govt. has also quickly e-auctioned the **coal blocks through a transparent bidding process**, availability of coal is therefore not a major issue as it was couple of years back, however coal auction has thrown up new challenge. Some private players have aggressively bid for coal, which requires them to show utmost efficiency in operations in order to avoid any under recovery. This is a significant viability risk for the projects.
- e. **Other Risks associated with Indian Power Sector:** Historically, since its commencement of economic liberalization in 1991, India's increasingly insatiable power needs, along with its general trend toward economic liberalization, led to much Interest among foreign investors in establishing IPP projects in India. While dozens of projects were approved, and the foreign and Indian private sectors constructed several such power plants between 1992 through 2004, most of the largest projects have been stalled by considerable payment risk issues. A number of factors in the power sector hampered IPPs from attaining financial closure. These factors include, but are not limited to, the following:
  - ✎ Lack of credit worthiness of the State Electricity Entities
  - ✎ Substantial cross-subsidies
  - ✎ Inadequate off-take and payment guarantee mechanisms
  - ✎ Inadequate fuel supply and transportation agreements

However, to address the challenges of Power Sector, Govt. is taking several initiatives to put power sector on revival path. Because of these initiatives significant capacity has been added and Coal scenario has improved significantly. Some of the major initiatives are: 24X7 Power for All (PFA) by 2019, introduction of "Deep" (Discovery of Efficient Electricity Price), UDAY, SHAKTI, IPDS (R-APDRP subsumed), DDUGJY etc. All these initiatives are likely to turnaround power sector.

### (C) Segment-wise or product-wise performance

Company's main business is to provide financial assistance to the power sector and Company does not have any separate reportable segments.

### (D) Outlook

Indian power sector has made considerable progress in the last decade and has evolved from a nascent market to a developing market led by policy reforms and increased private sector participation. Challenges do exist in the sector, which India has to overcome, to evolve from a developing market to a matured market. Meanwhile, the gap between what can be achieved and what is currently present, uncovers a number of possibilities and opportunities for growth. There is strong growth opportunity in power generation led by exponential growth in economy, increasing propensity for electricity consumption and urbanization. India has made considerable progress in building up capability and uncovering opportunities for capacity additions. Indian companies have shown a huge interest in power generation and the recent change in power procurement landscape towards competitive bidding is expected to drive investments and efficiency in the sector.

Also the investment will have to be directed towards all the components of the electricity delivery chain i.e. Generation, Transmission and Distribution. This would help India to overcome the bottlenecks in the long neglected Transmission and Distribution segments. The financing also needs to move to the next level of Public Private Participation with the Financial Institutions providing equity to the sector and not just debt. The sector also needs to address risks associated with State Electricity Entities which has been a major concern for IPPs. They have overcome to some extent with SEB restructuring and improvement in the security and payment mechanisms arrangements. But a word of caution needs to be attached to this optimistic view as the efficacy depends on the commitment of the Centre and State machinery to the reforms process. Except for the limited success by a few generation companies

in accessing the debt market, transmission and distribution utilities have not managed to raise debt successfully from the open market. The state utilities are too cash strapped for internal resources to be of any significance. In any case, the Indian equity and especially debt market is too narrow and does not have the required depth and breadth to finance these huge requirements. Considering the huge investment requirement, your company being in one of the Niche Institutions, have ample scope to finance power sector. In the recent past, due to your company's experience and expertise, your Company has been well placed in the Power Sector.

The GOI initiatives like IPDS, 24\*7 Power for all, thrust on Hydro and Renewable and UMPP put on fast track, will provide the further business opportunities. Further, with several initiatives of Government are underway, there is likely to be positive environment for further business growth on fund requirement in Power Sector.

## (E) Risks & Concerns

The following are the risks and concerns faced by your company in power sector financing:

- a. **Risk envisaged in the Insolvency and Bankruptcy Code, 2016:** Even though Insolvency and Bankruptcy Code, 2016 is overall a beneficial legislation for the Lenders as it aims to consolidate and amend the laws relating to insolvency resolution of companies and limited liability entities, partnerships and individuals, which are contained in various enactments, into a single legislation, However the risk for a Lender can be that an operational creditor of even one lac can trigger the Insolvency process. Though in such a situation interest of Lenders is well protected as per the provisions of Insolvency and Bankruptcy Code, 2016.
- b. **Risk Related to Coal for UMPPs:** For domestic Coal UMPPs, the coal block will adequate quantity and quality are allocated by Ministry of Coal. As such there is no risk regarding availability of coal for domestic coal based UMPPs. For imported coal based UMPPs, the risk is to borne solely by selected developer.
- c. **Promoter's Equity and Internal Accruals:** Most project developers invest some amount of the total project cost as promoter's equity to be able to earn the minimum return on equity and raise the required debt. Many developers are increasingly relying on internal accruals for investing equity in new projects.
- d. **Raising funds through Capital Market:** In recent times, power sector companies have been raising funds from market through Initial Public Offerings (IPOs)/ Follow on Public Offers (FPOs)/ private placement with qualified institutional investors. Almost all IPOs / FPOs of power companies in the last two to three years have met with an overwhelming response from investors or have been performing well in the stock markets. Many power companies are expected to launch their IPOs in the coming years.
- e. **Volatility in interest rates:** The Company's business is primarily dependent on interest income from its lending operations. Volatility in interest rates affects the Company's lending operations and may result in a decline in Company's net interest income and net interest margin and adversely affect Company's return on assets and profitability.
- f. **Cost of funds:** With power sector financing industry becoming increasingly competitive, the growth depends on the ability to maintain a low effective cost of funds, inability to do so could have a material adverse effect on the business, financial condition and results of operations. The ability to compete effectively is dependent on timely access to capital, the costs associated with raising capital and the ability to maintain a low effective cost of funds in the future that is comparable or lower than that of its competitors.
- g. **Changes in legislation:** PFC is a listed Government company and a public financial institution under the Companies Act. It is registered with the RBI as a non-deposit taking systemically important NBFC and was classified as an IFC in July 2010. As a result various legislations are applicable to PFC like Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE's Guidelines on Corporate Governance for CPSEs, RBI act and guidelines, Tax regulations etc. Changes in these legislations could adversely affect our Company's results of operations.
- h. Companies generation portfolio is more than 70% and this is Company's main business. Because of significant capacity additions, there are not many new projects and Credit growth is significantly declining and lending opportunities are drying up for the Company.
- i. UDAY is a challenge for PFC, envisaging huge prepayments by DISCOMs, which means huge loss of assets / income to PFC. Further, as per UDAY, transitional funding is not allowed which may result in loss of funding avenue. However, DISCOMs turnaround under UDAY will have a positive impact on overall power sector improving asset quality of PFC in the long term.





## (F) Internal control system and its adequacy

The company maintained a robust system of internal control including suitable monitoring procedures which ensures accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and company policies. Suitable delegation of power and guidelines for accounting has been issued for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firms of Chartered Accountants in close co-ordination with Company's own internal audit department. Besides, Company's Audit Committee periodically reviews the important findings of different Audits keeping a close watch on compliance with internal control system.

The Internal Auditor of the Company i.e. M/s A.R. & Co., Chartered Accountants quarterly certified on the adequacy of internal financial controls with reference to the financial statements of the Company.

The Statutory Auditor of the Company i.e. M/s. M.K. Aggarwal & Co., Chartered Accountants and M/s K. B. Chandna & Co., Chartered Accountants have also given their Report on the Internal Financial Controls stating that the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on internal control over financial reporting criteria established by the Company considering the essential components of internal control as per Guidance Note of the Institute of Chartered Accountants of India.

PFCs internal audit system is strong & independent and works on a continuous basis, covering the entire gamut of operations and services. The internal control system has been designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets. The internal control systems are supplemented by management reviews and documented policies, guidelines and procedures. There exists a reliable internal check system, which helps in improving the efficiency and effectiveness of internal control system.

PFC is an ISO certified Company. These stringent internal control processes and credit review mechanisms reduce the number of defaults and ultimately contribute in gaining the faith of all the stakeholders.

## (G) Discussion on Financial Performance with respect to Operational Performance

The total income achieved by your Company during the FY 2016-17 was ₹27,018.57 crore as compared to ₹27,564.31 crore in FY 2015-16. Your Company earned a net profit of ₹2,126.39 crore in FY 2016-17 as compared to ₹6,113.48 crore for the FY 2015-16.

Your Company had been in correspondence with RBI w.r.t. implementation of RBI's restructuring norms. Based on the various correspondence exchanged, RBI on April 11, 2017 has directed the Company to apply RBI restructuring norms and allowed exemption till March 31, 2022 from borrower-wise classification of loans to state sector utilities which are downgraded to NPA due to non-achievement of DCCO (Date of commencement of commercial operation) within RBI prescribed limits.

Your Company had been applying RBI restructuring norms on new generation loans sanctioned w.e.f. April 1, 2015 (Before April 1, 2015, MoP, Gol approved restructuring norms were applicable). After the receipt of RBI letter dated April 11, 2017, your Company has adopted RBI restructuring norms on remaining loans (other than loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters). In generation loans sanctioned before March 31, 2015 and where restructuring has been done w.e.f. April 1, 2015, the asset classification has been given effect on March 31, 2017 as per RBI norms with consequent provisioning. The financial impact (decrease in PBT) on account to adoption of RBI's restructuring norms (shifting from MoP approved norms) has amounted to ₹3,954.55 crore.

Due to realignment with RBI Norms, ₹59,304.01 crore of loan assets got downgraded, of which ₹35,994.70 crore got downgraded to restructured and ₹23,309.31 crore to NPAs. This has negatively impacted the profits by ₹3,954.55 crore.

All the loan assets of ₹59,304.01 crore that got affected belong to State Government or Central Sector PSUs and are generation projects. Further, all Government sector borrowers are servicing dues regularly with recovery rate of 100% in FY 2016-17 i.e. there were no dues as on March 31, 2017 (except ₹4 crore which got cleared after March 31, 2017)

### Details of the accounts that got impacted due to RBI Norms

#### A. Downgrade of loan assets to Restructured with 4.25% provisioning:-

- ✓ all restructured assets are of State Govt. or Central Power PSUs and all the loans are being serviced regularly (100% recovery rate)
- ✓ ₹35,994.70 crore loan assets were downgraded from Standard to Restructured having a negative impact of ₹1,403.79 crore on profit, of these restructured assets:-
  - ◇ 58% or ₹20,890 crore : Already commissioned & will reverse in FY 2018-19
  - ◇ 31% or ₹11,165 crore : Scheduled to commission in FY 2017-18
  - ◇ 10% or ₹3,670 crore : Scheduled to commission in FY 2018-19
  - ◇ 1% or ₹270 crore : Scheduled to commission in FY 2019-20

#### B. Downgrade of loan assets to NPAs with 10% provisioning:-

₹23,309.31 crore loan assets have been downgraded to NPAs having a negative impact of ₹2,550.76 crore on profit before tax, of these NPAs-

- ✓ 79% or ₹18,504 crore will get an upgrade in FY 2017-18, of which :-
  - ◇ 68% or ₹15,883 crore COD already achieved
  - ◇ 2% or ₹525 crore COD to be achieved
  - ◇ 9% or ₹2,096 crore COD to be achieved
- ✓ 19% or ₹4,494 crore will upgrade to Std. in FY 2018-19
- ✓ 1% or ₹312 crore will upgrade to Std. in FY 2019-20

All the above projects are State Govt. owned generation projects and are having FSAs & PPAs and are also being serviced regularly with 100% recovery.

The management does not see any stress in these loan assets of ₹59,304.01 crore affected due to RBI norms and they are likely to turn standard over next few years. Further 80% of NPAs are likely to get upgrade in FY 2017-18 itself.

Further, as per track record, Government borrowers have never been declared NPA (Except Sikkim Power which is standard now & Ratnagiri which is a JV of two public sector undertakings namely NTPC and GAIL).

Although, your company has retrospectively applied RBI Norms on private sector generation projects also w.e.f April 1, 2015, no private account has been downgraded since the Company has been with in RBI Norms largely due to consortium funding of private generation projects.

The profit was also impacted this year due to reversal of Income of a Standard Asset of ₹413.03 crore (RKM) and additional tax incidence of ₹225 crore due to UDAY prepayments. Further, it may also be noted that without considering the impact of this reversal of Income and additional provisioning to align with provisioning policy of RBI, the profit of your Company would have been at ₹6,400 crore.

#### Asset quality without the RBI impact

- i. In fact without RBI impact, during the year 2016-17, your Company has actually decreased its NPAs as below:
  - ✓ 4 loan accounts of ₹920 crore got upgraded to Standard
  - ✓ 1 generation loan asset of ₹442 crore has been downgraded to NPA



- ii. With all this, NPAs ratios for the year stand at:

	With RBI Impact	Without RBI Impact
Gross NPAs	12.50%	3.01% (improved from 3.15% last year)
Net NPAs	10.55%	1.68% (improved from 2.55% last year)

- iii. As far as balance Restructured Book is concerned, other than ones impacted due to RBI norms is ₹19,445.92 crore.
- ✓ 26% or ₹5,000 crore have already got commissioned, ₹4,500 crore will be reversed in FY 2017-18 and ₹500 crore in FY 2018-19.
  - ✓ 70% or ₹13,500 crore of this restructured book is Scheduled COD in FY 2017-18.
  - ✓ All this restructured book of ₹19,445.92 crore is private sector.

#### Other financials

- i. Despite sectoral challenges, your Company has registered strong business growth during FY 2016-17 reflected in:-
- ✓ Loan Sanctions growth by 55% to ₹1,00,603 crore from ₹65,042 crore.
  - ✓ Disbursements growth by 35% to ₹62,798 crore from ₹46,588 crore.
  - ✓ Despite UDAY prepayments of ₹28,400 crore during the year, disbursements have increase to show a positive loan asset growth with Loan Assets increasing by 3% to ₹2,45,525 crore from ₹2,38,920 crore.
- ii. Without considering RBI impact, PFC has also maintained interest spread at a healthy level of 3.00% and NIM of 4.50% for the year.

#### Resource Mobilisation

- i. Your Company raised about ₹66,800 crore during the year, at a marginal cost of 7.47%.
- ii. Capital adequacy ratio is maintained comfortably at 19.28%, with tier I capital of 16.20% against the RBI requirement of 15% and 10% tier I capital respectively.
- iii. Your company has been allowed to raise 54EC Bonds which shall lead to further reduction in PFC's cost of funds.

The financial performance of the Company based on Audited Annual Accounts for the FY 2016-17, without considering the impact of alignment to RBI Restructuring norms, duly certified by statutory auditors is enclosed as part of this Annual report for better understanding of above.

#### Foreign Exchange Earnings and Outgo

During the FY 2016-17, the Foreign exchange outgo aggregating ₹254.01 crore was made on account of debt servicing, financial & other charges and training expenses. The Foreign exchange earnings for the FY 2016-17 were nil.

### (H) Material Developments in Human Resources / Industrial Relations front

Your Company considers its employees as most valuable assets and aims to align human resource practices with business goals. Your Company takes pride of its highly motivated and committed team of employees. The employees performed to their full potential and contributed to the growth and development of the Company. The Company is committed to building the competencies of its employees and improving their performance through training and development. The Company focus is on identifying gaps in its employees' competencies and preparing employees for changes in competitive environments, as well as to meet organizational challenges. Towards this direction, the Company has an annual training plan system to assess the various training needs. Requisite skills are also imparted across all level of employees through customized training intervention. The Company has very cordial and harmonious relationship with its employees. There were no man-days lost during the period under review. The Company had 499 employees on its rolls as on March 31, 2017.

### (I) Corporate Social Responsibility and Sustainable Development (CSR&SD)

CSR is a cornerstone of our operations and PFC discharges its social responsibility obligations as a part of its growth philosophy. It has been your Company's endeavor to act as a responsible corporate citizen committed to improving the quality of life of the society at large.

During the year, PFC implemented wide range of activities in the field of Solar energy, Skill development, Sanitation, Health, Environment sustainability and supported the differently abled.

For the FY 2016-17, the Board had approved the CSR budget of ₹166.15 crore based on 2% of the average stand-alone Profit Before Tax as per Companies Act 2013 excluding dividend received from other companies covered under and complying with Section 135 of the Act in line with Rule 2(f) (ii) of Companies (CSR Policy) Rules 2014.

### (J) Renewable and Clean Development Mechanism

Power is one of the most important components of infrastructure, critical to sustain economic growth. The Indian power sector is undergoing a significant change that is redefining the industry outlook. Sustained economic growth continues to drive power demand in India. The Government of India's focus to attain 'Power For All' has accelerated capacity addition in the country. Over the years, renewable energy sector in India has emerged as a significant player in the grid connected power generation capacity. It supports the government agenda of sustainable growth, while, emerging as an integral part of the solution to meet the nation's energy needs and an essential player for energy access. It has been realized that renewable energy has to play a much deeper role in achieving energy security in the years ahead and be an integral part of the energy planning process.

Renewable energy sector landscape in India has, during the last few years, witnessed tremendous changes in the policy framework with accelerated and ambitious plans to increase the contribution of solar energy. The Government of India has set a target to achieve 175 GW installed capacity by 2022. This includes 60 GW from wind power, 100 GW from solar power, 10 GW from biomass power and 5 GW from small hydro power.

The increased focus of GoI towards renewable energy has created attractive opportunities for investments in this sector.

In addition to above, during FY 2016-17, PFC issued sanctions of ₹8,156 crore to Hydro Generation and disbursed ₹1,327 crore. Further, PFC sanctioned ₹7,021 crore to Wind, Solar, Bagasse and Biomass related projects and disbursed an amount of ₹2471 crore during the same period.

#### Cautionary Note

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Actual results may vary materially from those expressed or implied by the forward looking statements due to risks or uncertainties associated therewith depending upon economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward-looking statements.



## REPORT ON CORPORATE GOVERNANCE

Corporate Governance is about promoting corporate fairness, transparency and accountability in the best interest of various stakeholders in a Company. It essentially involves balancing the interests of all the stakeholders in a company i.e. shareholders, management, customers, suppliers, financiers, government and the society at large. Since it includes the processes through which corporations' objectives are set and pursued in the context of the social, regulatory and market environment, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

Your company's philosophy of Corporate Governance stems from its belief that the spirit of good governance lies in adherence to highest standards of transparency, accountability, ethical business practices, compliance of law in true letter and spirit, adequate disclosures, corporate fairness, social responsiveness and commitment to the organization to meet stakeholders aspirations and societal expectations.

A Report in line with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) is given below as a part of the Director's Report along with a Certificate issued by a Practising Company Secretary regarding compliance with the provisions of Corporate Governance:

### 1. Brief Statement on company's philosophy on Corporate Governance

Your Company's Corporate Governance philosophy is based on two core principles. These are:

- i. Management must have the executive freedom to drive the enterprise forward for sustainable growth without undue restraints; and
- ii. This freedom of management should be exercised within the framework of regulatory environment and effective accountability.

Your Company's corporate structure, conduct of business and disclosure practices have been accordingly aligned to its Corporate Governance Philosophy.

Your Company also firmly endorses the principles of governing disclosures and obligations as provided in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as guiding force.

### 2. Board of Directors

The Board of Directors of your Company provides leadership, objective judgment and strategic guidance to the Company. The Board draws upon its powers and manages the affairs of the Company within the framework set out in the Companies Act, Memorandum of Association, Articles of Association of the company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and internal codes/procedures of the company etc.

It reviews corporate policies, overall performance, accounting and reporting standards and other significant areas of management, corporate governance and regulatory compliance. Your Company's Board consists of eminent individuals with diverse experience and expertise.

#### Composition

PFC is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013 as the President of India as on March 31, 2017 holds 66.35% of the total paid-up share capital of the Company and as per Articles of Association of the Company, the power to appoint Directors vests in the President of India. Further, in terms of Articles of Association of the Company, the number of Directors of the Company shall not be less than three and not more than fifteen.

As on March 31, 2017 the Company's Board comprised of six Directors which includes four whole time functional Directors, one part time Government Nominee Director and one non official part time (Independent) Director. A brief profile of all the Directors is provided in this Annual report.

During the FY 2016-17, the following changes took place in the composition of the Board of Directors of the Company:-

- i) Consequent upon completion of tenure of Shri Vijay Mohan Kaul, Independent Director, he ceased to be a Member of the Board w.e.f. June 24, 2016.
- ii) Consequent upon completion of tenure of Shri Y. C. Garg, Independent Director, he ceased to be a Member of the Board w.e.f. August 22, 2016.
- iii) Consequent upon reaching the age of superannuation, Shri M. K. Goel, Chairman & Managing Director, ceased to be a Member of the Board w.e.f. October 1, 2016.
- iv) Consequent upon appointment by Ministry of Power, Government of India, Shri Rajeev Sharma assumed the charge of Chairman & Managing Director w.e.f. October 1, 2016.
- v) Consequent upon reaching the age of superannuation, Shri A. K. Agarwal, Director (Projects), ceased to be a Member of the Board w.e.f. January 1, 2017.
- vi) Consequent upon appointment by Ministry of Power, Government of India, Shri Chinmoy Gangopadhyay assumed the charge of Director (Projects) w.e.f. January 1, 2017.
- vii) Consequent upon appointment by Ministry of Power, Government of India, Shri Sitaram Pareek assumed the charge of Independent Director w.e.f. February 6, 2017.

During the year, in absence of requisite number of Independent Directors and a woman director on the Board of the Company, the composition of the Board of Directors was not in conformity with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSEs issued by DPE.

The Company has already requested Ministry of Power, Government of India, the appointing authority, to expedite appointment of the requisite number of Independent Directors and a Woman Director on the Board of the Company to enable the company to comply with the applicable provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines on Corporate Governance.

The composition of Board of Directors as on March 31, 2017 was as follows:

<b>Whole Time Directors</b>		
i)	Shri Rajeev Sharma	Chairman and Managing Director, Chief Executive Officer and Key Managerial Personnel
ii)	Shri R. Nagarajan*	Director (Finance), Chief Finance Officer and Key Managerial Personnel
iii)	Shri D. Ravi	Director (Commercial) and Key Managerial Personnel
iv)	Shri Chinmoy Gangopadhyay	Director (Projects) and Key Managerial Personnel
<b>Government Nominee Director</b>		
v)	Dr. Arun Kumar Verma	Director (Government Nominee)
<b>Non Official Part Time (Independent) Director</b>		
vi)	Shri Sitaram Pareek	Independent Director

\* Consequent upon reaching the age of superannuation, Shri R. Nagarajan, Director (Finance) has ceased to be a Member of the Board w.e.f. June 1, 2017.

Further, Consequent upon appointment by Ministry of Power, Government of India, Shri Naveen Bhushan Gupta assumed the charge of Director (Finance) w.e.f. August 18, 2017.

### Board Meetings

The meetings of the Board are generally held at the registered office of the company and are scheduled well in advance. The Board of PFC meets regularly. The meetings of Board are governed by a structured agenda and any member of the Board is free to recommend inclusion of any subject matter in the agenda for deliberations. Detailed agenda papers including explanatory notes are circulated in advance on all major issues to facilitate the Board to take well-informed and independent decisions. Your Company follows Secretarial Standard-I on Meetings of the Board of Directors as issued by Institute of Company Secretaries of India in its true letter and spirit.

During the year under review, the Board met 14 times on the following dates:

(i) May 16, 2016 (ii) May 25, 2016 (iii) July 14, 2016 (iv) August 9, 2016 (v) September 1, 2016 (vi) September 27, 2016 (vii) October 28, 2016 (viii) November 9, 2016 (ix) December 28, 2016 (x) January 23, 2017 (xi) February 13, 2017 (xii) February 20, 2017 (xiii) March 24, 2017 (xiv) March 31, 2017.

### Annual General Meeting

The last Annual General Meeting of the Company was held on August 19, 2016.

**Directors' attendance at the Board Meetings held during the FY 2016-17 and at the last Annual General Meeting, number of directorships in other companies and Membership/Chairmanship in the committees of other companies etc. are as follows:**

Name and Designation	Board Meetings		No of other Directorships as on March 31, 2017*	Chairmanship/ Membership in the committees of other companies as on March 31, 2017**		Attendance at the last AGM held on August 19, 2016
	Held during the tenure	Attended		Member	Chairman	
Shri Rajeev Sharma Chairman and Managing Director (w.e.f. October 1, 2016)	8	8	3	Nil	Nil	-
Shri M. K. Goel Chairman and Managing Director (upto September 30, 2016)	6	6	-	-	-	Present
Shri R. Nagarajan Director (Finance)	14	14	8	Nil	2	Present
Shri D. Ravi Director (Commercial)	14	14	8	2	Nil	Present
Shri Chinmoy Gangopadhyay Director (Projects) (w.e.f. January 1, 2017)	5	5	8	1	Nil	-
Shri A. K. Agarwal Director (Projects) (upto December 31, 2016)	9	9	-	-	-	Present
Dr. Arun Kumar Verma Director (Government Nominee)	14	14	1	Nil	Nil	Absent
Shri Sitaram Pareek Independent Director (w.e.f. February 6, 2017)	4	4	Nil	Nil	Nil	-
Shri Vijay Mohan Kaul Independent Director (upto June 23, 2016)	2	2	-	-	-	-
Shri Yogesh Chand Garg Independent Director (upto August 21, 2016)	4	4	-	-	-	Present

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

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

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he is a Director. None of the Directors of the Company are in any way related to each other.

### Separate Meeting of Independent Directors

The Separate Meeting of Independent Directors was held on May 27, 2016 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule IV of Companies Act, 2013 and as per the Guidelines issued by DPE on Role & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs. All the Independent Directors attended the said Meeting.

### Declaration by Independent Director

All the Independent Directors in the first meeting of the Board in which they participated as a Director and in the first meeting of the Board of the financial year, gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance for CPSEs.

### Familiarization programme for Independent Directors

Various seminars, conferences, training programmes etc. are attended by the Board members from time to time. Further, under the Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises, a policy for training of Board members is in place. The said details are also available on the website of your Company i.e. [www.pfcindia.com](http://www.pfcindia.com).

## 3. Committees of the Board of Directors

To facilitate expeditious consideration and to enable focused decision making on the affairs of the company, the Board has constituted its following committees with distinct role, accountability and authority:

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Stakeholder Relationship and Shareholders'/Investors' Grievance Committee
- iv) Risk & Management Committee
- v) CSR & Sustainable Development Committee of Directors
- vi) Loans Committee of Directors
- vii) Committee of Functional Directors
- viii) Committee of Directors for Investment in IPO of Central Power Sector Undertakings
- ix) HR Committee

### 3.1 Audit Committee

During FY 2016-17, the composition of the Audit Committee was in compliance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, upto June 23, 2016 however due to the cessation of the term of Shri Vijay Mohan Kaul, Independent Director, he ceased to be the Member of the Audit Committee w.e.f. June 24, 2016. Shri Yogesh Chand Garg, Independent Director also ceased to be the Director on the Board of the Company w.e.f. August 22, 2016 consequent upon completion of his tenure and thus ceased to be the Chairman of the Audit Committee.

Further, Shri Sitaram Pareek, Independent Director was inducted in the Committee w.e.f. February 10, 2017.

As on March 31, 2017, the composition of Audit Committee was as under:

S. No.	Name of Member	Designation
1.	Shri Sitaram Pareek	Chairman
2.	Shri D. Ravi	Member
3.	Shri Chinmoy Gangopadhyay	Member

The Company Secretary continued to be the Secretary to the Committee. The role, terms of reference, scope and authority of Audit Committee are as provided under the relevant provisions of Companies Act, DPE's Guidelines on Corporate Governance for CPSEs and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.





During the FY 2016-17, seven meetings of the Audit Committee were held i.e. (i) May 25, 2016 (ii) July 14, 2016 (iii) August 9, 2016 (iv) November 9, 2016 (v) December 28, 2016 (vi) January 23, 2017 and (vii) February 13, 2017.

The details of the meetings attended by members during the FY 2016-17 are as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Vijay Mohan Kaul (upto June 23, 2016)	Independent Director	1	1
Shri D. Ravi (w.e.f. June 24, 2016)	Director (Commercial)	6	6
Shri Yogesh Chand Garg (upto August 21, 2016)	Independent Director	3	3
Dr. A. K. Verma (from October 28, 2016 to February 9, 2017)	Director (Government Nominee)	3	3
Shri A. K. Agarwal (upto December 31, 2016)	Director (Projects)	5	5
Shri Chinmoy Gangopadhyay (w.e.f. January 1, 2017)	Director (Projects)	2	2
Shri Sitaram Pareek (w.e.f. February 10, 2017)	Independent Director	1	1

Director (Finance), head of internal audit and representative of the statutory auditor(s) were invited to the Audit Committee Meetings for interacting with the members of the committee.

### 3.2 Nomination and Remuneration Committee

Your company is a Central Public Sector Undertaking, and accordingly the appointment of CMD & Directors and fixation of their remuneration are decided by President of India in terms of the Articles of Association of the Company. However, your company has constituted a Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013, DPE's Guidelines on Corporate Governance for CPSEs and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During FY 2016-17, the composition of the Nomination and Remuneration Committee was in compliance of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, upto June 23, 2016 however due to the cessation of the term of Shri Vijay Mohan Kaul, Independent Director, he ceased to be the Chairperson of the Nomination and Remuneration Committee w.e.f. June 24, 2016. Shri Yogesh Chand Garg, Independent Directors also ceased to be the Director on the Board of the Company w.e.f. August 22, 2016 consequent upon completion of his tenure and thus ceased to be the Chairman of the Nomination and Remuneration Committee.

As on March 31, 2017, the Nomination and Remuneration Committee comprised of the following Directors:

S. No.	Name of Member	Designation
1.	Dr. Arun Kumar Verma	Chairman
2.	Shri D. Ravi	Member
3.	Shri Chinmoy Gangopadhyay	Member

Director (Finance) is permanent invitee to the meetings of the said committee.

The Role and Terms of Reference of the Nomination and Remuneration Committee are as laid down in the Companies Act, 2013 including any rules made there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines as amended from time to time.

During the FY 2016-17, two meetings of the Nomination and Remuneration Committee were held i.e. (i) July 14, 2016 (ii) January 23, 2017.

The detail of the meetings attended by members during the FY 2016-17 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Dr. Arun Kumar Verma	Director (Government Nominee)	2	2
Shri D. Ravi (w.e.f. June 24, 2016)	Director (Commercial)	2	2
Shri Yogesh Chand Garg (upto August 21, 2016)	Independent Director	1	1
Shri Chinmoy Gangopadhyay (w.e.f. January 1, 2017)	Director (Projects)	1	1

### Remuneration Policy

Your Company is a Central Public Sector Undertaking in which all members of the Board are appointed by the President of India through the administrative ministry i.e. Ministry of Power, Government of India, which, inter-alia, fixes the remuneration of such Whole Time Directors through their respective appointment orders/pay fixation orders. The appointment and remuneration of other employees of the Company is done as per the DPE guidelines. The members of the Board, apart from receiving Directors' remuneration, in case of CMD and Whole Time Directors, do not have any material pecuniary relationship or transaction with the company, its promoters or its subsidiary, which in the judgment of Board may affect independence of judgment of Directors.

PFC being a government company, the evaluation of performance of all the members of the Board including Independent Directors is undertaken by administrative ministry i.e. Ministry of Power, Government of India.

### Remuneration of Whole Time Directors

The remuneration paid to whole time directors including the Chairman & Managing Director was as per the terms and conditions of their appointment.

Details of remuneration of Whole Time Directors of the company during FY 2016-17 are given below:

Name of the Director	Salary (₹)	Benefits (₹)	Bonus/ Commission ex-gratia (₹)	Performance linked incentives (₹)	Stock Options	Total
Shri Rajeev Sharma (w.e.f. October 1, 2016)	12,47,724	1,471,410	0	0	0	<b>27,19,134</b>
Shri M. K. Goel (upto September 30, 2016)	49,84,958	13,91,455	0	22,94,004	0	<b>86,70,417</b>
Shri R. Nagarajan	30,03,521	14,33,174	0	15,96,726	0	<b>60,33,421</b>
Shri D. Ravi	25,28,342	13,92,057	0	10,07,520	0	<b>49,27,919</b>
Shri Chinmoy Gangopadhyay (w.e.f. January 1, 2017)	6,34,728	4,32,651	0	0	0	<b>10,67,379</b>
Shri A. K. Agarewal (upto December 31, 2016)	4,77,687	18,46,928	0	15,32,907	0	<b>81,57,522</b>

Notes:

- The performance linked incentives are paid as per the Performance Related Pay (PRP) System of the Company.
- The appointment of Directors and payment of their remuneration are decided by President of India as per the Articles of Association of the Company. Therefore, there is no provision for notice period and severance fees for the directors.



### Remuneration of Non-Executive Directors/Independent and Government Nominee Directors

The Independent & Government Nominee Directors do not have any material pecuniary relationship or transactions with the Company. However, the Independent Directors were paid the sitting fees at a rate fixed by the Board for attending the meetings of the Board and Committees of Directors. Sitting fee of ₹20,000 was paid for attending each meeting of the Board and Committees of Directors for the FY 2016-17.

Government nominees are not entitled to any remuneration or sitting fee from the Company.

### 3.3 Stakeholder Relationship and Shareholders'/Investors' Grievance Committee

The Company has set up a Stakeholders Relationship and Shareholders'/Investors' Grievance Committee to look into the redressal of the complaints of investors as per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on March 31, 2017 the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee comprised of the following members:

S.No.	Name of Member	Designation
1.	Dr. Arun Kumar Verma	Chairman
2.	Shri R. Nagarajan	Member
3.	Shri Chinmoy Gangopadhyay	Member

Shri Manohar Balwani, Company Secretary acts as the Compliance Officer of the Company.

During the FY 2016-17, three meetings of the Stakeholder Relationship and Shareholders'/Investors' Grievance Committee were held on (i) May 16, 2016 (ii) August 9, 2016 and (iii) November 9, 2016.

The detail of the meetings attended by members during the FY 2016-17 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri R. Nagarajan	Director (Finance)	3	3
Shri Vijay Mohan Kaul (upto June 23, 2016)	Independent Director	1	1
Shri Yogesh Chand Garg (upto August 21, 2016)	Independent Director	1	1
Dr. Arun Kumar Verma (w.e.f. October 28, 2016)	Director (Government Nominee)	1	1
Shri A. K. Agarwal (upto December 31, 2016)	Director (Projects)	3	3
Shri Chinmoy Gangopadhyay (w.e.f. January 1, 2017)	Director (Projects)	-	-

Information on investor complaints for the year ended March 31, 2017 is as follows:

Particulars	Equity
Pending at the beginning of the year	1
Received during the year	593
Disposed off during the year	593
Lying unresolved at the end of the year	1*

\*subjudice

### 3.4 Details of Risk Management Committee

Risk Management Committee has been constituted to monitor and review the risk management plan of the Company and to make recommendations to the Board of Directors for taking up various risk management activities.

As on March 31, 2017 the Risk Management Committee comprised of the following:

S.No.	Name of Member	Designation
1.	Shri R. Nagarajan	Chairman
2.	Shri Chinmoy Gangopadhyay	Member

During the FY 2016-17, three meetings of the Risk Management Committee were held on (i) July 4, 2016 (ii) December 8, 2016 and (iii) January 30, 2017.

The detail of the meetings attended by members during the FY 2016-17 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri R. Nagarajan	Director (Finance)	3	3
Shri Yogesh Chand Garg (upto August 21, 2016)	Independent Director	1	1
Shri A. K. Agarwal (upto December 31, 2016)	Director (Projects)	2	2
Shri Chinmoy Gangopadhyay (w.e.f. January 1, 2017)	Director (Projects)	1	1

### 3.5 CSR & Sustainable Development Committee of Directors

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

As on March 31, 2017 the CSR & Sustainable Development Committee comprised of the following:

S.No.	Name of Member	Designation
1.	Shri Sitaram Pareek	Chairman
2.	Shri D. Ravi	Member
3.	Shri Chinmoy Gangopadhyay	Member

During the FY 2016-17, six meetings of the CSR & Sustainable Development Committee of Directors were held on (i) July 5, 2016 (ii) November 23, 2016 (iii) December 1, 2016 (iv) December 20, 2016 (v) February 6, 2017 and (vi) March 24, 2017.

The detail of the meetings attended by members during the FY 2016-17 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri D. Ravi	Director (Commercial)	6	6
Shri Yogesh Chand Garg (upto August 21, 2016)	Independent Director	1	1
Shri Rajeev Sharma (from October 28, 2016 till February 10, 2017)	Chairman and Managing Director	4	4
Shri A. K. Agarwal (upto December 31, 2016)	Director (Projects)	4	4
Shri Chinmoy Gangopadhyay (w.e.f. January 1, 2017)	Director (Projects)	2	2
Shri Sitaram Pareek (w.e.f. February 10, 2017)	Independent Director	1	1



### 3.6 Loans Committee

The Loans Committee of the Directors has been constituted for sanctioning of financial assistance upto ₹500 crore to individual schemes or projects including enhancement of financial and lease assistance and relaxation of eligibility conditions, subject to overall ceiling of ₹10,000 crore in a financial year.

As on March 31, 2017 the Loans Committee comprised of the following:

S.No.	Name of Member	Designation
1.	Shri Rajeev Sharma	Chairman
2.	Dr. Arun Kumar Verma	Member
3.	Shri R. Nagarajan	Member
4.	Shri D. Ravi	Member
5.	Shri Chinmoy Gangopadhyay	Member

During the FY 2016-17, six meetings of the Loans Committee were held on (i) May 13, 2016 (ii) July 4, 2016 (iii) August 11, 2016 (iv) February 6, 2017 and (v) February 20, 2017 and (vi) March 10, 2017.

### 3.7 Committee of Functional Directors

The Committee of Functional Directors has been constituted for sanctioning of financial assistance upto ₹100 crore to individual schemes or projects including enhancement of financial and lease assistance and relaxation of eligibility conditions, subject to overall ceiling of ₹4,000 crore in a financial year.

As on March 31, 2017, the Committee of Functional Directors comprised of the following:

S.No.	Name of Member	Designation
1.	Shri Rajeev Sharma	Chairman
2.	Shri R. Nagarajan	Member
3.	Shri D. Ravi	Member
4.	Shri Chinmoy Gangopadhyay	Member

During the FY 2016-17, seven meetings of the Committee of Functional Directors were held on (i) July 18, 2016 (ii) August 23, 2016 (iii) September 23, 2016 (iv) October 26, 2016 (v) November 16, 2016 (vi) December 19, 2016 and (vii) January 18, 2017.

### 3.8 Committee of Directors for Investment in IPO of Central Power Sector Undertakings

The Committee of Directors for Investment in IPO of Central Power Sector Undertakings has been constituted for approving equity investment in IPOs of Central Power Sector Undertakings and also other related matters like exit/sale decisions, the number of shares to be applied through IPO, individual investment limit in each company on case to case basis, etc.

As on March 31, 2017 the Committee of Directors for Investment in IPO of Central Power Sector Undertakings comprised of the following:

S.No.	Name of Member	Designation
1.	Shri Rajeev Sharma	Chairman
2.	Shri R. Nagarajan	Member
3.	Shri D. Ravi	Member
4.	Shri Chinmoy Gangopadhyay	Member

During the FY 2016-17, one meeting of the Committee of Directors for Investment in IPO of Central Power Sector Undertakings was held on May 16, 2016.

### 3.9 HR Committee

HR Committee has been constituted to consider and submit their recommendations to the Board of Directors on all HR related matters before they are submitted to the Board for approval.

As on March 31, 2017 the HR Committee comprised of the following:

S.No.	Name of Member	Designation
1.	Shri R. Nagarajan	Chairman
2.	Shri D. Ravi	Member
3.	Shri Chinmoy Gangopadhyay	Member

During the FY 2016-17, two meetings of the HR Committee were held on (i) August 5, 2016 and (ii) March 10, 2017.

### 4. General Body Meeting

The details of the last three Annual General Meetings of the company are as under:

AGM	Date	Day	Time	Location	Special Resolution
28 <sup>th</sup>	September 26, 2014	Friday	10:00 A.M.	Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi-10	<ul style="list-style-type: none"> <li>✓ For Adoption of new Articles of Association</li> <li>✓ For Raising funds upto ₹55,000 crore through issue of Bonds / Debentures etc. on Private Placement basis</li> </ul>
29 <sup>th</sup>	September 24, 2015	Thursday	10:00 A.M.	Weightlifting Auditorium, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-03.	<ul style="list-style-type: none"> <li>✓ For Raising funds upto ₹60,000 crore through issue of Bonds / Debentures etc. on Private Placement basis in India or outside India.</li> </ul>
30 <sup>th</sup>	August 19, 2016	Friday	11.00 A.M.	Weightlifting Auditorium, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-03.	<ul style="list-style-type: none"> <li>✓ Modification in existing borrowing limit approved under section 180 (1) (c) of the Companies Act 2013.</li> <li>✓ For Raising funds upto ₹55,000 crore through issue of Bonds / Debentures etc. on Private Placement basis in India or outside India.</li> </ul>

#### POSTAL BALLOT

No Special Resolution was passed last year through Postal Ballot.

Further, no special resolution is proposed to be conducted through postal ballot upto the ensuing AGM.

### 5. Subsidiary Companies

Your Company does not have any subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year.

Pursuant to Regulation 34 (3) read with Schedule V Part-C (10) (e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Policy on Material Subsidiary" and the same is available at [http://www.pfcindia.com/Default/ViewFile/?id=1490186004628\\_Policy on Material Subsidiary.pdf&path=Page](http://www.pfcindia.com/Default/ViewFile/?id=1490186004628_Policy%20on%20Material%20Subsidiary.pdf&path=Page).

### 6. Disclosures

The Company has not entered into any materially significant related party transaction that may have any potential conflict with the interest of the Company. Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Policy on Related Party Transaction" and the same is available at [http://www.pfcindia.com/Default/ViewFile/?id=1490186033556\\_Policy on Related Party Transactions.pdf&path=Page](http://www.pfcindia.com/Default/ViewFile/?id=1490186033556_Policy%20on%20Related%20Party%20Transactions.pdf&path=Page).

Neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital market during the last three years. However, during FY 2015-16, the Company was in receipt of notices of penalty from National Stock Exchange and Bombay Stock Exchange for non-compliance of the requirement of appointment of woman director on the Board of the Company.

In terms of the requirements under Section 177 of the Companies Act, 2013 read with the relevant Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to, inter-alia, establish a 'Vigil Mechanism' / 'Whistle Blower Policy' for Directors and Employees to report their genuine concerns or grievances, about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. As an integral part of such Vigil Mechanism, the Whistle Blower Policy of PFC has been put in place and it is affirmed that no personnel has been denied access to the Audit Committee. The same is available at [http://www.pfcindia.com/Default/ViewFile/?id=1490188785276\\_WBP.pdf&path=Page](http://www.pfcindia.com/Default/ViewFile/?id=1490188785276_WBP.pdf&path=Page).

No item of expenditure was debited in books of accounts which was not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.

Your Company has broadly complied with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India. Information on adoption / non-adoption of the non-mandatory requirements is given at Annexure A.

The Company has laid down the procedures to inform the board about the risk assessment and minimization. The Board of Directors of the company periodically reviews these procedures to ensure risks are managed through a properly defined framework.

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), as enumerated under Companies Act, 2013 and Companies (Accounting Standards) Rules, 2006 to the extent applicable.

## 7. Means of Communication

The company recognizes communication as a key element of the overall Corporate Governance framework and therefore emphasizes continuous, efficient and relevant communication to public at large. The Company communicates with its shareholders through its annual report, general meeting, newspapers and disclosures through website. The Company also communicates with its institutional shareholders through investor conferences, conference calls etc. While the Quarterly/Annual Financial results are published in national newspapers like The Times of India, Hindustan Times, Business Standard (English and Hindi), Navbharat Times (Hindi), Mint, Jansatta (Hindi), Business Lines, Dainik Jagran (Hindi), Indian Express, etc., the same are also available on the website of the Company, viz. [www.pfcindia.com](http://www.pfcindia.com) and are also submitted to stock exchanges for wider dissemination.

All important information pertaining to the Company is mentioned in the Annual Report of the Company containing inter-alia audited accounts, consolidated financial statements, directors' report, auditors' report, report on corporate governance which is circulated to the members and other entitled persons for each financial year.

## 8. CEO/CFO certification

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate duly signed by CEO i.e. Chairman & Managing Director and CFO i.e. Director (Finance) was placed before the Board of Directors at its meetings held on August 9, 2016, November 9, 2016 February 13, 2017 and May 29, 2017.

## 9. Compliance with applicable laws

The company has a robust Compliance monitoring system in place. The Board periodically reviews the status of compliances to ensure proper compliance of all laws applicable to the company.

## 10. Code of Conduct

The Code of Business Conduct and Ethics for the Board Members and Senior Management is a comprehensive code applicable to all Directors and Members of Senior Management of your Company. It is in alignment with Company's vision and values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code has been made available on the website of the Company i.e. [www.pfcindia.com](http://www.pfcindia.com).

Based on the affirmation received from Board Members and Senior Management Personnel, declaration regarding compliance of Code of Conduct made by the Chairman & Managing Director is given below:

**Declaration as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance**

"All the members of the Board and Senior Management Personnel have affirmed compliance of the 'Code of Business Conduct & Ethics for Board Members and Senior Management' for the financial year ended on March 31, 2017."

**Sd/-**  
**Rajeev Sharma**  
**Chairman & Managing Director**  
**DIN: 00973413**

**11. Code for Prevention of Insider Trading**

In pursuance of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company formulated a comprehensive Code i.e. "PFC Code of Conduct for regulating & reporting trading by insiders and for fair disclosure, 2015" to preserve the confidentiality and to prevent misuse of un-published price sensitive information. All Designated Employees and other Connected Persons as mentioned in the Code have a duty to safeguard the confidentiality of all such information obtained in the course of his or her assignment at the company and not to misuse his or her position or information to gain personal benefit or to provide benefit to any third party. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the securities of the Company and the consequences of non-compliance. The Company Secretary has been appointed as Compliance Officer and is responsible for ensuring adherence of the said Code.

In line with the requirement of the said Code, trading window was closed from time to time, whenever some price sensitive information was submitted to the Board. The Compliance Officer notified the closure of trading window on the website of the company well in advance restraining all the employees and other connected person not to deal in the securities of the Company when the trading window is closed.

**12. Shareholders Information**

**1) Annual General Meeting**

Date	Time	Venue
September 20, 2017	11.00 A.M.	Talkatora Stadium

**2) Financial calendar for FY 2017-18 (Tentative)**

Particulars	Date
Financial year	April 1, 2017 to March 31, 2018
Un-audited financial results for the first three quarters	Will be announced within 45 days from the end of each quarter.
Audited Financial Results	Audited Financial Results will be announced on or before May 30, 2018.
<b>AGM(Next year)</b>	September 2018

**3) Date of Book Closure**

The Register of Members and Share Transfer Books of the Company will remain closed from September 13, 2017 to September 20, 2017 inclusive of both days.

**4) Payment of Dividend**

Interim Dividend of ₹ 5.00 per share was paid on April 7, 2017 on the paid up equity share capital of the Company.



Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Dividend Distribution Policy" and the same is available at [http://www.pfcindia.com/Default/ViewFile/?id=1500569967022\\_Dividend Distribution Policy of Power Finance Corporation Limited-Final Version.pdf&path=Page](http://www.pfcindia.com/Default/ViewFile/?id=1500569967022_Dividend Distribution Policy of Power Finance Corporation Limited-Final Version.pdf&path=Page).

## 5) Dividend History

Year	Total Paid-up Capital (₹ in crore)	Total Amount of Dividend paid (₹ in crore)	Rate of Dividend (%)	Date of Payment (Interim & Final)
2011-12	1319.93 (Interim)	659.97	50	February 17, 2012 (Interim)
	1320.00 (Final)	132.00	10	October 3, 2012 (Final)
	<b>Total</b>	<b>791.97</b>	<b>60</b>	-
2012-13	1320.00 (Interim)	792.01	60	February 13, 2013 (Interim)
	1320.00 (Final)	132.00	10	October 7, 2013 (Final)
	<b>Total</b>	<b>924.01</b>	<b>70</b>	-
2013-14	1320.03 (Interim)	1161.63	88	February 17, 2014 (Interim)
	1320.04 (Final)	26.40	2	October 10, 2014 (Final)
	<b>Total</b>	<b>1188.04</b>	<b>90</b>	-
2014-15	1320.04 (Interim)	1122.04	85	March 13, 2015 (Interim)
	1320.04 (Final)	79.20	6	October 8, 2015 (Final)
	<b>Total</b>	<b>1201.24</b>	<b>91</b>	-
2015-16	1320.04 (1 <sup>st</sup> Interim)	1161.64	88	January 4, 2016
	1320.04 (2 <sup>nd</sup> Interim)	594.02	45	February 24, 2016
	1320.04 (Final)	79.20	6	September 1, 2016
	<b>Total</b>	<b>1834.86</b>	<b>139</b>	-

## 6) Listing on Stock Exchanges

PFC shares are listed on the following stock exchanges:

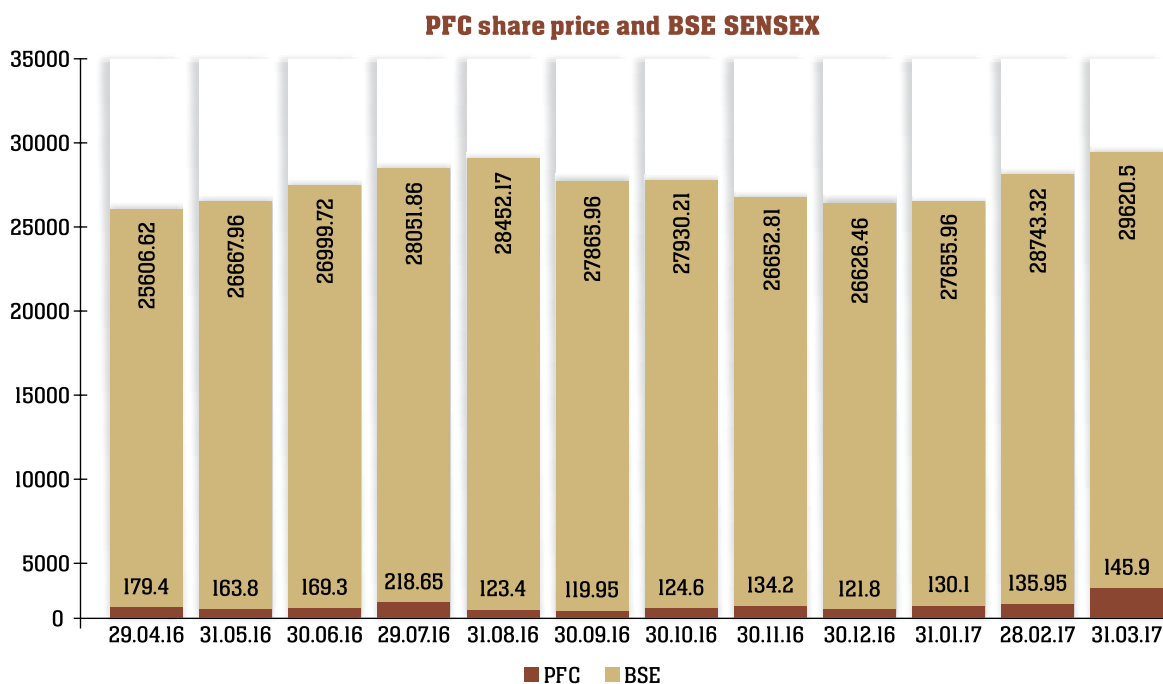
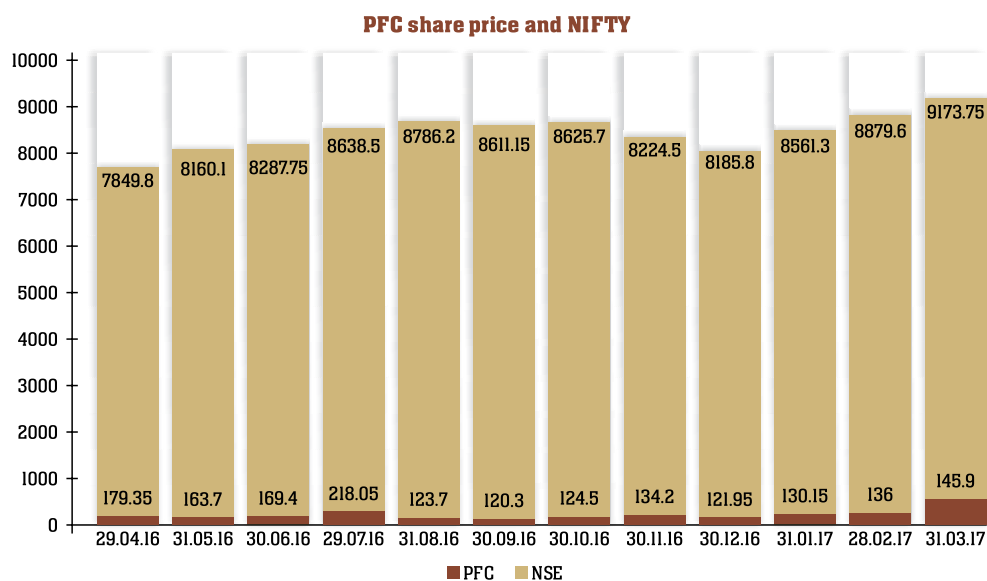
<b>National Stock Exchange of India Limited (NSE)</b> Scrip Code: PFC EQ	<b>Bombay Stock Exchange Limited (BSE)</b> Scrip Code: 532810
Stock Code (ISIN) : INE134E01011	

The annual listing fees for the FY 2017-18 have been paid to NSE and BSE.

## 7) Market Price Data

Month	High (₹)		Low (₹)		Closing (₹)	
	NSE	BSE	NSE	BSE	NSE	BSE
April'16	183.80	183.70	164.00	163.90	179.35	179.40
May'16	181.40	182.00	162.20	162.50	163.70	163.80
June'16	171.65	170.90	156.50	156.75	169.40	169.30
July'16	224.40	224.00	171.50	171.55	218.05	218.65
August'16	246.45	246.25	112.20	112.25	123.70	123.40
September'16	127.65	129.30	112.30	112.40	120.30	119.95
October'16	130.40	130.45	120.20	120.25	124.50	124.60
November'16	135.60	135.60	103.15	103.30	134.20	134.20
December'16	136.40	136.55	112.90	113.10	121.95	121.80
January'17	140.25	140.00	120.65	120.90	130.15	130.10
February'17	141.90	141.80	126.45	126.40	136.00	135.95
March'17	148.40	148.30	129.95	130.20	145.90	145.90

8) Performance in comparison to indices



9) Registrar and Transfer Agent for Equity Shares

**Communication Address**

**Karvy Computershare Private**

“Karvy Selenium Tower B”, Plot No. 31 & 32,  
 Financial District, Nanakramguda,  
 Gachibowli, Hyderabad-500 032,  
 Andhra Pradesh, India  
 Tel: +91 40 67162222, Fax: +91 40 23420814,  
 Email: support@karvy.com,  
 Website: www.karvycomputershare.com

## 10) Share Transfer System

The shares under physical segment are transferred through Karvy Computershare Private Limited, Registrar and Transfer Agent.

Pursuant to Regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity shall ensure that all activities in relation to both physical and electronic share transfer facility are maintained either in house or by Registrar to an issue and share transfer agent registered with SEBI. Further, the listed entity shall submit a compliance certificate to the exchange, duly signed by both the compliance officer of the listed entity and the authorized representative of the share transfer agent, wherever applicable, within one month of end of each half of the financial year, certifying compliance with the requirements of the above. A certificate on half yearly basis confirming above due compliance of share transfer formalities have been submitted to the stock exchanges within the stipulated time.

Further, pursuant to Regulation 40 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall ensure that the share transfer agent and/or the in-house share transfer facility, as the case may be, produces a certificate from a practicing company secretary within one month of the end of each half of the financial year, certifying that all certificates have been issued within thirty days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies. A Certificate under Regulation 40 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the compliance of the above has been submitted to the stock exchanges within the stipulated time.

Further, Practicing Company Secretary also carries out the audit for reconciliation of share capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

## 11) Details of Demat Suspense Account

The details of shares in the Demat Suspense account as on March 31, 2017 is as follows:

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2016	45	4971
Number of shareholders who approached the Company for transfer of shares from suspense account during the year 2016-17 (before issue of Bonus shares)	3	352
Number of shareholders to whom shares were transferred from suspense account	3	352
Balance	42	4619
Bonus Allotment of shares on September 1, 2016 (1:1 ratio)	-	4619
Balance	42	9238
Number of shareholders who approached the Company for transfer of shares from suspense account during the year 2016-17 (after issue of Bonus shares)	1	272
Number of shareholders to whom shares were transferred from suspense account	1	272
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2017	41	8966

The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares.

## 12) Distribution of shareholding

### ✎ Distribution of shareholding as on March 31, 2017

S. No.	Amount	No. of shareholders	% of shareholders	Amount (₹)	% of shares
1	1-5000	196730	85.21	293769060	1.11
2	5001-10000	20942	9.07	168360400	0.64
3	10001-20000	7713	3.34	115775860	0.44
4	20001-30000	1685	0.73	43177210	0.16
5	30001-40000	901	0.39	33015870	0.13
6	40001-50000	567	0.25	26818330	0.10
7	50001-100000	978	0.42	71493390	0.27
8	100001 and above	1358	0.59	25648403960	97.15
	<b>Total</b>	<b>230874</b>	<b>100</b>	<b>26400814080</b>	<b>100</b>

### Shareholding pattern as on March 31, 2017

Category	Total No. of shares	% to Equity
President of India	1751631394	66.35
Insurance Companies	215729156	8.17
Foreign Institutional Investors	34414643	1.30
Foreign Portfolio Investors	375149516	14.21
Resident Individuals	85733783	3.25
Indian Financial Institutions	28405981	1.08
Bodies Corporate	37942905	1.44
Mutual Funds	84148928	3.19
NBFC's	1188213	0.05
Banks	6025430	0.23
Trusts	4419278	0.17
HUF	4437835	0.17
Employees	1461284	0.06
Non Resident Indians	3665598	0.14
Clearing Members	5726464	0.22
Foreign Nationals	1000	0.00
<b>Total</b>	<b>2640081408</b>	<b>100</b>

### 13) Dematerialization of shares

Number of shares held in dematerialized form with NSDL, CDSL and physical mode as on March 31, 2017.

Description	No. of Shares	% to total Capital Issued
NSDL	2609764293	98.85
CDSL	30262137	1.15
Physical	54978	0
<b>Total</b>	<b>2640081408</b>	<b>100</b>

### 14) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

No GDRs/ADRs/Warrants/ Convertible Instruments have been issued by the Company.

### 15) Commodity price risk or foreign exchange risk and hedging activities

Your Company has put in place Currency Risk Management (CRM) policy to manage risks associated with foreign currency borrowings. The Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like currency forward, option, principal swap and forward rate agreements.

### 16) Address for correspondence

#### Registered Office:

'Urjanidhi', I,  
Barakhamba Lane, Connaught Place, New Delhi- 110001

#### Company Secretary

**Shri Manohar Balwani**

Tel: +91 11 23456020, Fax: +91 11 23456786,

e-mail: [investorgrievance@pfcindia.com](mailto:investorgrievance@pfcindia.com)



## Annexure A of Report on Corporate Governance

### Non-Mandatory Requirements

The status of non-mandatory requirements pertaining to Corporate Governance Section of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

**1. The Board:**

The Company is headed by an executive Chairman.

**2. Shareholder Rights:**

The quarterly financial results of the Company are published in leading newspapers as mentioned under the heading "Means and Communication" of the Corporate Governance report and also displayed on the website of the Company.

**3. Audit Qualifications:**

It is always Company's endeavour to move towards unqualified financial statements.

**4. Separate posts of Chairman and CEO:**

PFC being a Government Company, the Chairman and Managing Director of the Company is appointed by the President of India through Ministry of Power, Government of India.

**5. Reporting of Internal Auditor:**

The Internal auditors of the company are invited to the Meetings of the Audit Committee and regularly interact with the members of the Audit committee.

## Certificate on Corporate Governance

### The Members,

### Power Finance Corporation Limited.

We have examined the compliance of conditions of Corporate Governance by Power Finance Corporation Limited for the year ended 31<sup>st</sup> March, 2017, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015") and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause and guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of Securities Exchange Board of India (Listing Obligation & Disclosure requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance except:

- (i) Regulation 17 (1) of SEBI (LODR) Regulations, 2015 and Para 3.1.2 & 3.1.4 of the DPE Guidelines on Corporate Governance require that in case the Chairman is an Executive Director, at least half of the Board should comprise of Independent Directors and shall have a woman Director on its Board. As on March 31, 2017, the Board of Directors of the Company was headed by an Executive Chairman. Accordingly, the number of Independent Directors should have been at least 50% of the Board Members, however, the Board of Company comprises of 6 Directors, which includes 4 whole time Members of the Board , 1 Part Time Government Nominee Director and 1 Non-Official Part Time Independent Director.
- (ii) Regulation 17 (10) of SEBI (LODR) Regulations, 2015, the performance evaluation of Independent Directors shall be done by the entire Board of Directors.
- (iii) Regulation 18 (1) (b) of the SEBI (LODR) Regulations, 2015 and Para 4.1.1 of the DPE Guidelines on Corporate Governance, two-thirds of the members of Audit Committee shall be independent directors.
- (iv) Regulation 19 (1) (b) & (c) of the SEBI (LODR) Regulations, 2015 and Para 5.1 of the DPE Guidelines on Corporate Governance, all directors of the Nomination & Remuneration Committee shall be non-executive directors and at least fifty percent of the directors shall be independent directors.
- (v) Regulation 19 (2) of the SEBI (LODR) Regulations, 2015 and Para 5.1 of the DPE Guidelines on Corporate Governance, the Chairperson of the Nomination and Remuneration Committee shall be an Independent Director.
- (vi) Regulation 25 (3) & (4) of SEBI (LODR) Regulations, 2015, the independent Directors shall at their Separate Meeting, review the performance of non-independent directors and the Board as a whole; review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.. The Independent Directors has met on 27.05.2016 during the period under review whereat it was suggested to explore the practice being followed by other PSUs in power sector and some leading private companies at the first instance w.r.t to the review of performance of the members of the Board & the Board as a whole. Further at the said meeting, the Independent Directors also assessed the quality, quantity and timeliness of flow of information, as required under Regulation 25 (4) (c) of SEBI (LODR) Regulations, 2015.

We further state that such compliance certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**  
Company Secretaries,

Sd/-

CS Sachin Agarwal  
Partner

FCS No. : 5774

C.P. No. : 5910

Date: July 21, 2017

Place: New Delhi



## Business Responsibility Report

### Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L65910DL1986G01024862
Name of the Company	Power Finance Corporation Limited
Registered address	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001
Website	www.pfcindia.com
E-mail id	mb@pfcindia.com
Financial Year reported	2016-17
Sector(s) that the Company is engaged in (industrial activity code-wise)	64990 (Other financial service activities, except insurance and pension funding activities)
List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Rupee Term Loan (RTL) (ii) Short Term Loan (STL) (iii) Buyer's Line of credit (BLC)
Total number of locations where business activity is undertaken by the Company	
i. Number of International Locations	None
ii. Number of National Locations	3
Markets served by the Company - Local/State/National/International	National

### Section B: Financial Details of the Company (as on March 31, 2017)

Paid up Capital (INR)	₹2,640.08 crore
Total Turnover (INR) (Revenue from Operations)	₹26,716.23 crore
Total profit after taxes (INR)	₹2,126.39 crore
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	7.91% (₹168.11 crore) of Profit After Tax (PAT) during FY 2016-17
List of CSR activities in which expenditure has been incurred	Annexure I

### Section C: Other Details

Does the Company have any Subsidiary Company/ Companies?	Yes
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

### Section D: BR Information

#### I. Details of Director responsible for BR

##### a) Details of the Director responsible for implementation of the BR policies

DIN Number	00038452
Name	Shri D. Ravi
Designation	Director (Commercial)

## b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Shri Manohar Balwani
3.	Designation	Company Secretary
4.	Telephone number	011- 23456749
5.	E-mail id	mb@pfcindia.com

## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly areas under:

- P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 - Businesses should promote the well-being of all employees.
- P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 - Businesses should respect and promote human rights.
- P6 - Businesses should respect, protect and make efforts to restore the environment.
- P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 - Businesses should support inclusive growth and equitable development.
- P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environ-ment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	Y	PFC being an NBFC, this principle has limited applicability	Y	Y	The policy is embedded in company's HR policies and practices	The policy is embedded in company's various policies and practices	The policy is embedded in company's various policies and practices	Y	The policy is embedded in company's various policies and practices
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	-	-	Y	-
3.	Does the policy conform to any national /international standards?	Y	-	Y	Y	-	-	-	Y	-
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	-	Y	Y	-	-	-	Y	-
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	-	Y	Y	-	-	-	Y	-



S. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	#	-	Policy being an internal document is accessible to employees only	#	-	-	-	#	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	-	-	-	Y	-
8.	Does the company have in-house structure to implement the policy/policies.	Y	-	Y	Y	-	-	-	Y	-
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	-	Y	Y	-	-	-	Y	-
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	-	Y	Y	-	-	-	Y	-

#The relevant explanation/ information/ links are mentioned in the Annexure II to this Report.

**(b). If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	NOT APPLICABLE								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

### 3. Governance related to BR

✎ **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

CSR & SD Committee headed by an Independent Director has been constituted to give direction to the CSR and SD activities of the Company and to make recommendations to the Board of Directors for taking up various CSR & SD projects. During FY 2016-17, six meetings of the Committee were held.

Further the BR activities of the Company are overseen by a Functional Director and the Board also reviews the Business Responsibility Report as part of Directors' Report on annual Basis.

✎ **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Business Responsibility Report is published as a part of Annual Report from FY 2012-13 onwards. The current Report shall form a part of Annual Report for FY 2016-17 and shall be available on company's website: [www.pfcindia.com](http://www.pfcindia.com).

## Section E: Principle-wise performance

### Principle 1

#### 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Power Finance Corporation Ltd. (PFC) is a leading power sector public financial institution and a non-banking financial company, providing fund and non-fund based support for the development of the Indian power sector. It plays a major role in channelizing investment into the power sector and acts as a vehicle for development of this sector. Its clients include state power utilities, central power sector utilities, power departments, private power sector utilities (including independent power producers), joint sector power utilities etc. PFC has developed the Fair Practices Code (FPC) for its lending operations based on the RBI guidelines, which intends to provide assurance to all the borrowers of the Company's commitment to fair dealing and transparency in its businesses transactions.

PFC also considers Corporate Governance as an integral part of good management and is committed to act professionally, fairly and with integrity in all its dealings. In this direction, Company has an established Code of Business Conduct & Ethics for Board Members & Senior Management.

The Code of Business Conduct and Ethics for the Board Members and Senior Management is a comprehensive code applicable to all Directors and Members of Senior Management of the Company. It is in alignment with Company's vision and values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.

The Company has also adopted an Anti-Fraud policy so as to provide a system of detection and prevention of fraud in the Company. It aims to promote consistent legal and ethical organizational behavior by assigning responsibility for the development of controls and providing guidelines for reporting of fraud/suspected fraud and conduct of investigation of suspected fraudulent behavior. The scope of policy extends to reporting and investigating the fraud or suspected fraud in the Company involving employees (including contractual employees) as well as shareholders, consultants, vendors, suppliers, service providers, contractors, lenders, borrowers, outside agencies and/or any other parties having business relationship with the Company.

#### 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

Under the Anti-Fraud Policy, the Company had not received any complaint during the FY 2016-17.

The company had received a total of 5124 complaints from the stakeholders of the Company during the FY 2016-17 in addition to 1 complaint pending at the beginning of the year. All of which (99.98%) were resolved by March 31, 2017 leaving 1 complaint pending which is subjudice.

### Principle 2

#### 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

PFC has financial products like term loan, Buyer's Line of Credit, lease financing etc. for financing of renewable energy projects which are sustainable and environmentally benign. While sanctioning loans, PFC stipulates conditions including inter alia environmental clearances.

#### 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Since PFC is not a Manufacturing Company and offers financial assistance to Power Sector projects only, following questions mentioned below are generally applicable to manufacturing sector:

##### i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Not Applicable.

##### ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable.



**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

Not Applicable.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Not Applicable.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so?**

Not Applicable

**Principle 3**

**1. Please indicate the total number of employees.**

As on March 31, 2017 there were 499 employees in PFC.

**2. Please indicate the total number of employees hired on temporary/contractual/casual basis.**

During the FY 2016-17, PFC hired 49 employees on temporary/contractual/casual basis.

**3. Please indicate the number of permanent women employees.**

As on March 31, 2017, there were 100 permanent women employees on the rolls of the company.

**4. Please indicate the number of permanent employees with disabilities.**

As on March 31, 2017, there were 14 differently abled employees on the rolls of the company.

**5. Do you have an employee association that is recognized by management?**

PFC has PFC Employees Union, PFC SC/ST/OBC Welfare Association and PFC Executive Association.

**6. What percentage of your permanent employees is members of this recognized employee association?**

100% of the permanent employees are members of these recognized employee associations.

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	No of complaints filed during the financial year 2016-17	No of complaints pending as on March 31, 2016
1	Child labour/forced labour/involuntary labour	Nil	
2	Sexual harassment		
3	Discriminatory employment		

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

✓ Permanent Employees	75%
✓ Permanent Women Employees	80%
✓ Casual/Temporary/Contractual Employees	Nil
✓ Employees with Disabilities	78%

**Principle 4****1. Has the company mapped its internal and external stakeholders?**

Yes

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

All reserved category employees (SC/ST/OBC/PWD & Minorities) are identified as disadvantaged, vulnerable & marginalized stakeholders.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

All Govt. of India directives are followed for engagement at various levels of career progression for these people (all reserved category employees (SC/ST/OBC/PWD & Minorities). Various infrastructure arrangements were made for benefits of PWD persons. Meritorious awards are being given to children of these categories along with other children by giving special relaxation in percentage of marks. Separate Liaison Officers are in place to look after the welfare of the employees in the ambit of this category. It is ensured that a person of reserved category of appropriate level is nominated as member in various selection and promotion committees to look into the interest of the employees of reserved categories.

**Principle 5****1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

PFC does not have any specific policy on human rights.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The details of stakeholder complaints during FY 2016-17 are given herein below:

Particulars	No. of Complaints		
	Equity Shareholders	Bonds holders	Under Anti- Fraud Policy
Pending at the beginning	1	0	Nil
Received during the year	593	4531	Nil
Disposed off during the year	593	4531	Nil
Lying unresolved at the end of the year	1	0	Nil
% of Complaints resolved	99.83%	100%	Nil

**Principle 6****1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

The policy is embedded in company's various policies and practices and covers the Company as a whole.

**2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

PFC is a socially conscious organization and fully endorses the nine principles of Global Compact enunciated by the United Nations Organization (UNO) which encompass areas of human rights, environmental protection and labour rights. These principles of Global Compact are embedded in various organizational policies of the Company thereby facilitating their implementation in a natural way.

PFC consistently strives towards meeting the expectations of the society through proper planning and decision making that will help

in achieving a real and lasting reduction of social and economic disparities as well as protecting the environment. PFC continues to support activities that aim at improving the quality of life of both present and future generations and at the same time safeguarding the capacity of the earth to support life in all its diversity.

**3. Does the company identify and assess potential environmental risks?**

Since PFC is not a Manufacturing Company and offers financial products only, the question is not applicable to the Company.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The above question is not applicable to PFC as it is not a manufacturing company. However, your Company funds renewable energy projects and energy saving projects at special rates of interest in State and Private sectors.

**5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.Y/N? If yes, please give hyperlink for web page etc.**

Yes. Some of the ongoing Clean Technology/Renewable energy projects/Energy Efficient Projects funded by PFC in FY 2016-17 are enlisted below:

S.No.	Clean Technology/Energy Efficient Projects
1	Adopting entire colony constructed for flood victims of Rajoli Village of Waddepally Mandal for providing street lighting using Solar Power LED lights
2	Providing Clean Lighting and ICT Services to schools (102 no.) in Meghalaya, AP and Orissa through Solar PV energy
3	Improving Operational Reliability and Service Quality of Primary Health Centres (PHC) through provision of Clean & Reliable Power by installing micro solar PV power plants
4	Financial Assistance for Supply, installation and commissioning of Solar Lighting System at Streets of villages of Bokaro district of Jharkhand
5	Financial Assistance for Supply, installation and commissioning of Grid connected Roof Top Solar PV (RTSPV) Projects of aggregate capacity of 500 kWp in Kalinga Institute of Social Science (KISS) in the city of Bhubaneswar of Odisha state
6	Financial Assistance for LED based Solar Home Lighting for Bidi Workers in Ashok Nagar District of Madhya Pradesh (3675 nos)
7	Financial Assistance for Project for Supply, Installation & Commissioning of LED based Solar Street Lighting System in villages of Arunachal Pradesh
8	Financial Assistance to project for extending Clean Energy Solutions to 25000 nos. of households across backward districts of Bihar
9	Financial Assistance to 'Project of LED based Solar Home Lighting Systems (SHS) in 8589 nos. households in districts of Arunachal Pradesh
10	Financial Assistance to Project for implementation of 500 nos. of Solar based LED Street Lighting Systems in Phoolpur, Uttar Pradesh
11	Financial Assistance to Project for implementation of 500 nos. of Solar based LED Street Lighting Systems in Bhadohi, Uttar Pradesh
12	Project for implementation of 500 nos. of solar based LED Street Lighting System in Pilibhit, Uttar Pradesh
13	Financial assistance to Project for Installation and commissioning of 544 nos. of LED based Solar PV Street Lighting System in Giridih, Bokaro and Dhandbad districts of Jharkhand

14	Financial Assistance to Project for implementation of 500nos. of solar based LED Street Lighting System in Basti, Uttar Pradesh
15	Financial Assistance to Project for implementation of 500 nos. of solar based LED Street Lighting System in Srawasti District of Uttar Pradesh
16	Financial Assistance for implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Bhadohi (Sant Ravidas Nagar) district of Uttar Pradesh – Phase II

In addition to above, during FY 2016-17, PFC issued sanctions of ₹8,156 crore to Hydro Generation and disbursed ₹1,327 crore. Further, PFC sanctioned ₹7,021 crore to Wind, Solar, Bagasse and Biomass related projects and disbursed an amount of ₹2471 crore during the same period.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Not Applicable.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on March 31, 2017.**

Not Applicable.

**Principle 7**

**1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

Yes, PFC is a member of the following associations:-

1. SCOPE,
2. FICCI,
3. Central Board of Irrigation and Power,
4. ASSOCHAM,
5. Confederation of Indian Industry (CII),
6. World Energy Council.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

PFC supports the initiatives taken by above associations in their endeavors for the advancement or improvement of public good.

**Principle 8**

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

PFC has a CSR and Sustainability policy in place. The aim of the policy is to ensure that the Company becomes socially responsible corporate entity committed to improving the quality of life of the society at large.

As a socially responsible corporate entity, PFC would endeavor to:

- Promote and Leverage green technologies to produce goods and services that contribute to social and environmental sustainability.
- Take up projects that provide energy, water and sanitation facilities to the communities.
- Take up activities to support "Differently abled persons "and the "Health sector".
- Take up issues which are of foremost concern in the national development agenda, like save drinking water for all, provision of toilets especially for girls, health and sanitation, education, etc.

- Contribute to inclusive growth and equitable development in society through education, capacity building measures, empowerment of the marginalized and underprivileged sections/communities.

The objective of the PFC CSR Policy is to:

- Ensure an increased level of commitment at all levels in the Organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of its stakeholders.
- Generate a societal goodwill for PFC through CSR activities and help reinforce a positive and socially responsible image of PFC as a corporate.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

All the projects undertaken under CSR & SD policy were executed by Govt./Semi Govt./Quasi-Govt. implementing agencies and other reputed organisations.

**3. Have you done any impact assessment of your initiative?**

The company shall mandatorily conduct Impact Assessment for projects/programmes sanctioned above ₹ 5 crore. For rest of the projects/programmes, the assessment is to be done on a case to case basis.

The Impact Assessment Study being conducted (sanction-wise) in FY 2016-17 is as tabulated:

S. No.	Particulars	Area
1	Impact assessment study through Indian Institute of Social Welfare and Business management on 'Impact of LED based solar street Lighting systems (SSLs) and solar Home Lighting Systems (SHLSs) in select district/villages of Arunachal Pradesh' through IISWBM, Kolkata	Various districts of Arunachal Pradesh

**4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?**

During the year 2016-17, PFC undertook various Community Development projects in the field of sanitation, solar application and environment. PFC's contribution in terms of amount sanctioned and disbursed are as given below:

Nature of Activities	Sanctioned (₹ in crore)	Disbursement (₹ in crore)
Sanitation/ Waste Management/ Drinking Water	60.63	65.21
Skill Development	43.93	28.59
Solar Application	36.12	17.26
Environment/Tree Plantation	12.62	6.31
Health Sector	8.57	6.14
Others (Impact Studies, Admin. Overheads, NSDF, Railways etc.)	18.62	2.36
<b>Total</b>	<b>180.49</b>	<b>125.87</b>

Spread across various CSR initiatives (inclusive of Community Development projects), PFC disbursed ₹125.87 crore (including Administrative overheads) and received ₹3.93 crore as refund during the FY 2016-17.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The projects sanctioned by PFC are implemented by Govt./Semi Govt./Quasi-Govt. Implementing agencies and other reputed organisations. The benefit to the community is ensured by the implementing agency and also monitored by PFC by various activities such as site visits, tour reports etc.

**Principle 9**

**1. What percentage of customer complaints/consumer cases apart from shareholders and bondholders are pending as at the end of financial year?**

No complaints are pending as on March 31, 2017.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws?**

Not Applicable.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on March 31, 2017. If so, provide details thereof, in about 50 words or so**

Not Applicable.

**4. Did your company carry out any consumer survey/consumer satisfaction trends?**

In PFC, customer complaints are obtained through structured meetings held periodically with Power Utilities, periodic visits undertaken by PFC executives to the customers' offices/project sites, through regular written/telephonic correspondence during the appraisal, loan documentation and disbursement stages of various projects/loans, customers visiting PFC office etc.

Based on the responses, the complaints are recorded and a Corrective and Preventive Action Record (CAPR) is initiated for each complaint. The concerned customer is intimated about the corrective action being taken to resolve the complaint and prevent its further occurrence.

Customer Feedback exercise is also carried out at least once in a year by sending Customer Feedback Form. The feedback forms are compiled to arrive at overall rating of satisfaction level of customer for PFC.





## Annexure I to Business Responsibility Report

List of activities in which expenditure has been incurred:

S.No	Name of Projects (Details of ₹168.11 crore)
1	Upgradation of Adult Education Centers (AECs) to Model AECs under Saakshar Bharat Programme of Ministry of HRD
2	Street Lighting/High Mast Light of Kargil Town & District HQ (J&K)
3	Adopting entire colony constructed for flood victims of Rajoli Village of Waddepally Mandal for providing street lighting using Solar Power LED lights
4	Providing Clean Lighting and ICT Services to schools (102 no.) in Meghalaya, AP and Orissa through Solar PV energy
5	Water Distribution Pipeline in selected wards of Chanderi town, Ashok Nagar district, Madhya Pradesh state
6	Skill Programme for SC/ST/OBC/Women & EWS for 1000 persons
7	Improving Operational Reliability and Service Quality of Primary Health Centres (PHC) through provision of Clean & Reliable Power by installing micro solar PV power plants
8	Financial Assistance for Relief & Rehabilitation activities in the flood affected areas of Uttarakhand for rebuilding of infrastructure destroyed during calamity
9	Financial Assistance for Supply, installation and commissioning of Solar Lighting System at Streets of villages of Bokaro district of Jharkhand
10	Financial Assistance for Supply, installation and commissioning of Grid connected Roof Top Solar PV (RTSPV) Projects of aggregate capacity of 500 kWp in Kalinga Institute of Social Science (KISS) in the city of Bhubaneswar of Odisha state
11	Financial Assistance for Skill Development Training to 4230 Persons with Disabilities (PwDs)
12	Skill Development Programme for 900 Woman Safai Karamchari & their dependents
13	Financial Assistance for LED based Solar Home Lighting for Bidi Workers in Ashok Nagar District of Madhya Pradesh (3675 nos)
14	Financial Assistance for Project for Supply, Installation & Commissioning of LED based Solar Street Lighting System in villages of Arunachal Pradesh
15	Skill Development Training Programmes for youth belonging to Scheduled Castes (4750 persons)
16	Skill Development Programme for SC/ST/ OBC / Women & EWS of society (1500 persons)
17	Financial Assistance for promotion of Sustainable Sanitation by creating awareness and construction of 3,000 nos. of Toilets in the villages of Rajasthan, Bihar & West Bengal
18	Financial Assistance to project for extending Clean Energy Solutions to 25000 nos. of households across backward districts of Bihar
19	Employment oriented Skill Development Programme for SC/ST/OBC/Women & EWS for 1425 persons
20	Financial Assistance to 'Project of LED based Solar Home Lighting Systems (SHS) in 8589 nos. households in districts of Arunachal Pradesh
21	Skill Development Programme for 1200 persons with disabilities (PwDs)

22	Construction of Toilets in the Government Schools of Andhra Pradesh under Swachh Bharat Swachh Vidyalaya Abhiyan (8100 toilets)
23	Construction of Toilets in the Government Schools of Rajasthan under Swachh Bharat Swachh Vidyalaya Abhiyan (1100 toilets)
24	Financial Assistance to Project for implementation of 500 nos. of Solar based LED Street Lighting Systems in Phoolpur, Uttar Pradesh
25	Financial Assistance to Project for implementation of 500 nos. of Solar based LED Street Lighting Systems in Bhadohi, Uttar Pradesh
26	Project for implementation of 500 nos. of solar based LED Street Lighting System in Pilibhit, Uttar Pradesh
27	Project for providing financial assistance for Employment Oriented Training and Skill Development programme for SC/ST/OBC/Women & EWS of society for 2000 persons
28	Financial assistance to Project for Skill Development programme for persons belonging to SC/ST/OBC/Women/PWD & EWS of society for 3000 persons
29	Financial assistance from PFC for the Project for conducting Skill Development Training Programme for SC/ST/OBC/PWD/Women & EWS of society for 2500 candidates
30	Financial assistance to Project for Installation and commissioning of 544 nos. of LED based Solar PV Street Lighting System in Giridih, Bokaro and Dhandbad districts of Jharkhand
31	Financial assistance to Project for Skill Development programme for SC/ST/OBC/Women/PWD & EWS of society for 900 persons
32	Financial Assistance to Project for implementation of 500nos. of solar based LED Street Lighting System in Basti, Uttar Pradesh
33	Contribution to National Sports Development Fund (NSDF) for promotion and development of Sports in India
34	Financial Assistance to Project for Fitment of cochlear Implants to 100 nos. Hearing Impaired Children
35	Financial Assistance to Project for implementation of 500 nos. of solar based LED Street Lighting System in Srawasti District of Uttar Pradesh
36	Financial contribution to "Swachh Bharat Kosh" under PFC's CSR initiatives
37	Financial Assistance for implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Bhadohi (Sant Ravidas Nagar) district of Uttar Pradesh – Phase II
38	Construction of 4 nos. of Sanitary Toilets in Shillong through Hindustan Prefab Limited
39	Impact Assessment, Training and other administrative overheads like pay & allowances etc.

**Annexure II to Business Responsibility Report**

The links of relevant policies approved by the Board of Directors of the Company are given below:-

Name of the Policy	Web links	
	English	Hindi
CSR and Sustainability Policy	<a href="http://www.pfcindia.com/DocumentRepository/ckfinder/files/CSR/CSR_Policy_26082016.pdf">http://www.pfcindia.com/DocumentRepository/ckfinder/files/CSR/CSR_Policy_26082016.pdf</a>	<a href="http://pfcindia.com/hnsite/DocumentRepository/ckfinder/files/CSR/PFC_CSR_POLICY_HND_20092016.pdf">http://pfcindia.com/hnsite/DocumentRepository/ckfinder/files/CSR/PFC_CSR_POLICY_HND_20092016.pdf</a>
Fair Practice Code	<a href="http://www.pfcindia.com/Home/VS/62">http://www.pfcindia.com/Home/VS/62</a>	<a href="http://pfcindia.com/hnsite/Home/VS/62">http://pfcindia.com/hnsite/Home/VS/62</a>
Code of Business Conduct and Ethics	<a href="http://www.pfcindia.com/Home/VS/63">http://www.pfcindia.com/Home/VS/63</a>	<a href="http://pfcindia.com/hnsite/Home/VS/63">http://pfcindia.com/hnsite/Home/VS/63</a>
Anti-Fraud Policy	<a href="http://www.pfcindia.com/Home/VS/65">http://www.pfcindia.com/Home/VS/65</a>	<a href="http://pfcindia.com/hnsite/Home/VS/65">http://pfcindia.com/hnsite/Home/VS/65</a>
Whistle Blower Policy	<a href="http://www.pfcindia.com/Default/ViewFile/?id=1490188785276_WBP.pdf&amp;path=Page">http://www.pfcindia.com/Default/ViewFile/?id=1490188785276_WBP.pdf&amp;path=Page</a>	<a href="http://pfcindia.com/hnsite/Default/ViewFile/?id=1490268719103_wbpHND.pdf&amp;path=Page">http://pfcindia.com/hnsite/Default/ViewFile/?id=1490268719103_wbpHND.pdf&amp;path=Page</a>
Policy on Related Party Transactions	<a href="http://www.pfcindia.com/Default/ViewFile/?id=1490186033556_Policy on Related Party Transactions.pdf&amp;path=Page">http://www.pfcindia.com/Default/ViewFile/?id=1490186033556_Policy on Related Party Transactions.pdf&amp;path=Page</a>	<a href="http://pfcindia.com/hnsite/Default/ViewFile/?id=1490267088709_PFC_Policy_Hindi.pdf&amp;path=Page">http://pfcindia.com/hnsite/Default/ViewFile/?id=1490267088709_PFC_Policy_Hindi.pdf&amp;path=Page</a>
Policy on Material Subsidiary	<a href="http://www.pfcindia.com/Default/ViewFile/?id=1490186004628_Policy on Material Subsidiary.pdf&amp;path=Page">http://www.pfcindia.com/Default/ViewFile/?id=1490186004628_Policy on Material Subsidiary.pdf&amp;path=Page</a>	<a href="http://pfcindia.com/hnsite/Default/ViewFile/?id=1490266955530_material_subsideiry_HND.pdf&amp;path=Page">http://pfcindia.com/hnsite/Default/ViewFile/?id=1490266955530_material_subsideiry_HND.pdf&amp;path=Page</a>

*The other policies are internal documents and accessible only to employees of the organization.*

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,  
The Members,  
Power Finance Corporation Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Power Finance Corporation Limited (hereinafter called PFC/the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our test basis verification of the PFC's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by PFC for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Reserve Bank of India Act, 1934 and Regulations framed thereunder for Non-Banking Financial Companies.
- (vii) Prevention of Money Laundering Act, 2002.



We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Securities Exchange Board of India (Listing Obligations & Disclosure requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:

**(i) Observation 1:**

In terms of Proviso to Section 149 (1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, every listed Company and every other public Company having paid up share capital of one hundred crore rupees or more; or turnover of three hundred crore rupees or more, shall have at least one woman director on the Board of the Company.

**Remark:** Since, PFC is a Government Company under the administrative control of Ministry of Power, Government of India, the appointment, tenure & remuneration of Directors are fixed by the Government of India. The Company is in constant communication with the Ministry for the appointment of woman director on the Board of the Company.

**(ii) Observation 2:**

In terms of Regulation 17 (1) of Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015:

1. The Board of Directors of the Company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising of non-executive directors.
2. Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the company does not have a regular non-executive Chairman, **at least half of the Board should comprise of independent directors.**

Further as per Section 149(4) of the Companies Act, 2013, every listed public company shall have **at least one-third of the total number of directors as independent directors** and the Central Government may prescribe the minimum number of independent directors in case of any class or classes of public companies.

Furthermore, in terms of Para 3.1.2 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, **the number of Functional Directors (including CMD/MD) should not exceed 50% of the actual strength of the Board.**

Also, in terms of Para 3.1.4 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, in case of a CPSE listed on the Stock Exchanges and whose Board of Directors is headed by an Executive Chairman, **the number of Independent Directors shall be at least 50% of Board Members.**

Consequential non-compliances arising due to Non-appointment of Independent Directors on the Board of the Company:

- Compliance of the provisions of Section 177 (2) of the Companies Act, 2013; Para 4.1.1 and 4.1.2 of DPE Guidelines on Corporate Governance and Regulation 18 (1) (b) of the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 w.r.t. to the composition of the Audit Committee.
- Compliance of the provisions of Section 178 (1) of the Companies Act, 2013; Para 5.1 of DPE Guidelines on Corporate Governance and Regulation 19 (1) & (2) of the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 w.r.t. to the composition of the Nomination and Remuneration Committee.

**Remark:** The number of Functional Directors (including CMD/MD) exceeds 50% of the actual strength of the Board. Further, the Board of Directors of the Company is headed by an Executive Chairman, accordingly, the number of Independent Directors should have been at least 50% of the Board Members, however, the Board of Company comprised of 6 Directors, which included 4 whole time Members of the Board, 1 Part Time Government Nominee Director and 1 Non-Official Part Time Independent Director. Accordingly, the composition of the Audit Committee and Nomination & Remuneration Committee is not in compliance with the provisions of Companies Act, 2013, DPE Guidelines on Corporate Governance and Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015. The Company is in constant communication with the Ministry for the appointment of requisite number of Independent directors on the Board of the Company.

**(iii) Observation 3:**

In terms of Regulation 25 (3) & (4) of Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015, the independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of management to:

- (a) review the performance of non-independent directors and the Board of Directors as a whole.
- (b) review the performance of the Chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.
- (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Further, in terms of Regulation 17(10) of Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015, the performance evaluation of independent directors shall be done by the entire Board of Directors.

**Remark:** The Independent Directors has met on 27.05.2016 during the period of Audit whereat it was suggested to explore the practice being followed by other PSUs in power sector and some leading private companies at the first instance w.r.t to the review of performance of the members of the Board & the Board as a whole. Further at the said meeting, the Independent Directors also assessed the quality, quantity and timeliness of flow of information, as required under Regulation 25 (4) (c) of SEBI (LODR) 2015.

**We further report that** the Board of Directors of the Company has to be constituted in terms of the provisions of the Companies Act, 2013, DPE Guidelines and Regulation 17(1) of the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015. The number of independent directors on the Board is less than 50% of the original strength of the Board. At present there is only one Independent Directors on the Board of the Company. Furthermore, the Company is not compliant with provisions of appointment of a woman Director and requisite number of Independent Directors.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of the all the Directors/Members present during the meeting.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Company has issued Bonus Equity Shares to its members in the ratio of One Equity Share each for One Equity Shares held by them in compliance of applicable rules and regulations.

For **Agarwal S. & Associates,**  
Company Secretaries,

Sd/-  
**CS Sachin Agarwal**  
Partner

Place: New Delhi  
Date: July 24, 2017

FCS No. : 5774  
C.P No. : 5910

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

To,  
The Members,  
**Power Finance Corporation Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates,**  
Company Secretaries,

Sd/-  
**CS Sachin Agarwal**  
Partner

Place: New Delhi  
Date: July 24, 2017

FCS No. : 5774  
C.P No. : 5910

### Observations of the Secretarial Auditors alongwith explanations to the same by the Management

Sl. No.	Observation	Explanation
1.	<p>In terms of Proviso to Section 149 (1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, every listed Company and every other public Company having paid up share capital of one hundred crore rupees or more; or turnover of three hundred crore rupees or more, shall have at least one woman director on the Board of the Company.</p> <p><b>Remark:</b> <i>Since, PFC is a Government Company under the administrative control of Ministry of Power, Government of India, the appointment, tenure &amp; remuneration of Directors are fixed by the Government of India. The Company is in constant communication with the Ministry for the appointment of woman director on the Board of the Company.</i></p>	<p>Further to the remarks of Secretarial Auditor, it is stated that in terms of clause 86 of Articles of Association (AoA) of PFC Ltd., the members of the board of PFC are appointed by President of India. Accordingly, the Company has requested Ministry of Power, Government of India to expedite appointment of Women Director on the Board of the Company to enable the company to comply with the Provisions of Section 149 (1) of Companies Act, 2013, rules made thereunder.</p>
2.	<p>In terms of Regulation 17(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:-</p> <ol style="list-style-type: none"> <li>1. The Board of Directors of the Company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising of non-executive directors.</li> <li>2. Where the Chairman of the Board is a non-executive director, atleast one-third of the Board should comprise of independent directors and in case the company does not have a regular non-executive Chairman, <b>at least half of the Board should comprise of independent directors.</b></li> </ol> <p>Further as per Section 149 (4) of the Companies Act, 2013 every listed public company shall have <b>at least one-third of the total number of directors as independent directors</b> and the Central Government may prescribe the minimum number of independent directors in case of any class or classes of public companies.</p> <p>Further more, in terms of Para 3.1.2 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, <b>the number of Functional Directors (including CMD/MD) should not exceed 50% of the actual strength of the Board.</b></p> <p>Also, in terms of Para 3.1.4 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, in case of a CPSE listed on the Stock Exchanges and whose Board of Directors is headed by an Executive Chairman, <b>the number of Independent Directors shall at least 50% of Board Members.</b></p> <p><u>Consequential non-compliances arising due to Non- appointment of Independent Directors on the Board of the Company:-</u></p> <ol style="list-style-type: none"> <li>a. Compliance of the provisions of section 177 (2) of the Companies Act, 2013; Para 4.1.1 and 4.1.2 of DPE Guidelines on Corporate Governance and Regulation 18 (1) (b) of the Securities Exchange Board of India (Listing Obligation &amp; Disclosure Requirements) Regulations, 2015 w.r.t to the composition of the Audit Committee.</li> <li>b. Compliance of the provisions of section 178(1) of the Companies Act, 2013; Para 5.1 of DPE Guidelines on Corporate Governance and Regulation 19 (1) &amp; (2) of the Securities Exchange Board of India (Listing Obligation &amp; Disclosure Requirements) Regulations, 2015 w.r.t to the composition of the Nomination and Remuneration Committee.</li> </ol>	<p>Further to the remarks of Secretarial Auditor, it is stated that in terms of clause 86 of Articles of Association (AoA) of PFC Ltd., the members of the board of PFC are appointed by President of India. Accordingly, the Company has requested Ministry of Power, Government of India to expedite appointment of Independent Director(s) on the Board of the Company to enable the company to comply with the applicable provisions of Companies Act, 2013, SEBI (LODR), Regulations 2015 and DPE guidelines.</p>





Sl. No.	Observation	Explanation
	<p><b>Remark:</b> <i>The number of Functional Directors (including CMD/MD) exceeds 50% of the actual strength of the Board. Further, the Board of Directors of the Company is headed by an Executive Chairman, accordingly the number of Independent Directors should have been at least 50% of the Board Members, however, the Board of Company comprised of 6 Directors, which included 4 whole time Members of the Board, 1 Part Time Government Nominee Director and 1 Non- Official Part Time Independent Director. Accordingly, the composition of the Audit Committee and Nomination &amp; Remuneration Committee is not in compliance with the provisions of Companies Act, 2013, DPE Guidelines on Corporate Governance and Securities Exchange Board of India (Listing Obligation &amp; Disclosure Requirements) Regulations, 2015. The Company is in constant communication with the Ministry for the appointment of requisite number of Independent directors on the Board of the Company.</i></p>	
3.	<p>In terms of Regulation 25 (3) &amp; (4) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of management to:-</p> <p>(a) Review the performance of non-independent directors and the Board of Directors as a whole.</p> <p>(b) Review the performance of the Chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.</p> <p>(c) Assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.</p> <p>Further, in terms of Regulation 17(10) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of Independent Directors shall be done by the entire Board of Directors</p> <p><b>Remark:</b> <i>The Independent Directors has met on 27.05.2016 during the period of Audit whereat it was suggested to explore the practice being followed by other PSUs in power sector and some leading private companies at the first instance w.r.t to the review of performance of the members of the Board &amp; the Board as a whole. Further at the said meeting, the Independent Directors also assessed the quality, quantity and timeliness of flow of information, as required under Regulation 25 (4) (c) of SEBI (LODR) 2015.</i></p>	<p>Further to the remarks of Secretarial Auditor, it is submitted that Independent Directors in their separate meeting held on 27.05.2016 considered the matter related to review of performance of the members of the Board &amp; the Board as a whole and also noted that as per the legal opinion taken by the Company, although there is exemption for Government Companies from the evaluation provisions in the Companies Act, 2013, there is no exemption from similar provisions under the SEBI (LODR), Regulations 2015 for Government Companies.</p> <p>Thereafter, consequent upon the completion of his tenure, Shri V. M. Kaul ceased to be Independent Director w.e.f. 23.06.16. Further the tenure of the only Independent Director thereafter viz. Shri Y.C. Garg was completed on 21.8.2016. Shri Sitaram Pareek has joined PFC Board as Independent Director w.e.f. 6.2.2017 who is the only Independent Director on Board of PFC as on date. Once the adequate number of Independent Directors is inducted on the Board of PFC, further action will be taken in this regard.</p>



# SECTION 03

## Financial Statements

- ▶ Independent Auditors Report on the Standalone Financial Statement
- ▶ Non Banking-Financial Companies Auditors Report
- ▶ Comments of the C&AG
- ▶ Balance Sheet
- ▶ Profit & Loss Statement
- ▶ Cash Flow Statement
- ▶ Auditor's Report on the Consolidated Financial Statements
- ▶ Comment of the C&AG on Consolidated Financial Statements
- ▶ Consolidated Balance Sheet
- ▶ Consolidated Profit & Loss Statement
- ▶ Consolidated Cash Flow Statement



## Independent Auditors' Report

### TO THE MEMBERS OF POWER FINANCE CORPORATION LIMITED

#### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Power Finance Corporation Limited ('the Company'), which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

#### AUDITOR'S RESPONSIBILITY

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

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

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

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

#### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and its profit and its cash flows for the year ended on that date.

#### EMPHASIS OF MATTER

We draw attention to the following matters in the notes to financial statements:

- (a) Note No. 15 of Part-C 'Other Notes on Accounts', regarding adoption of Reserve Bank of India Prudential Norms on restructuring as against MoP approved norms, resulting in higher provision by ₹3,427.18 crore and reversal of income by ₹527.37 crore during the year on state sector loans.
- (b) Note No. 19 of Part-C 'Other Notes on Accounts', regarding income reversal of ₹413.03 crore remaining unrealised, in case of a restructured loan asset categorised as standard in view of ad-interim stay taken by the borrower from Hon'ble High Court of Madras.



- (c) Note No. 5 (E) of Part-C 'Other Notes on Accounts', whereby income of ₹178.15 crore has been recognized during the year due to change in accounting policy on derivative contracts.

Our opinion is not modified in respect of above matters.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(5) of the Act, we have considered the directions / sub-directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact to the financial statements of the Company are given in the **Annexure A**.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure B** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure C**.
  - (g) 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 financial statements - Refer note no. 2(B), 2(C) & note no. 3 of Part-C 'Other Notes on Accounts' to the financial statements;
    - ii. There are no long-term contracts including derivative contracts existing as on the date of balance sheet for which provision is required to be made under the applicable law or accounting standards for any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Refer Note Part - C 36 of the Standalone Financial Statements.

#### FOR M.K. AGGARWAL & CO.

Chartered Accountants  
Firm's Registration No.: 01411N  
by the hand of

Sd/-

**CA M.K. AGGARWAL**

Partner  
Membership No.014956

**Date: 29.05.2017**

**Place: New Delhi**

#### FOR K. B. CHANDNA & CO.

Chartered Accountants  
Firm's Registration No.: 00862N  
by the hand of

Sd/-

**CA SANJEEV CHANDNA**

Partner  
Membership No.087354

**Annexure-A to Independent Auditors' Report on the Standalone Financial Statements**

As required under the Section 143(5) of the Act, with respect to the directions and sub-directions issued by The Comptroller & Auditor General of India, we report that:

Sl. No.	Questionnaire	Replies
1	Whether the company has clear title/ lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	Yes, the Company has clear title / lease deeds for freehold and leasehold land respectively.
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	During FY 2016-17: (A) In line with MoP's OM dated 20 <sup>th</sup> November 2015, interest on interest amounting to ₹12.57 crore and penal interest amounting to ₹3.56 crore has been waived off in respect of states who have signed MoU under Ujwal DISCOM Assurance Yojna (UDAY). (B) Commitment charges aggregating to ₹0.27 crore were waived off in respect of one borrower as per the request of the borrower and extant delegation of powers. (C) Additional Interest aggregating to ₹3.56 crore were waived off in respect of two borrowers as per the request of the borrowers and extant delegation of powers.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities?	N.A.
4	In respect of provisioning requirement of all restructured, rescheduled or renegotiated loan, whether a system of periodical assessment of realizable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard may be suitably commented upon along with financial implication.	Company has adopted RBI's restructuring norms wherein classification and recognition of income is done as per extant guidelines. RBI on 11.04.2017 has exempted the Company from borrower wise classification of loans to state sector utilities which are downgraded to NPA due to non-achievement of DCCO (Date of commencement of commercial operation) within RBI prescribed limits. Further, in case of restructured standard assets, provision is made as per RBI directions. As regards project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters which are exempted from RBI restructuring norms till 31.03.2017. There is no deficiency in provisioning as per our audit.

**FOR M.K. AGGARWAL & CO.**  
 Chartered Accountants  
 Firm's Registration No.: 01411N  
 by the hand of

**Sd/-**  
**CA M.K. AGGARWAL**  
 Partner  
 Membership No.014956

**Date: 29.05.2017**  
**Place: New Delhi**

**FOR K. B. CHANDNA & CO.**  
 Chartered Accountants  
 Firm's Registration No.: 00862N  
 by the hand of

**Sd/-**  
**CA SANJEEV CHANDNA**  
 Partner  
 Membership No.087354

## Annexure B to Independent Auditor's Report on the Standalone Financial Statements

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the management carries out the physical verification of fixed assets at the year end in a phased manner. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company and nature of its assets. As explained to us, no material discrepancies were noticed by the management on such physical verification necessitating any adjustment.
- (c) The Company has clear title deeds of immovable properties held in its name.
- ii. The Company is a Non-Banking Finance Company. Accordingly it does not hold any inventory. Thus, clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- iii. As explained to us and verified from books and records, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Further, clauses 3(iii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv. The Company has not given any loans, investment, guarantees and securities which may be covered under section 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from public during the year within the meaning of section 73 to 76 or any other relevant provision of the companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(l) of the Act, for any of the services rendered by the Company. Accordingly, clauses 3(vi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- vii. In respect of statutory dues, on the basis of information and explanations given to us and on the basis of our examination of the records of the company, we report that:
  - (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Service Tax and Value Added Tax and other material statutory dues as applicable to it and there is no undisputed amount payable in respect of aforesaid dues outstanding for a period of more than six months as on 31<sup>st</sup> March, 2017, as per the accounts of the Company.
  - (b) Wherever any dues / demand has been raised by any statutory authority and has been disputed by the Company, the same has been duly deposited under contest except in following cases:

Name of the Statute	Nature of the Dues	Pending Amount (in ₹)	Amount paid under protest (in ₹)	Total Disputed Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Chapter V of Finance Act, 1994	Service Tax and Penalty	80,65,660/-	5,90,170/-	86,55,830/-	01 <sup>st</sup> April, 2011 to 31 <sup>st</sup> December, 2015	CESTAT, Delhi
		16,91,418/-	Nil	16,91,418/-	01 <sup>st</sup> January, 2016 to 30 <sup>th</sup> November, 2016	Commissioner, CEG ST, LTU, New Delhi

- viii. The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- ix. Money raised by way of all types of debt instruments and term loans during the year was applied for the purposes for which it was raised.

- x. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- xi. Being a Government Company, Section 197 of Companies Act, 2013 does not apply to the Company. Accordingly paragraph 3(xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xii. The Company is not a Nidhi Company. Hence, the Nidhi Rules, 2014 are not applicable to the Company. Accordingly, clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- xiii. All transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable. The details have been disclosed in the Financial Statements as per the requirement of the accounting standard.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with them which are covered under Section 192 of Companies Act, 2013.
- xvi. The Company is a Non- Banking Finance Company and has obtained registration u/s 45-IA of the Reserve Bank of India Act, 1934.

**FOR M.K. AGGARWAL & CO.**

Chartered Accountants  
Firm's Registration No.: 01411N  
by the hand of

**Sd/-****CA M.K. AGGARWAL**

Partner  
Membership No.014956

**FOR K. B. CHANDNA & CO.**

Chartered Accountants  
Firm's Registration No.: 00862N  
by the hand of

**Sd/-****CA SANJEEV CHANDNA**

Partner  
Membership No.087354

**Date: 29.05.2017****Place: New Delhi**





## **Annexure – C to the Independent Auditors' Report on the Standalone Financial Statements**

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

We have audited the internal financial controls over financial reporting of **Power Finance Corporation Limited** ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 were established and maintained and if such controls operated effectively in all material respects.

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

## OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### FOR M.K. AGGARWAL & CO.

Chartered Accountants  
Firm's Registration No.: 01411N  
by the hand of

Sd/-

### CA M.K. AGGARWAL

Partner  
Membership No.014956

### FOR K. B. CHANDNA & CO.

Chartered Accountants  
Firm's Registration No.: 00862N  
by the hand of

Sd/-

### CA SANJEEV CHANDNA

Partner  
Membership No.087354

Date: 29.05.2017

Place: New Delhi

**NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

**To**  
**Board of Directors**  
**Power Finance Corporation Limited**  
**Urjanidhi, I, Barakhamba Lane,**  
**Connaught Place, New Delhi-110001**

**Dear Sir,**

As required by the "Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016" issued by the Reserve Bank of India, on the matters specified in Chapter - II of the said Directions to the extent applicable to the Corporation, we report that:

1. The Company is engaged in the business of non-banking financial institution, having valid certificate of registration as an Infrastructure Finance Company issued by Reserve Bank of India vide No. is B- 14.00004 dated 28.07.2010 in lieu of earlier certificate no. 14.00004 dated 10.02.1998. Further, the Company is entitled to continue to hold such registration in terms of its asset / income pattern as on 31.03.2017.
2. The Company is meeting the requirement of net owned funds applicable to an Infrastructure Finance Company as contained in Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
3. According to information and explanation given to us, the RBI Directions as to deposits are not applicable to the Company. Therefore, the Board of Directors of the Company has not passed a resolution for non-acceptance of any public deposits.
4. The Company has not accepted any public deposits during the year 2016-17.
5. The Company has complied with the Prudential norms relating to, income recognition, accounting standards, asset classification and provisioning for Bad and Doubtful debts in terms of Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, in so far as the same are applicable to the Company.
6. In terms of RBI Master Circular No. RBI/2015-16/28DNBR (PD) CC.No.055/03.10.119/2015-16 dated July 1, 2015, being a Government Company, it is exempt from submitting NBS-7 to the Reserve Bank of India.

**FOR M.K. AGGARWAL & CO.**  
Chartered Accountants  
Firm's Registration No.: 01411N  
by the hand of

**Sd/-**  
**CA M.K. AGGARWAL**  
Partner  
Membership No.014956

**FOR K. B. CHANDNA & CO.**  
Chartered Accountants  
Firm's Registration No.: 00862N  
by the hand of

**Sd/-**  
**CA SANJEEV CHANDNA**  
Partner  
Membership No.087354

**Date: 29.05.2017**  
**Place: New Delhi**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWER FINANCE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2017**

The preparation of Financial Statements of Power Finance Corporation Limited for the year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the Financial Statements of Power Finance Corporation Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

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

**Place: New Delhi  
Date: 03 August 2017**

**POWER FINANCE CORPORATION LIMITED**  
**CIN L6591ODL1986GOI024862**  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2017**

(₹ in Crore)

Description		Note Part	As at 31.03.2017		As at 31.03.2016	
<b>A</b>	<b>EQUITY AND LIABILITIES</b>					
	<b>(1) Shareholders' Funds</b>					
	(i) Share Capital	A-1	2,640.08		1,320.04	
	(ii) Reserves & Surplus	A-2	33,830.13	36,470.21	34,445.99	35,766.03
	<b>(2) Non-Current Liabilities</b>					
	(i) Long Term Borrowings	A-3				
	Secured		20,106.17		19,869.75	
	Un-secured		154,735.19	174,841.36	152,679.95	172,549.70
	(ii) Deferred Tax Liabilities (Net)	C-29		250.51		302.06
	(iii) Other Long Term Liabilities	A-4		6,142.58		548.75
	(iv) Long Term Provisions	A-5		2,544.96		1,229.28
	<b>(3) Current Liabilities</b>					
	(i) Short -Term Borrowings	A-3				
	Secured		2,400.79		0.00	
	Un-secured		0.00		7,571.57	
	(ii) Other Current Liabilities					
	a) Current Maturity of Long Term Borrowings	A-3				
	Secured		3.70		1,916.91	
	Un-secured		25,342.19		18,446.26	
	b) Other Short Term Liabilities	A-4	8,420.17		7,500.77	
	(iii) Short Term Provisions	A-5	1,927.11	38,093.96	805.44	36,240.95
	<b>Total</b>			<b>258,343.58</b>		<b>246,636.77</b>
<b>B</b>	<b>ASSETS</b>					
	<b>(1) Non-Current Assets</b>					
	(i) Fixed Assets	A-6				
	a) Tangible Assets		106.51		105.13	
	Less: Accumulated Depreciation		44.63	61.88	42.57	62.56
	b) Intangible Assets		8.95		8.77	
	Less: Accumulated Amortization		8.26	0.69	7.42	1.35
	c) Intangible Assets under Development			0.00		0.16
	(ii) Non-Current Investments	A-7				
	Trade		465.60		466.73	
	Others		1,800.00	2,265.60	1,800.00	2,266.73
	(iii) Long Term Loans	A-8				
	Secured		138,306.30		134,642.08	
	Un-Secured		62,026.71	200,333.01	65,394.00	200,036.08
	(iv) Other Non-Current Assets	A-9		5,450.62		314.98
	<b>(2) Current Assets</b>					
	(i) Current Investments	A-10	1,325.53		410.74	
	(ii) Cash and Bank Balances	A-11	3,573.15		78.45	
	(iii) Short Term Loans	A-8				
	Secured		1,490.49		1,092.51	
	Un-Secured		4,468.71		2,711.45	
	(iv) Other Current Assets					
	a) Current Maturity of Long Term Loans	A-8				
	Secured		28,635.13		12,191.12	
	Un-Secured		5,241.68		21,431.03	
	b) Others	A-9	5,497.09	50,231.78	6,039.61	43,954.91
	<b>Total</b>			<b>258,343.58</b>		<b>246,636.77</b>

SIGNIFICANT ACCOUNTING POLICIES

OTHER NOTES ON ACCOUNTS

Notes from Part A to Part C form integral part of Financial Statements.

Part B

Part C

Sd/-  
**(MANOHAR BALWANI)**  
 Company Secretary

For and on behalf of the Board of Directors

Sd/-  
**R.NAGARAJAN**  
 Director (Finance)  
 DIN - 00701892

Sd/-  
**RAJEEV SHARMA**  
 Chairman & Managing Director  
 DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
 Chartered Accountants  
 Firm Regn. No - 01411N

For K.B.Chandna & Co.  
 Chartered Accountants  
 Firm Regn. No.: 00862N

Sd/-  
**(M. K. AGGARWAL)**  
 PARTNER  
 Membership No - 014956

Sd/-  
**(SANJEEV CHANDNA)**  
 PARTNER  
 Membership No - 087354

Place : New Delhi  
 Date : 29.05.2017

**POWER FINANCE CORPORATION LIMITED**  
**CIN L6591ODL1986GOI024862**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

(₹ in Crore)

Sl. No.	Description	Note Part	Year ended 31.03.2017		Year ended 31.03.2016	
<b>I.</b>	<b>Revenue from Operations</b>					
	Interest	A-12	26,270.08		27,079.44	
	Other Operating Income	A-12	129.81		118.38	
	Other Financial Services	A-12	<u>316.34</u>	26,716.23	<u>275.83</u>	27,473.65
<b>II.</b>	<b>Other Income</b>					
	Other Income	A-13		302.34		90.66
<b>III.</b>	<b>Total Income ( I + II )</b>			<u>27,018.57</u>		<u>27,564.31</u>
<b>IV.</b>	<b>Expenses</b>					
	Finance Costs	A-14		16,432.69		16,473.81
	Bond Issue Expenses	A-15		26.58		33.44
	Employee Benefit Expenses	A-16		114.97		90.37
	Provisions	C-16		5101.08		1,609.32
	Provision for decline in value of investments	C-21		(7.51)		96.26
	Depreciation and Amortization expenses	A-6		5.56		6.17
	CSR Expenses	C-22(a)		166.15		145.79
	Other Expenses	A-17		67.79		50.62
	Prior Period Items (Net)	A-18		1.47		(2.13)
	<b>Total Expenses</b>			<u>21,908.78</u>		<u>18,503.65</u>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>			<b>5,109.79</b>		<b>9,060.66</b>
VI.	Exceptional Items			0.00		0.00
<b>VII.</b>	<b>Profit before extraordinary items and tax (V-VI)</b>			<b>5,109.79</b>		<b>9,060.66</b>
VIII.	Extraordinary Items			0.00		0.00
<b>IX.</b>	<b>Profit Before Tax (VII-VIII)</b>			<b>5,109.79</b>		<b>9,060.66</b>
<b>X.</b>	<b>Tax Expenses</b>					
	<b>(1) Current Tax</b>					
	Current Year			3,074.39		2,822.26
	Earlier Years			(0.09)		12.11
	<b>(2) Deferred Tax liability(+ ) / Asset(-)</b>			(90.90)		112.81
<b>XI.</b>	<b>Profit (Loss) for the year from continuing operations (IX-X)</b>			<u>2,126.39</u>		<u>6,113.48</u>
<b>XII.</b>	<b>Earnings per equity share of par value of ₹10/- each</b>	<b>C-32</b>				
	Basic (₹)			8.05		23.16
	Diluted (₹)			8.05		23.16

SIGNIFICANT ACCOUNTING POLICIES  
OTHER NOTES ON ACCOUNTSPart B  
Part C

Notes from Part A to Part C form integral part of Financial Statements.

Sd/-  
**(MANOHAR BALWANI)**  
Company Secretary

For and on behalf of the Board of Directors

Sd/-  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892Sd/-  
**RAJEEV SHARMA**  
Chairman & Managing Director  
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N  
Sd/-  
**(M. K. AGGARWAL)**  
**PARTNER**  
Membership No - 014956For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N  
Sd/-  
**(SANJEEV CHANDNA)**  
**PARTNER**  
Membership No - 087354Place : New Delhi  
Date : 29.05.2017

**POWER FINANCE CORPORATION LIMITED**  
**CIN L65910DLI986G0I024862**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

(₹ in Crore)

	Description	Note Part	Year ended 31.03.2017	Year ended 31.03.2016
<b>I.</b>	<b>Cash Flow from Operating Activities :-</b>			
	<b>Net Profit before Tax and Extraordinary items</b>		<b>5,109.79</b>	<b>9,060.66</b>
	<b>ADD: Adjustments for</b>			
	Loss on Sale of Fixed Assets (net)		0.16	0.14
	Profit on sale of Investments	A-13	(0.50)	(0.49)
	Depreciation / Amortization (including Prior period depreciation)	A-6	5.78	6.17
	Amortization of Zero Coupon Bonds & Commercial Papers		99.49	(11.55)
	Foreign Exchange Translation Loss		221.48	306.16
	Net Change in Fair Value of Derivatives	A-14	(178.15)	0.00
	Provision for decline in value of investments		(7.51)	96.26
	Provisions		5101.08	1609.32
	Dividend / Interest on investment	A-13	(290.41)	(70.66)
	CSR Expenses		166.15	145.79
	Interest Subsidy Fund		2.22	(3.88)
	Provision for interest under IT Act		0.69	0.00
	Excess Liabilities written back	A-13	(0.12)	(0.30)
	Provision for Retirement Benefits / Other Welfare Expenses / Wage revision		18.59	20.84
	<b>Operating profit before working Capital Changes:</b>		<b>10,248.74</b>	<b>11,158.46</b>
	<b>Increase / Decrease :</b>			
	Loan Assets (Net)		(6,939.35)	(21,220.77)
	Other Assets		(4,572.82)	(774.44)
	Foreign Currency Monetary Item Translation Difference A/c	A-2(C)(v)	92.18	(359.18)
	Liabilities and provisions		6,324.91	878.88
	<b>Cash flow before extraordinary items</b>		<b>5,153.66</b>	<b>(10,317.05)</b>
	Extraordinary items		0.00	0.00
	<b>Cash Inflow / Outflow from operations before Tax</b>		<b>5,153.66</b>	<b>(10,317.05)</b>
	Income Tax paid		(3,302.04)	(3,059.54)
	Income Tax Refund		68.61	376.2
	<b>Net Cash flow from Operating Activities</b>		<b>1,920.23</b>	<b>(13,338.97)</b>
<b>II.</b>	<b>Cash Flow From Investing Activities :</b>			
	Sale / adjustment of Tangible / Intangible Assets		0.09	0.14
	Purchase of Tangible / Intangible Assets	A-6	(4.51)	(4.57)
	Increase / decrease in Intangible assets under development	A-6	(0.02)	(0.16)
	Investments in Subsidiaries		0.00	(0.20)
	Dividend / Interest on investment		260.08	70.66
	Purchase / Sale of Other Investments		(564.55)	(1921.72)
	<b>Net Cash Used in Investing Activities</b>		<b>(308.91)</b>	<b>(1855.85)</b>
<b>III.</b>	<b>Cash Flow From Financing Activities :</b>			
	Issue of Bonds (including premium) (Net)		18,570.20	11,711.11
	Raising of Long Term Loans (Net)		(9,000.00)	(3,585.00)
	Foreign Currency Loans (Net)		(2,559.98)	732.75
	Commercial paper (Net)		(5,350.00)	3,195.00
	Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)		115.59	357.03
	Unclaimed Bonds (Net)		(3.32)	(0.13)
	Unclaimed Dividend (Net)		(0.29)	0.40
	Payment of Final Dividend of Previous year		(79.20)	(79.20)
	Payment of Interim Dividend of Current year		0.00	(1,755.66)
	Payment of Corporate Dividend Tax		(217.64)	(372.86)

Description		Note Part	Year ended 31.03.2017		Year ended 31.03.2016	
<b>Net Cash in-flow from Financing Activities</b>				<b>1,475.36</b>		<b>10,203.44</b>
<b>Net Increase / Decrease in Cash &amp; Cash Equivalents</b>				<b>3,086.68</b>		<b>(4,991.38)</b>
Add : Cash & Cash Equivalents at beginning of the financial year				28.06		5,019.44
<b>Cash &amp; Cash Equivalents at the end of the financial year</b>				<b>3,114.74</b>		<b>28.06</b>
<b>Details of Cash &amp; Cash Equivalents at the end of the year:</b>		<b>A-II</b>				
i)	Balances in current accounts with:					
	Reserve Bank of India		0.02		0.05	
	Scheduled Banks		42.84	42.86	28.01	28.06
ii)	Cheques in hand			0.00		0.00
iii)	Imprest with postal authority			0.00		0.00
iv)	Fixed Deposits with Scheduled Banks (original maturity up to three months)			3071.88		0.00
<b>Sub Total (I)</b>				<b>3,114.74</b>		<b>28.06</b>
<b>Details of Earmarked Cash and Bank Balances at the end of the year:</b>		<b>A-II</b>				
i)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.			458.41		6.41
ii)	IPDS / R-APDRP					
	Balances in current account with schedule banks			0.00		13.01
iii)	Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)			0.00		30.97
<b>Sub Total (II)</b>				<b>458.41</b>		<b>50.39</b>
<b>Total Cash and Bank Balance at the end of the year (I+II)</b>				<b>3,573.15</b>		<b>78.45</b>

For and on behalf of the Board of Directors

Sd/-  
**(MANOHAR BALWANI)**  
Company Secretary

Sd/-  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892

Sd/-  
**RAJEEV SHARMA**  
Chairman & Managing Director  
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

Sd/-  
**(M. K. AGGARWAL)**  
**PARTNER**  
Membership No - 014956

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

Sd/-  
**(SANJEEV CHANDNA)**  
**PARTNER**  
Membership No - 087354

Place : New Delhi  
Date : 29.05.2017



**NOTE - Part A - I****SHARE CAPITAL**

(₹ In crore)

	Description	As at 31.03.2017	As at 31.03.2016
<b>A</b>	<b>Authorized :</b>		
	10,00,00,00,000 equity shares of par value of ₹10/- each* (Previous year 200,00,00,000 equity shares of par value of ₹10/- each)	10,000.00	2,000.00
	<b>Total</b>	<b>10,000.00</b>	<b>2,000.00</b>
<b>B</b>	<b>Issued, subscribed and fully paid up :</b>		
	132,00,40,704 Equity shares of ₹10/- each fully paid-up (Previous year 132,00,40,704 equity shares of ₹10/- each fully paid up)	1,320.04	1,320.04
	Add : 132,00,40,704 Equity shares of ₹10/- each fully paid-up* (Previous year Nil)	1,320.04	0.00
	<b>Total</b>	<b>2,640.08</b>	<b>1,320.04</b>

\*Refer Note No. 31 of Part-C - Other Notes on Accounts

**Notes:-**

- During the year, the Company has issued bonus shares in the ratio of 1:1 and has not bought back any shares.
- The Company has only one class of equity shares having a par value of ₹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 shareholding at the meetings of shareholders.
- Redeemable preference shares as on 31.03.2017 stand at Nil (Previous year Nil).
- During the year, no shares have been allotted under ESOP scheme.
- Reconciliation of the number of outstanding equity shares:

Description	As at 31.03.2017	As at 31.03.2016
Opening Balance	1,320,040,704	1,320,040,704
Bonus Shares issued during the year	1,320,040,704	Nil
Closing Balance	2,640,081,408	1,320,040,704

- Information on shares in the Company held by each shareholder holding more than 5 percent of paid-up equity share capital :

Name of Holders		As at 31.03.2017	As at 31.03.2016
President of India (Refer Note No. 30 of Part-C - Other Notes on Accounts)	% of Share Holding	66.35	67.80
	No. of Shares Held	1,751,631,394	894,924,366
Life Insurance Corporation of India	% of Share Holding	8.65	9.08
	No. of Shares Held	228,252,101	119,830,788

- During the year, Government of India, Ministry of Power, has disinvested 3,82,17,338 equity shares of par value of ₹10/- each by transferring it to CPSE ETF.
- Information of aggregate number and class of shares allotted as fully paid-up by way of bonus shares for the period of 5 years immediately preceding the date of Balance Sheet:

Particulars	No of Shares issued	Year of issue
Issue of fully paid-up equity shares of face value ₹10/- with rights at par with existing equity shares in the ratio of 1:1	1,320,040,704	2016-17

## NOTE - Part A - 2

## RESERVES &amp; SURPLUS

(₹ In crore)

	Description	As at 31.03.2017		As at 31.03.2016	
<b>(A)</b>	<b>Securities Premium Account</b>				
	Opening balance	4,096.58		4,096.37	
	Add : Addition during the year	0.00		0.21	
	Less: Utilization for Bonus Issue (Refer Note No. 31 of Part-C - Other Notes on Accounts)	<u>1,320.04</u>	2,776.54	<u>0.00</u>	4096.58
<b>(B)</b>	<b>Debenture Redemption Reserve (Refer Note No. 4(A) of Part-C - Other Notes on Accounts)</b>				
	Opening balance	1,172.55		856.28	
	Add : Transfer from Profit and Loss Appropriation	298.02		316.27	
	Less: Transfer to Surplus on account of utilization	<u>36.40</u>	1,434.17	<u>0.00</u>	1,172.55
<b>(C)</b>	<b>Others</b>				
<b>(i)</b>	<b>Reserve for Bad &amp; doubtful debts u/s 36(I)(vii)(c) of Income-Tax Act,1961</b>				
	Opening balance	2,547.14		2,117.93	
	Add : Transfer from Profit and Loss Appropriation	<u>467.55</u>	3,014.69	<u>429.21</u>	2,547.14
<b>(ii)</b>	<b>Special Reserve created u/s 36(I)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97</b>		<b>599.85</b>		<b>599.85</b>
<b>(iii)</b>	<b>Special Reserve created and maintained u/s 36(I)(viii) of Income Tax Act, 1961 from Financial Year 1997-98</b>				
	Opening balance	12,506.91		10,540.21	
	Add : Transfer from Profit and Loss Appropriation	1,803.78		2,004.16	
	Add : Transfer from Surplus	0.00		28.76	
	Less: Transfer to General Reserve	<u>0.00</u>	14,310.69	<u>66.22</u>	12,506.91
<b>(iv)</b>	<b>General Reserve</b>				
	Opening balance	5,364.33		4,197.11	
	Add : Transfer from Profit and Loss Appropriation	0.00		1,101.00	
	Add : Gain - Change in fair value of derivatives (Refer Note No. 5(E) of Part-C - Other Notes on Accounts)	74.35		0.00	
	Add: Transfer from Special Reserve	<u>0.00</u>	5,438.68	<u>66.22</u>	5,364.33
<b>(v)</b>	<b>Foreign Currency Monetary Item Translation Difference A/c (Refer Note No. 5(C) of Part-C - Other Notes on Accounts)</b>				
	Opening balance	(739.74)		(380.56)	
	Add : Net addition during the year	<u>92.18</u>	(647.56)	<u>(359.18)</u>	(739.74)
<b>(D)</b>	<b>Surplus</b>				
	Opening balance	8,898.37		8,871.98	
	Add : Profit after tax for the year	2126.39		6113.48	
	<b>Less : Transfer to Reserves</b>				
	Transfer towards Reserve for Bad & Doubtful Debts u/s 36(I)(vii)(c) of Income Tax Act, 1961	467.55		429.21	
	Transfer to Special Reserve created and maintained u/s 36(I)(viii) of Income Tax Act, 1961	1803.78		2004.16	
	Debenture Redemption Reserve	298.02		316.27	
	General Reserve	0.00		1101.00	
	<b>Less : Dividend &amp; Corporate Dividend Tax</b>				
	Interim Dividend (Refer Note No. 33(A) of Part-C - Other Notes on Accounts)	1320.04		1755.66	
	Proposed Final Dividend	0.00		79.20	
	Corporate Dividend Tax on Interim Dividend	268.73		356.74	
	Proposed Corporate Dividend Tax	0.00		16.12	
	<b>Adjustments during the Year</b>				
	Add: Transfer from Debenture Redemption Reserve on account of utilization	36.40		0.00	
	Add: Adjustment made during the year	0.03		0.03	
	Less : Transfers to Special Reserve under Income Tax Act, 1961	<u>0.00</u>	6,903.07	<u>28.76</u>	8,898.37
	<b>Total (A) + (B) + (C) + (D)</b>		<b>33,830.13</b>		<b>34,445.99</b>

## NOTE - Part A - 3

## BORROWINGS

(₹ In crore)

Description	As at 31.03.2017		Total	As at 31.03.2016		Total
	Current	Non-Current		Current	Non-Current	
<b>A. Long Term Borrowings</b>						
<b>I. Secured</b>						
<b>Bonds</b>						
Infrastructure Bonds (Refer Note No. I)	3.70	281.06	284.76	316.91	44.64	361.55
Tax Free Bonds (Refer Note No. II)	0.00	12,275.11	12,275.11	0.00	12,275.11	12,275.11
Other Bonds (Refer Note No. III)	0.00	7,550.00	7,550.00	1,600.00	7,550.00	9,150.00
<b>Sub Total (I)</b>	<b>3.70</b>	<b>20,106.17</b>	<b>20,109.87</b>	<b>1,916.91</b>	<b>19,869.75</b>	<b>21,786.66</b>
<b>II. Unsecured</b>						
<b>a) Bonds</b>						
Other Bonds / Debentures (Refer Note No. IV & V)	24,155.40	1,41,678.10	1,65,833.50	15,868.00	1,29,682.64	1,45,550.64
Subordinated Bonds (Refer Note No. VI)	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00
Foreign Currency Notes (Refer Note No. VII)	1,167.30	0.00	1,167.30	0.00	1,201.86	1,201.86
	<b>25,322.70</b>	<b>1,45,478.10</b>	<b>1,70,800.80</b>	<b>15,868.00</b>	<b>1,34,684.50</b>	<b>1,50,552.50</b>
<b>b) Foreign Currency Loans</b>						
Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India) (Refer Note No. VIII)	19.49	184.74	204.23	20.68	217.19	237.87
Syndicated Foreign Currency Loans from banks / Financial Institutions (Refer Note No. IX)	0.00	7,072.35	7,072.35	2,057.58	7,278.26	9,335.84
	<b>19.49</b>	<b>7,257.09</b>	<b>7,276.58</b>	<b>2,078.26</b>	<b>7,495.45</b>	<b>9,573.71</b>
<b>c) Rupee Term Loans</b>						
Rupee Term Loans (From Banks) (Refer Note No X)	0.00	2,000.00	2,000.00	500.00	10,500.00	11,000.00
	<b>0.00</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>500.00</b>	<b>10,500.00</b>	<b>11,000.00</b>
<b>Sub Total (II)</b>	<b>25,342.19</b>	<b>1,54,735.19</b>	<b>1,80,077.38</b>	<b>18,446.26</b>	<b>1,52,679.95</b>	<b>1,71,126.21</b>
<b>B. Short Term Borrowings</b>						
<b>I. Secured</b>						
Loan against FD (From Banks) (Refer Note No XI)	2,400.79	0.00	2,400.79	0.00	0.00	0.00
<b>Sub Total (I)</b>	<b>2,400.79</b>	<b>0.00</b>	<b>2,400.79</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>II. Unsecured</b>						
Commercial Paper	0.00	0.00	0.00	5,286.37	0.00	5,286.37
Working Capital Demand Loan / OD / CC / Line of Credit from Banks	0.00	0.00	0.00	2,285.20	0.00	2,285.20
<b>Sub Total (II)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,571.57</b>	<b>0.00</b>	<b>7,571.57</b>
<b>Total (A) + (B)</b>	<b>27,746.68</b>	<b>1,74,841.36</b>	<b>2,02,588.04</b>	<b>27,934.74</b>	<b>1,72,549.70</b>	<b>2,00,484.44</b>

Notes:-

I. Details of Infrastructure Bonds outstanding as at 31.03.2017 are as follows:

Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹in crore)	Date of Redemption	Redemption details	Nature of Security	Extent of Security
1 Infrastructure Bonds 86 A Series	30-Mar-12	8.43%	7.39	30-Mar-22	Redeemable at par on a date falling ten years from the date of allotment.	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.	100%
2 Infrastructure Bonds 86 B Series	30-Mar-12	8.43%	15.48	30-Mar-22	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.		
3 Infrastructure Bonds (2011-12) Series-I	21-Nov-11	8.50%	21.85	21-Nov-21	Redeemable at par on a date falling ten years from the date of allotment.	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created along with first pari-passu charge on immovable property situated at Guindy, Chennai.	100%
4 Infrastructure Bonds (2011-12) Series-II	21-Nov-11	8.50%	36.34	21-Nov-21	Redeemable at par on a date falling ten years from the date of allotment.		
5 Infrastructure Bonds (2010-11) Series-1	31-Mar-11	8.30%	49.95	31-Mar-21	Redeemable at par on a date falling ten years from the date of allotment.	Secured by charge on specific book debt of ₹3,090.80 crore as on 31.03.2017 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.	100%
6 Infrastructure Bonds (2010-11) Series-2	31-Mar-11	8.30%	109.11	31-Mar-21	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.		
7 Infrastructure Bonds (2011-12) Series-III	21-Nov-11	8.75%	3.23	22-Nov-18	On exercise of buy-back option by the bondholders, redeemable at par, on a date, falling seven years and one day from the date of allotment; otherwise, redeemable at par on a date falling fifteen years from the date of allotment.	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari-passu charge on immovable property situated at Guindy, Chennai.	100%
8 Infrastructure Bonds (2011-12) Series - IV	21-Nov-11	8.75%	8.83	22-Nov-18	On exercise of buy-back option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling seven years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.		
9 Infrastructure Bonds (2010-11) Series-3	31-Mar-11	8.50%	6.13	1-Apr-18	On exercise of buy-back option by the bondholders, redeemable at par, on a date, falling seven years and one day from the date of allotment; otherwise, redeemable at par on a date falling fifteen years from the date of allotment.	Secured by charge on specific book debt of ₹3,090.80 crore as on 31.03.2017 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.	100%
10 Infrastructure Bonds (2010-11) Series-4	31-Mar-11	8.50%	22.75	1-Apr-18	On exercise of buy-back option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling seven years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.		
11 Infrastructure Bonds 86 C Series	30-Mar-12	8.72%	0.95	31-Mar-18	On exercise of buy-back option by the bondholders, redeemable at par, on a date, falling six years and one day from the date of allotment; otherwise, redeemable at par on a date falling fifteen years from the date of allotment.	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.	100%
12 Infrastructure Bonds 86 D Series	30-Mar-12	8.72%	2.75	31-Mar-18	On exercise of buy-back option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling six years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.		
	<b>Total</b>		<b>284.76</b>				

## II. Details of Tax Free Bonds outstanding as at 31.03.2017 are as follows:

	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security	Extent of Security
13	Tax Free Bonds 2015-16 SR-3A	17-Oct-15	7.35%	213.57	17-Oct-35	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
14	Tax Free Bonds 2015-16 SR-3B	17-Oct-15	7.60%	155.48	17-Oct-35	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
15	Tax Free Bonds (2013-14) - Series 3A	16-Nov-13	8.67%	1,067.38	16-Nov-33	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
16	Tax Free Bonds (2013-14) - Series 3B	16-Nov-13	8.92%	861.96	16-Nov-33	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
17	Tax Free Bonds 2015-16 SR-2A	17-Oct-15	7.27%	131.33	17-Oct-30	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
18	Tax Free Bonds 2015-16 SR-2B	17-Oct-15	7.52%	45.18	17-Oct-30	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
19	Tax Free Bonds (2013-14) - Series 2A	16-Nov-13	8.54%	932.70	16-Nov-28	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
20	Tax Free Bonds (2013-14) - Series 2B	16-Nov-13	8.79%	353.32	16-Nov-28	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
21	Tax Free Bonds Series 107 B	30-Aug-13	8.46%	1,011.10	30-Aug-28	First pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.	100%
22	Tax Free Bonds (2012-13) tranche - II - Series II	28-Mar-13	7.04%	6.06	28-Mar-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created)	100%
23	Tax Free Bonds (2012-13) tranche - II - Series II	28-Mar-13	7.54%	63.15	28-Mar-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari- passu charge on immovable property situated at Guindy, Chennai.	100%
24	Tax Free Bonds (2012-13) tranche - I - Series II	4-Jan-13	7.36%	150.14	4-Jan-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari- passu charge on immovable property situated at Guindy, Chennai.	100%
25	Tax Free Bonds (2012-13) tranche - I - Series II	4-Jan-13	7.86%	206.86	4-Jan-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari- passu charge on immovable property situated at Guindy, Chennai.	100%
26	Tax Free Bonds Series 95 B	29-Nov-12	7.38%	100.00	29-Nov-27	First pari passu charge on the Immovable Property situated at Chennai. All present and future receivables/ loan assets of the Company, together with the underlying security, excluding the receivables on which specific charge has already been created by the Company.	100%
27	Tax Free Bonds Series 94 B	29-Nov-12	7.38%	25.00	22-Nov-27	First pari passu charge on the Immovable Property situated at Chennai. All present and future receivables/ loan assets of the Company, together with the underlying security, excluding the receivables on which specific charge has already been created by the Company.	100%
28	Tax Free Bonds(2011-12) tranche -I - Series II	1-Feb-12	8.30%	1,280.58	1-Feb-27	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari- passu charge on immovable property situated at Guindy,Chennai.	100%
29	Tax Free Bonds Series 80 B	25-Nov-11	8.16%	209.34	25-Nov-26	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.	100%
30	Tax Free Bonds Series 79 B	15-Oct-11	7.75%	217.99	15-Oct-26	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.	100%
31	Tax Free Bonds 2015-16 SR-1A	17-Oct-15	7.11%	75.09	17-Oct-25	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
32	Tax Free Bonds 2015-16 SR-1B	17-Oct-15	7.36%	79.35	17-Oct-25	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
33	Tax Free Bonds Series 136	17-Jul-15	7.16%	300.00	17-Jul-25	First pari passu charge on Total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.	100%
34	Tax Free Bonds (2013-14) - Series 1A	16-Nov-13	8.18%	325.07	16-Nov-23	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
35	Tax Free Bonds (2013-14) - Series 1B	16-Nov-13	8.43%	335.47	16-Nov-23	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%

	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security	Extent of Security
36	Tax Free Bonds Series 107 A	30-Aug-13	8.01%	113.00	30-Aug-23	First pari passu charge on Total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.	100%
37	Tax Free Bonds (2012-13) tranche - II - Series I	28-Mar-13	6.88%	50.14	28-Mar-23	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created)	100%
38	Tax Free Bonds (2012-13) tranche - II - Series I	28-Mar-13	7.38%	46.01	28-Mar-23		
39	Tax Free Bonds (2012-13) tranche - I - Series I	4-Jan-13	7.19%	185.90	4-Jan-23	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari-passu charge on immovable property situated at Guindy, Chennai.	100%
40	Tax Free Bonds (2012-13) tranche - I - Series I	4-Jan-13	7.69%	156.85	4-Jan-23		
41	Tax Free Bonds Series 95 A	29-Nov-12	7.22%	30.00	29-Nov-22	First pari passu charge on the Immovable Property situated at Chennai. All present and future receivables/ loan assets of the Company, together with the underlying security, excluding the receivables on which specific charge has already been created by the Company.	100%
42	Tax Free Bonds Series 94 A	29-Nov-12	7.21%	255.00	22-Nov-22		
43	Tax Free Bonds (2011-12) tranche - I - Series I	1-Dec-12	8.20%	2,752.55	1-Feb-22	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari-passu charge on immovable property situated at Guindy, Chennai.	100%
44	Tax Free Bonds Series 80 A	25-Nov-11	8.09%	334.31	25-Nov-21	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.	100%
45	Tax Free Bonds Series 79 A	15-Oct-11	7.51%	205.23	15-Oct-21		
		<b>Total</b>		<b>12,275.11</b>			

III. The details of Taxable Bonds (Secured) outstanding as at 31.03.2017 are as follows:

	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security	Extent of Security
46	Taxable Bonds Series 112 C	31-Jan-14	9.70%	270.00	31-Jan-21	First pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction Documents.	100%
47	Taxable Bonds Series 112 B	31-Jan-14	9.70%	270.00	31-Jan-20		
48	Taxable Bonds Series 113	3-Mar-14	9.69%	2,240.00	3-Mar-19	First pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction Documents.	100%
49	Taxable Bonds Series 112 A	31-Jan-14	9.70%	270.00	31-Jan-19	First pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction Documents.	100%
50	Taxable Bonds Series 109	7-Oct-13	9.81%	4,500.00	7-Oct-18	First pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction Documents.	100%
		<b>Total</b>		<b>7,550.00</b>			



IV. Zero Coupon unsecured Taxable Bonds 2022-XIX Series of ₹479.60 crore (previous year ₹443.74 crore) are redeemable at face value of ₹750.00 crore on 30.12.2022 [net of Unamortized Interest of ₹270.40 crore (previous year ₹306.26 crore)].

V. Details of other Unsecured Taxable Bonds as on 31.03.2017 are as follows :

Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
1	Series 71	9.05%	15-Dec-30	192.70
2	Series 66-C	8.85%	15-Jun-30	633.00
3	Series 118-B-III	9.39%	27-Aug-29	460.00
4	Series 103	8.94%	25-Mar-28	2,807.00
5	Series 102-A(III)	8.90%	18-Mar-28	403.00
6	Series 101-B	9.00%	11-Mar-28	1,370.00
7	Series 155	7.23%	5-Jan-27	2,635.00
8	Series 152	7.55%	25-Sep-26	4,000.00
9	Series 151B	7.56%	16-Sep-26	210.00
10	Series 77-B	9.45%	1-Sep-26	2,568.00
11	Series 150B	7.63%	14-Aug-26	1,675.00
12	Series 76-B	9.46%	1-Aug-26	1,105.00
13	Series 147	8.03%	2-May-26	1,000.00
14	Series 71	9.05%	15-Dec-25	192.70
15	Series 141-B	8.40%	18-Sep-25	1,000.00
16	Series 66-B	8.75%	15-Jun-25	1,532.00
17	Series 65	8.70%	14-May-25	1,337.50
18	Series 130-C	8.39%	19-Apr-25	925.00
19	Series 64-III	8.95%	30-Mar-25	492.00
20	Series 131-C	8.41%	27-Mar-25	5,000.00
21	Series 63-III	8.90%	15-Mar-25	184.00
22	Series 128	8.20%	10-Mar-25	1,600.00
23	Series 62-B	8.80%	15-Jan-25	1,172.60
24	Series 126	8.65%	4-Jan-25	5,000.00
25	Series 125	8.65%	28-Dec-24	2,826.00
26	Series 61	8.50%	15-Dec-24	351.00
27	Series 124-C	8.48%	9-Dec-24	1,000.00
28	Series 120-A	8.98%	8-Oct-24	961.00
29	Series 120-B	8.98%	8-Oct-24	950.00
30	Series 118-B-II	9.39%	27-Aug-24	460.00
31	Series 117-B	9.37%	19-Aug-24	855.00
32	Series 57-C	8.60%	7-Aug-24	866.50
33	Series 85-D	9.26%	15-Apr-23	736.00
34	Series 102-A(II)	8.90%	18-Mar-23	403.00
35	Series 102-B	8.87%	18-Mar-23	70.00
36	Series 100-B	8.84%	4-Mar-23	1,310.00

Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
37	Series 92-C	9.29%	21-Aug-22	640.00
38	Series 91-B	9.39%	29-Jun-22	2,695.20
39	Series 88-C	9.48%	15-Apr-22	184.70
40	Series 154	7.27%	22-Dec-21	1,101.00
41	Series 124-B	8.55%	9-Dec-21	1,200.00
42	Series 123-C	8.66%	27-Nov-21	200.00
43	Series 153	7.40%	30-Sep-21	1,830.00
44	Series 78-B	9.44%	23-Sep-21	1,180.00
45	Series 151A	7.47%	16-Sep-21	2,260.00
46	Series 150A	7.50%	16-Aug-21	2,660.00
47	Series 76-A	9.36%	1-Aug-21	2,589.40
48	Series 115-III	9.20%	7-Jul-21	700.00
49	Series 75-C	9.61%	29-Jun-21	2,084.70
50	Series 74	9.70%	9-Jun-21	1,693.20
51	Series 28	8.85%	31-May-21	600.00
52	Series 146	8.05%	27-Apr-21	300.00
53	Series 73	9.18%	15-Apr-21	1,000.00
54	Series 72-B	8.99%	15-Jan-21	1,219.00
55	Series 71	9.05%	15-Dec-20	192.70
56	Series 70	8.78%	15-Nov-20	1,549.00
57	Series 141-A	8.46%	18-Sep-20	1,000.00
58	Series 163	7.50%	17-Sep-20	2,435.00
59	Series 140-B	8.36%	4-Sep-20	1,250.00
60	Series 138	8.45%	10-Aug-20	1,000.00
61	Series 137	8.53%	24-Jul-20	2,700.00
62	Series 68-B	8.70%	15-Jul-20	1,424.00
63	Series 165	7.42%	26-Jun-20	3,605.00
64	Series 66-A	8.65%	15-Jun-20	500.00
65	Series 149	8.04%	30-May-20	100.00
66	Series 159	7.05%	15-May-20	2,551.00
67	Series 65	8.70%	14-May-20	1,337.50
68	Series 131-B	8.38%	27-Apr-20	1,350.00
69	Series 130-B	8.42%	18-Apr-20	200.00
70	Series 85-C	9.30%	15-Apr-20	79.50
71	Series 157	6.83%	15-Apr-20	2,000.00
72	Series 64-II	8.95%	30-Mar-20	492.00
73	Series 87-D	9.42%	20-Mar-20	650.80
74	Series 63-II	8.90%	15-Mar-20	184.00
75	Series 100-A	8.86%	4-Mar-20	54.30
76	Series 127	8.36%	26-Feb-20	4,440.00



Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
77	Series 99-B	8.82%	20-Feb-20	733.00
78	Series 62-A	8.70%	15-Jan-20	845.40
79	Series 61	8.50%	15-Dec-19	351.00
80	Series 124-A	8.52%	9-Dec-19	1,220.00
81	Series 123-B	8.65%	28-Nov-19	836.00
82	Series 60-B	IYINCMTBMK+179 bps (floating rate)	20-Nov-19	925.00
83	Series 122	8.76%	7-Nov-19	1,000.00
84	Series 121-B	8.96%	21-Oct-19	1,100.00
85	Series 59-B	8.80%	15-Oct-19	1,216.60
86	Series 119-B	9.32%	17-Sep-19	1,591.00
87	Series 118-B-I	9.39%	27-Aug-19	460.00
88	Series 57-B	8.60%	7-Aug-19	866.50
89	Series 115-II	9.15%	7-Jul-19	100.00
90	Series 135-B	8.50%	29-Jun-19	1,500.00
91	Series 90-B	9.41%	1-Jun-19	391.00
92	Series 148	7.95%	13-May-19	1,915.00
93	Series 145	7.85%	15-Apr-19	2,928.00
94	Series 143	8.12%	28-Feb-19	700.00
95	Series 98-III	8.72%	8-Feb-19	324.00
96	Series 82-C	9.70%	15-Dec-18	2,060.00
97	Series 52-C	11.25%	28-Nov-18	1,950.60
98	Series 142-B	8.00%	22-Oct-18	1,000.00
99	Series 51-C	11.00%	15-Sep-18	3,024.40
100	Series 140-A	8.28%	4-Sep-18	1,930.00
101	Series 139-C	8.17%	18-Aug-18	800.00
102	Series 49-B	10.85%	11-Aug-18	428.60
103	Series 161	6.90%	16-Jul-18	1,850.00
104	Series 162	6.90%	16-Jul-18	1,060.00
105	Series 48-C	10.55%	15-Jul-18	259.70
106	Series 135-A	8.40%	29-Jun-18	1,210.00
107	Series 130-A	8.40%	19-Jun-18	1,175.00
108	Series 129-A	8.29%	13-Jun-18	980.00
109	Series 129B	8.29%	13-Jun-18	100.00
110	Series 47-C	9.68%	9-Jun-18	780.70
111	Series 134-B	8.39%	28-May-18	1,500.00
112	Series 132-B	8.09%	16-May-18	200.00
113	Series 131-A	8.34%	27-Apr-18	100.00
114	Series 132-A	8.03%	9-Apr-18	272.00
115	Series 102-A(I)	8.90%	18-Mar-18	403.00

Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
116	Series 101-A	8.95%	11-Mar-18	3,201.00
117	Series 99-A	8.77%	20-Feb-18	2.00
118	Series 98-II	8.72%	8-Feb-18	324.00
119	Series 72-A	8.97%	15-Jan-18	144.00
120	Series 40-C	9.28%	28-Dec-17	650.00
121	Series 123-A	8.50%	28-Nov-17	1,075.00
122	Series 18	7.87%	13-Nov-17	25.00
123	Series 121-A	8.90%	21-Oct-17	1,500.00
124	Series 142-A	7.88%	21-Oct-17	800.00
125	Series 93-B	8.91%	15-Oct-17	950.00
126	Series 17	8.21%	3-Oct-17	25.00
127	Series 118-A	9.30%	27-Aug-17	2,160.00
128	Series 92-A	9.01%	21-Aug-17	50.00
129	Series 92-B	9.27%	21-Aug-17	1,930.00
130	Series 117-A	9.32%	19-Aug-17	1,311.00
131	Series 115-I	9.11%	7-Jul-17	1,650.00
132	Series 91-A	9.40%	29-Jun-17	107.50
133	Series 90-A	9.61%	1-Jun-17	537.90
134	Series 134-A	8.35%	27-May-17	1,500.00
135	Series 13	9.60%	24-May-17	65.00
136	Series 139-B	8.12%	22-May-17	1,435.00
137	Series 35	9.96%	18-May-17	530.00
138	Series 13	9.60%	16-May-17	125.00
139	Series 89-A	9.52%	2-May-17	165.00
140	Series 133-B	8.00%	24-Apr-17	605.00
141	Series 144	7.98%	21-Apr-17	1,775.00
142	Series 139-A	8.12%	17-Apr-17	565.00
143	Series 133-A	8.00%	3-Apr-17	545.00
			<b>Total*</b>	<b>1,65,353.90</b>

\*As at 31.03.2017, Bonds of ₹5.60 crore (previous year ₹6.10 crore) are held by PFC Ltd. Employees Provident Fund Trust and Bonds of ₹0.60 crore (previous year ₹0.50 crore) are held by PFC Ltd. Employees Gratuity Trust.

**VI. Details of Unsecured Subordinated Bonds as on 31.03.2017 are as follows :**

	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
1	Subordinated Tier II Debt Bond	9.70%	21-Feb-24	2,000.00
2	Subordinated Tier II Debt Bond	9.65%	13-Jan-24	1,000.00
3	Subordinated Tier II Debt Bond	8.19%	14-Jun-23	800.00
			<b>Total</b>	<b>3,800.00</b>

**VII. Foreign currency 6.61 % Senior Notes (USPP) amounting to ₹1,167.30 crore (previous year ₹1,201.86 crore) are redeemable at par on 05.09.2017.**

**VIII. Details of Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India) outstanding as at 31.03.2017 are as follows:**

S.No	Loan	Rate of Interest p.a. as on 31.03.2017	Amount (₹ in crore)	Date of Repayment
1	KfW I	0.75%	1.14	30-Jun-35
2	KfW I	0.75%	1.30	30-Dec-34
3	KfW I	0.75%	1.31	30-Jun-34
4	KfW I	0.75%	1.31	30-Dec-33
5	KfW I	0.75%	1.30	30-Jun-33
6	KfW I	0.75%	1.31	30-Dec-32
7	KfW I	0.75%	1.30	30-Jun-32
8	KfW I	0.75%	1.30	30-Dec-31
9	KfW I	0.75%	1.31	30-Jun-31
10	KfW I	0.75%	1.30	30-Dec-30
11	KfW I	0.75%	1.30	30-Jun-30
12	KfW I	0.75%	1.31	30-Dec-29
13	KfW I	0.75%	1.30	30-Jun-29
14	KfW I	0.75%	1.30	30-Dec-28
15	ADB (New Loan)	6m USD LIBOR + 0.60%	0.27	15-Oct-28
16	Credit National France	2.00%	0.03	30-Jun-28
17	KfW I	0.75%	1.30	30-Jun-28
18	ADB (New Loan)	6m USD LIBOR + 0.60%	1.88	15-Apr-28
19	Credit National France	2.00%	0.03	31-Dec-27
20	KfW I	0.75%	1.30	30-Dec-27
21	ADB (New Loan)	6m USD LIBOR + 0.60%	2.23	15-Oct-27
22	Credit National France	2.00%	0.06	30-Jun-27
23	KfW I	0.75%	1.30	30-Jun-27
24	ADB (New Loan)	6m USD LIBOR + 0.60%	2.36	15-Apr-27
25	Credit National France	2.00%	0.36	31-Dec-26
26	KfW I	0.75%	1.30	30-Dec-26
27	ADB (New Loan)	6m USD LIBOR + 0.60%	2.59	15-Oct-26
28	Credit National France	2.00%	0.36	30-Jun-26
29	KfW I	0.75%	1.30	30-Jun-26
30	ADB (New Loan)	6m USD LIBOR + 0.60%	4.32	15-Apr-26
31	Credit National France	2.00%	0.43	31-Dec-25
32	KfW I	0.75%	1.30	30-Dec-25
33	ADB (New Loan)	6m USD LIBOR + 0.60%	4.32	15-Oct-25
34	Credit National France	2.00%	0.92	30-Jun-25
35	KfW I	0.75%	1.30	30-Jun-25
36	ADB (New Loan)	6m USD LIBOR + 0.60%	4.32	15-Apr-25
37	Credit National France	2.00%	2.52	31-Dec-24
38	KfW I	0.75%	1.30	30-Dec-24
39	ADB (New Loan)	6m USD LIBOR + 0.60%	4.32	15-Oct-24
40	Credit National France	2.00%	3.05	30-Jun-24
41	KfW I	0.75%	1.30	30-Jun-24
42	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-24

S.No	Loan	Rate of Interest p.a. as on 31.03.2017	Amount (₹ in crore)	Date of Repayment
43	Credit National France	2.00%	3.08	31-Dec-23
44	KfW I	0.75%	1.31	30-Dec-23
45	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-23
46	Credit National France	2.00%	3.78	30-Jun-23
47	KfW I	0.75%	1.30	30-Jun-23
48	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-23
49	Credit National France	2.00%	3.78	31-Dec-22
50	KfW I	0.75%	1.31	30-Dec-22
51	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-22
52	Credit National France	2.00%	3.78	30-Jun-22
53	KfW I	0.75%	1.30	30-Jun-22
54	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-22
55	Credit National France	2.00%	3.78	31-Dec-21
56	KfW I	0.75%	1.30	30-Dec-21
57	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-21
58	Credit National France	2.00%	3.78	30-Jun-21
59	KfW I	0.75%	1.30	30-Jun-21
60	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-21
61	Credit National France	2.00%	3.78	31-Dec-20
62	KfW I	0.75%	1.31	30-Dec-20
63	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-20
64	Credit National France	2.00%	3.78	30-Jun-20
65	KfW I	0.75%	1.30	30-Jun-20
66	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-20
67	Credit National France	2.00%	3.78	31-Dec-19
68	KfW I	0.75%	1.30	30-Dec-19
69	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-19
70	Credit National France	2.00%	3.78	30-Jun-19
71	KfW I	0.75%	1.30	30-Jun-19
72	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-19
73	Credit National France	2.00%	3.78	31-Dec-18
74	KfW I	0.75%	1.31	30-Dec-18
75	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-18
76	Credit National France	2.00%	3.78	30-Jun-18
77	KfW I	0.75%	1.30	30-Jun-18
78	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-18
79	Credit National France	2.00%	3.78	31-Dec-17
80	KfW I	0.75%	1.30	30-Dec-17
81	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-17
82	Credit National France	2.00%	3.78	30-Jun-17
83	KfW I	0.75%	1.31	30-Jun-17
84	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-17
			<b>204.23</b>	

Note: In case of ADB (new loan) a variable rebate is offered by ADB at the time of reset.

## IX. Details of Syndicated Foreign Currency Loans from banks / Financial Institutions outstanding as at 31.03.2017 are as follows:

S.No	Loan	Rate of Interest p.a. as on 31.03.2017	Amount (₹ in crore)	Date of Repayment
1	SLN XVIII	6m JPY LIBOR + 0.75%	844.28	4-Nov-22
2	SLN XVIII	6m JPY LIBOR + 0.75%	844.29	8-Nov-21
3	SLN XVII-(III)	6m USD LIBOR +1.28%	972.75	24-Sep-21
4	SLN XVII-(II)	6m USD LIBOR +1.28%	972.75	26-Mar-21
5	SLN XVIII	6m JPY LIBOR + 0.75%	844.28	6-Nov-20
6	SLN XVII-(I)	6m USD LIBOR +1.28%	972.75	28-Sep-20
7	SLN XVI	6m USD LIBOR +1.55%	1621.25	4-Dec-19
			<b>7,072.35</b>	

## X. Details of Rupee Term Loans (From Banks) outstanding as at 31.03.2017 are as follows:

S.No	Loan	Rate of Interest p.a. as on 31.03.2017	Amount (₹ in crore)	Date of Repayment
1	ICICI Bank	7.90%	1,500.00	30-Apr-2018
2	J&K Bank	8.10%	500.00	30-Apr-2018
			<b>2,000.00</b>	

## XI. Details of Loan against FD (From Banks) outstanding as at 31.03.2017 are as follows:

S.No	Loan	Rate of Interest p.a. as on 31.03.2017	Amount (₹ in crore)	Date of Repayment
1	Oriental Bank of Commerce	7.25%	177.15	3-Apr-2017
2	Vijaya Bank	6.50%	1,800.00	3-Apr-2017
3	J&K Bank	5.50%	100.00	3-Apr-2017
4	Allahabad Bank	4.50%	323.64	3-Apr-2017
			<b>2,400.79</b>	

## NOTE - Part A - 4

## OTHER LONG TERM &amp; CURRENT LIABILITIES

(₹ In crore)

Description	As at 31.03.2017			As at 31.03.2016		
	Short Term	Long Term	Total	Short Term	Long Term	Total
Interest Subsidy Fund from GOI (Refer Note No. 12(A)(ii) of Part-C - Other Notes on Accounts)	3.59	106.10	109.69	6.88	100.59	107.47
Interest Differential Fund - KFW (Refer Note No. 10 of Part-C - Other Notes on Accounts)	0.00	63.88	63.88	0.00	60.71	60.71
Advance received / amount payable to Subsidiaries (including interest payable thereon) (Refer Note No. 8(A)(ii) of Part-C - Other Notes on Accounts)	193.38	249.04	442.42	185.05	198.78	383.83
Amount payable to GoI under R-APDRP	0.00	0.00	0.00	13.00	0.00	13.00
<b>Other Bonds (Amount Payable-Bonds fully serviced by GoI)*</b> (Refer Note No. 13 of Part-C - Other Notes on Accounts)						
a) Principal	0.00	5,000.00	5,000.00	0.00	0.00	0.00
b) Interest accrued but not due	38.21	0.00	38.21	0.00	0.00	0.00
<b>Sub Total</b>	<b>235.18</b>	<b>5,419.02</b>	<b>5,654.20</b>	<b>204.93</b>	<b>360.08</b>	<b>565.01</b>
<b>Interest Accrued but not due :</b>						
On Bonds	7,226.02	288.23	7,514.25	6,841.49	188.50	7,029.99
On Loans	27.14	0.00	27.14	58.36	0.00	58.36
<b>Sub Total</b>	<b>7,253.16</b>	<b>288.23</b>	<b>7,541.39</b>	<b>6,899.85</b>	<b>188.50</b>	<b>7,088.35</b>
<b>Unpaid / Unclaimed</b>						
Bonds	0.52	0.00	0.52	3.84	0.00	3.84
Interest on Bonds	14.17	0.00	14.17	8.33	0.00	8.33
Dividend	1.43	0.00	1.43	1.72	0.00	1.72
<b>Sub Total</b>	<b>16.12</b>	<b>0.00</b>	<b>16.12</b>	<b>13.89</b>	<b>0.00</b>	<b>13.89</b>
Others	915.71	435.33	1,351.04	382.10	0.17	382.27
<b>Sub Total</b>	<b>915.71</b>	<b>435.33</b>	<b>1,351.04</b>	<b>382.10</b>	<b>0.17</b>	<b>382.27</b>
<b>Grand Total</b>	<b>8,420.17</b>	<b>6,142.58</b>	<b>14,562.75</b>	<b>7,500.77</b>	<b>548.75</b>	<b>8,049.52</b>

\*Details of Other Unsecured Taxable Bonds as on 31.03.2017 are as follows :

Bond Series	Date of allotment	Coupon Rate	Date of Redemption	Amount (₹ in crore)
1. PFC Bond Series 164-GoI Fully Serviced Bond	22-Mar-17	7.75%	22-Mar-27	2,000.00
2. PFC Bond Series 160-GoI Fully Serviced Bond	20-Feb-17	7.60%	20-Feb-27	1,465.00
3. PFC Bond Series 158-GoI Fully Serviced Bond	20-Jan-17	7.18%	20-Jan-27	1,335.00
4. PFC Bond Series 156-GoI Fully Serviced Bond	11-Jan-17	7.10%	11-Jan-27	200.00
<b>Total</b>				<b>5,000.00</b>

## NOTE - Part A - 5

## PROVISIONS - LONG TERM AND SHORT TERM

(₹ In crore)

Description	As at 31.03.2017			As at 31.03.2016		
	Short Term	Long Term	Total	Short Term	Long Term	Total
<b>I. Employee Benefits*</b>						
Economic Rehabilitation of Employees	0.17	1.46	<b>1.63</b>	0.21	1.29	<b>1.50</b>
Leave Encashment	1.78	28.90	<b>30.68</b>	2.37	24.52	<b>26.89</b>
Staff Welfare Expenses (Refer Note No. 20(D) of Part-C - Other Notes on Accounts)	3.98	4.92	<b>8.90</b>	1.07	21.61	<b>22.68</b>
Gratuity / Superannuation Fund	1.28	0.00	<b>1.28</b>	0.20	0.00	<b>0.20</b>
Proposed Pay Revision	9.94	0.00	<b>9.94</b>	0.00	0.00	<b>0.00</b>
Bonus / Incentive	5.58	0.00	<b>5.58</b>	9.87	0.00	<b>9.87</b>
<b>Sub Total</b>	<b>22.73</b>	<b>35.28</b>	<b>58.01</b>	<b>13.72</b>	<b>47.42</b>	<b>61.14</b>
<b>II. Others</b>						
Income Tax (net)	0.00	12.57	<b>12.57</b>	0.00	49.49	<b>49.49</b>
CSR & SD Expenses (Refer Note No. 21 & 22 of Part-C - Other Notes on Accounts)	100.20	0.00	<b>100.20</b>	102.16	0.00	<b>102.16</b>
Contingent provision against Standard Assets (Refer Note No. 16(A)(i) of Part-C - Other Notes on Accounts)	99.96	457.88	<b>557.84</b>	103.44	493.97	<b>597.41</b>
Contingent Provisions against Restructured Standard Assets (Refer Note No. 16(A)(ii) of Part-C - Other Notes on Accounts)	317.00	2,039.23	<b>2,356.23</b>	490.80	638.40	<b>1,129.20</b>
Interim Dividend (Refer Note No. 33(A) of Part-C - Other Notes on Accounts)	1,320.04	0.00	<b>1,320.04</b>	0.00	0.00	<b>0.00</b>
Proposed Final Dividend	0.00	0.00	<b>0.00</b>	79.20	0.00	<b>79.20</b>
Corporate Dividend Tax on Interim Dividend	67.18	0.00	<b>67.18</b>	0.00	0.00	<b>0.00</b>
Proposed Corporate Dividend Tax	0.00	0.00	<b>0.00</b>	16.12	0.00	<b>16.12</b>
<b>Sub Total</b>	<b>1,904.38</b>	<b>2,509.68</b>	<b>4,414.06</b>	<b>791.72</b>	<b>1,181.86</b>	<b>1,973.58</b>
<b>Grand Total</b>	<b>1,927.11</b>	<b>2,544.96</b>	<b>4,472.07</b>	<b>805.44</b>	<b>1,229.28</b>	<b>2,034.72</b>

\*Refer Note No. 21 of Part-C - Other Notes on Accounts

(₹ in Crore)

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK				
	Opening Balance as at 01.04.2016	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2017	Opening Balance as at 01.04.2016	For the period 01.04.2016 to 31.03.2017	Adjustment	Prior period Adjustments	On Assets Sold/Written off from books	Closing Balance as at 31.03.2017	As at 31.03.2017	As at 31.03.2016
<b>I. Tangible Assets* :</b>												
Owned Assets												
Land (Freehold)	3.38	0.00	0.00	3.38	0.00	0.00	0.00	0.00	0.00	0.00	3.38	3.38
Land (Leasehold)**	37.87	0.00	0.00	37.87	0.00	0.00	0.00	0.00	0.00	0.00	37.87	37.87
Buildings	24.92	0.00	0.00	24.92	9.69	0.74	0.00	0.00	0.00	10.43	14.49	15.23
EDP Equipments	15.94	1.65	2.43	15.16	13.34	1.94	0.00	0.00	2.27	13.01	2.15	2.60
Office and other equipments	15.08	2.68	0.55	17.21	12.59	1.78	0.00	0.20	0.49	14.08	3.13	2.49
Furniture & Fixtures	7.74	0.18	0.15	7.77	6.84	0.23	0.00	0.02	0.12	6.97	0.80	0.90
Vehicles	0.20	0.00	0.00	0.20	0.11	0.03	0.00	0.00	0.00	0.14	0.06	0.09
<b>Total</b>	<b>105.13</b>	<b>4.51</b>	<b>3.13</b>	<b>106.51</b>	<b>42.57</b>	<b>4.72</b>	<b>0.00</b>	<b>0.22</b>	<b>2.88</b>	<b>44.63</b>	<b>61.88</b>	<b>62.56</b>
<b>Previous year</b>	<b>104.48</b>	<b>4.06</b>	<b>3.41</b>	<b>105.13</b>	<b>40.42</b>	<b>5.28</b>	<b>0.00</b>	<b>0.00</b>	<b>3.13</b>	<b>42.57</b>	<b>62.56</b>	
<b>II. Intangible Assets* :</b>												
Purchased Software (Useful Life - 5 years)	8.77	0.18	0.00	8.95	7.42	0.84	0.00	0.00	0.00	8.26	0.69	1.35
<b>Previous year</b>	<b>8.26</b>	<b>0.51</b>	<b>0.00</b>	<b>8.77</b>	<b>6.53</b>	<b>0.89</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.42</b>	<b>1.35</b>	
<b>III. Intangible assets under development</b>	<b>0.16</b>	<b>0.02</b>	<b>0.18</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.16</b>
<b>Previous year</b>	<b>0.00</b>	<b>0.16</b>	<b>0.00</b>	<b>0.16</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.16</b>	

\*Refer Note No. 24 of Part-C - Other Notes on Accounts

\*\*Refer Note No. 26 of Part-C - Other Notes on Accounts





## NOTE - Part A - 7

## NON-CURRENT INVESTMENTS

(₹ In crore)

Description	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
<b>Long Term Investments</b>				
<b>(A) Trade Investments (Face value of ₹10 /- each fully paid up - unless otherwise stated)</b>				
<b>I. Equity Instruments (Quoted)</b>				
- Valued at Cost				
PTC India Ltd.	1,20,00,000	12.00	1,20,00,000	12.00
<b>II. Equity Instruments (Unquoted)*</b>				
- Valued at Cost (Less diminution, if any, other than temporary)				
National Power Exchange Ltd. (Refer Note No. 7(A)(c)(i) of Part-C - Other Notes on Accounts)	0	0.00	21,87,015	2.19
Less : Provision for diminution		0.00		1.06
Power Exchange India Ltd.	32,20,000	3.22	32,20,000	3.22
Less : Provision for diminution		3.22		3.22
Energy Efficiency Services Ltd (Refer Note No. 7(A)(c)(ii) of Part-C - Other Notes on Accounts)	14,65,00,000	146.50	4,75,00,000	47.50
Subsidiaries (Refer Note No. 7(A)(a)&(b) of Part-C - Other Notes on Accounts)	10,09,50,000	100.95	10,09,50,000	100.95
<b>III. Preference Shares (Unquoted)*</b>				
- Valued at Cost				
10% Cumulative Fully Convertible Preference shares of Subsidiary (Refer Note No. 7(A)(a)(ii)(b) of Part-C - Other Notes on Accounts)	20,00,00,000	200.00	20,00,00,000	200.00
<b>IV. Others (Unquoted)*</b>				
Units of "Small is Beautiful" Fund of KSK Investment Advisor Pvt. Ltd.**	61,52,200	6.15	61,52,200	6.15
<b>V. Application Money pending allotment of Equity Shares</b>				
Energy Efficiency Services Ltd	0	0.00	9,90,00,000	99.00
<b>Sub Total</b>		<b>465.60</b>		<b>466.73</b>
<b>(B) Other Investment -Bonds (Quoted) (Face value of ₹10,00,000/- each fully paid up - unless otherwise stated)</b>				
10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank	18,000	1,800.00	18,000	1,800.00
<b>Sub Total</b>		<b>1,800.00</b>		<b>1,800.00</b>
<b>TOTAL</b>		<b>2,265.60</b>		<b>2,266.73</b>

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Aggregate of Quoted Investments</b>		
Book Value	1,812.00	1,812.00
Market Value***	1,912.08	1,876.80
<b>Aggregate of Un-Quoted Investments</b>		
Book Value	453.60	355.73
<b>Aggregate Provision for Diminution in value</b>	3.22	4.28
<b>Aggregate of Application Money pending allotment of Equity Shares</b>	0.00	99.00

\*Being Unquoted Investments, market value is not available.

\*\*NAV as on 31-Mar-2017 is ₹10.24 per unit (31-Mar-2016 ₹10.24 per unit). The fluctuation in NAV is considered as temporary.

\*\*\*10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank are listed on NSE platform, however, market price as at 31.03.2017 is not available on NSE platform and the bonds have not been traded in the market till 31.03.2017. Accordingly, the face value of the above bonds has been considered as market price.

**NOTE - Part A - 8**

**LOANS\***

Description	As at 31.03.2017		As at 31.03.2016		Total
	Current maturities (Twelve Months)	Non-Current	Current maturities (Twelve Months)	Non-Current	
<b>A. Long Term Loans</b>					
<b>I Secured Loans</b>					
<b>a) Considered Good</b>					
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments	18,719.04	91,789.20	1,10,488.24	1,10,318.91	1,19,201.42
RTLs to Independent Power Producers	6,630.50	22,578.26	29,208.76	18,421.67	20,294.78
Foreign Currency Loans to Independent Power Producers	5.03	0.00	5.03	5.14	25.72
Buyer's Line of Credit	67.48	1,376.96	1,444.44	764.04	1,082.48
Lease Financing to Borrowers**	8.62	185.70	194.32	196.20	204.09
RTLs to Equipment Manufacturers	18.95	25,449.62	889.00	842.35	861.30
<b>b) Others</b>					
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA	2,323.18	21,064.92	23,388.10	347.61	721.96
Less: Provision for contingencies	328.58	1,994.60	2,463.24	69.52	144.39
RTL to Independent Power Producers - NPA	1,689.43	3,237.05	4,926.48	4,251.81	5,199.45
Less: Provision for contingencies	527.87	1,161.56	1,236.29	577.38	779.99
FCL to Independent Power Producers - NPA	58.70	134.48	193.18	201.79	237.69
Less: Provision for contingencies	29.35	67.24	96.59	60.54	71.31
<b>Sub Total (I)</b>	<b>28,635.13</b>	<b>1,38,306.30</b>	<b>1,66,941.43</b>	<b>1,34,642.08</b>	<b>1,46,833.20</b>
<b>II. Un-Secured Loans</b>					
<b>a) Considered Good</b>					
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments #	3,799.06	57,954.91	61,753.97	56,435.04	75,813.08
RTLs to Independent Power Producers	1,127.87	3,413.96	4,541.83	7705.09	9,541.86
Foreign Currency Loans to State Power Utilities	0.00	0.00	0.00	0.00	14.16
Buyer's Line of Credit#	72.35	4,999.28	1,42.52	21,431.03	301.13
<b>b) Others</b>					
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA#	269.33	373.83	643.16	0.00	0.00
Less: Provision for contingencies	26.93	127.20	154.13	0.00	0.00
RTL to Independent Power Producers - NPA	369.85	828.95	1,198.80	1,064.35	1,105.91
Less : Provision for contingencies	369.85	0.00	1,198.80	329.14	370.70
FCL to Independent Power Producers - NPA	0.00	61.91	61.91	22.04	22.04
Less: Provision for contingencies	0.00	61.91	61.91	22.04	22.04
<b>Sub Total (II)</b>	<b>5,241.68</b>	<b>61,685.67</b>	<b>66,927.35</b>	<b>64,974.41</b>	<b>86,405.44</b>
<b>Total A (I + II)</b>	<b>33,876.81</b>	<b>1,99,991.97</b>	<b>2,33,868.78</b>	<b>1,99,616.49</b>	<b>2,33,238.64</b>

Description	As at 31.03.2017			As at 31.03.2016		
	Current maturities (Twelve Months)	Non-Current	Total	Current maturities (Twelve Months)	Non-Current	Total
<b>B. Bonds</b>						
<b>I Un-secured Bonds / Debentures</b>						
Bonds / Debentures from State Power Corporations	0.00	311.60	311.60	0.00	390.15	390.15
Bonds / Debentures from Independent Power Producers***	0.00	29.44	29.44	0.00	29.44	29.44
<b>Total B</b>	<b>0.00</b>	<b>341.04</b>	<b>341.04</b>	<b>0.00</b>	<b>419.59</b>	<b>419.59</b>
<b>C. Short Term Loans</b>						
<b>I Secured Loans - Considered Good</b>						
Working Capital Loans to State Electricity Boards and State Power Corporations	1,467.91	0.00	1,467.91	1,092.51	0.00	1,092.51
Working Capital Loans to Independent Power Producers	22.58	0.00	22.58	0.00	0.00	0.00
<b>Sub Total (I)</b>	<b>1,490.49</b>	<b>0.00</b>	<b>1,490.49</b>	<b>1,092.51</b>	<b>0.00</b>	<b>1,092.51</b>
<b>II Un-Secured Loans - Considered Good</b>						
Working Capital Loans to State Electricity Boards, State Power Corporations and to Government Companies <sup>†</sup>	3,806.69	0.00	3,806.69	2,180.07	0.00	2,180.07
Working Capital Loans to Independent Power Producers	516.73	0.00	516.73	369.00	0.00	369.00
Others - NPA	230.58	0.00	230.58	231.97	0.00	231.97
Less : Provision for contingencies	145.29	0.00	145.29	69.59	0.00	69.59
<b>Sub Total (II)</b>	<b>4,468.71</b>	<b>0.00</b>	<b>4,468.71</b>	<b>2,711.45</b>	<b>0.00</b>	<b>2,711.45</b>
<b>Total C (I + II)</b>	<b>5,959.20</b>	<b>0.00</b>	<b>5,959.20</b>	<b>3,803.96</b>	<b>0.00</b>	<b>3,803.96</b>
<b>Grand Total (A+B+C)</b>	<b>39,836.01</b>	<b>2,00,333.01</b>	<b>2,40,169.02</b>	<b>37,426.11</b>	<b>2,00,036.08</b>	<b>2,37,462.19</b>

\*Refer Note No. 16(A) of Part-C - Other Notes on Accounts

\*\*\*Refer Note No. 11(A)(i) of Part-C - Other Notes on Accounts

<sup>†</sup>Loans guaranteed by respective State Governments amounts to ₹23,353.40 crore (Previous Year ₹37,095.20 crore).

\*\*\*Bonds under issue

## NOTE - Part A - 9

## OTHER ASSETS

(₹ in Crore)

Description	As at 31.03.2017						As at 31.03.2016					
	Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	
<b>A LOANS &amp; ADVANCES</b>												
<b>I Loans (considered good)*</b>												
a) to Employees (Secured)	2.25		11.94		<b>14.19</b>		2.33	14.33		<b>16.66</b>		
b) to Employees (Unsecured)	9.76	12.01	48.22	60.16	<b>57.98</b>	<b>72.17</b>	8.48	10.81	46.68	61.01	<b>55.16</b>	<b>71.82</b>
<b>II Advances (Unsecured considered good)</b>												
Advances Recoverable in cash or in kind or for value to be received												
a) to Subsidiaries (including interest recoverable there on) (Refer Note No. 8(A)(i) of Part-C - Other Notes on Accounts)	262.04		133.72		<b>395.76</b>		195.58	118.19		<b>313.77</b>		
b) to Employees*	0.82		0.01		<b>0.83</b>		0.84	0.01		<b>0.85</b>		
c) Prepaid Expenses	1.95		0.00		1.95		2.96	0.00		2.96		
d) Others	1,259.94		6.31		<b>1,266.25</b>		199.77	9.34		<b>209.11</b>		
e) Advance Income Tax and Tax Deducted at Source (net)	0.00		228.00		<b>228.00</b>		0.00	107.18		<b>107.18</b>		
f) Security Deposits	0.42	1,525.17	0.38	368.42	<b>0.80</b>	<b>1,893.59</b>	3.22	402.37	0.38	235.10	<b>3.60</b>	<b>637.47</b>
<b>B Amount Recoverable on account of Bonds fully serviced by GoI (Unsecured considered good)</b> (Refer Note No. 13 of Part-C - Other Notes on Accounts)												
a) Principal	0.00		5,000.00		<b>5,000.00</b>		0.00	0.00		<b>0.00</b>		
b) Interest	38.21	38.21	0.00	5,000.00	<b>38.21</b>	<b>5,038.21</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	<b>0.00</b>
<b>C OTHER ASSETS</b>												
<b>I Accrued but not due :</b>												
a) Interest on Loan Assets	3,723.25		0.00		<b>3,723.25</b>		4,807.00	0.00		<b>4,807.00</b>		
b) Other charges	0.00		0.00		<b>0.00</b>		11.92	0.00		<b>11.92</b>		
c) Interest on Loans to Employee	0.60		22.04		<b>22.64</b>		0.50	18.87		<b>19.37</b>		
d) Interest on Deposits and Investments	30.33	3,754.18	0.00	22.04	<b>30.33</b>	<b>3,776.22</b>	28.92	4,848.34	0.00	18.87	<b>28.92</b>	<b>4,867.21</b>
<b>II Accrued and due :</b>												
Incomes accrued & due on loans	167.52	167.52	0.00	0.00	<b>167.52</b>	<b>167.52</b>	777.93	777.93	0.00	0.00	<b>777.93</b>	<b>777.93</b>
<b>D Loans &amp; Advances (Unsecured - Others)</b> (Refer Note No. 16(B)(i) of Part-C - Other Notes on Accounts)												
Non Performing Assets (NPAs)	16.40		0.00		<b>16.40</b>		1.17	0.00		<b>1.17</b>		
Less : Provision for contingencies	16.40	0.00	0.00	0.00	<b>16.40</b>	<b>0.00</b>	1.01	0.16	0.00	0.00	<b>1.01</b>	<b>0.16</b>
<b>Total</b>		<b>5,497.09</b>		<b>5,450.62</b>		<b>10,947.71</b>		<b>6,039.61</b>		<b>314.98</b>		<b>6,354.59</b>

\*Includes:

Description	Balance as at 31.03.2017	Balance as at 31.03.2016
Loans & Advances given to Directors & Other Officers (KMPs) (Refer Note No. 6(B) of Part-C - Other Notes on Accounts)	0.50	0.39

## NOTE - Part A -10

## CURRENT INVESTMENTS

(₹ in Crore)

Description	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
<b>A. Equity Instruments (Quoted) (Face value of ₹10/- each fully paid up)-Valued for category at lower of cost or market value</b>				
PGCIL (Cost Price ₹52 per Share)	4,39,349	2.28	4,89,349	2.54
REC Ltd.*	95,904	0.50	47,952	0.50
Coal India Ltd. (Cost Price ₹358.58 per Share)	1,39,64,530	500.74	1,39,64,530	500.74
*NHPC Limited (Cost Price ₹21.78 per Share) (Refer Note No. 9(A)(i) of Part-C - Other Notes on Accounts) -	26,05,42,051	567.50	0	0.00
Less : Provision for diminution on Equity Instruments (Quoted)**		0.00	1,071.02	93.04
<b>B. Equity Instruments (Borrower Companies) (Un-quoted) (Face value of ₹10/- each fully paid up)</b>				
Shree Maheshwar Hydel Power Corporation Ltd. (NPA Borrower) (Refer Note No. 9(B)(i) of Part-C - Other Notes on Accounts)	13,18,46,779	66.10	0	0.00
Less : Provision for diminution on Equity Instruments (Un-quoted)		66.10	0.00	0.00
(Valued in accordance with Para - 5.2 of Note Part - B - Significant Accounting Policies)				
GMR Chhattisgarh Energy Ltd. (Refer Note No. 9(B)(ii) of Part-C - Other Notes on Accounts)	27,50,00,000	275.00	0	0.00
Less : Provision for diminution on Equity Instruments (Un-quoted)		20.49	254.51	0.00
<b>Total</b>				<b>410.74</b>
				<b>1,325.53</b>
Description	As at 31.03.2017		As at 31.03.2016	
<b>Aggregate of Quoted Investments</b>				
Book Value		1,071.02		410.74
Market Value		1,258.02		415.30
<b>Aggregate of Unquoted Investments</b>				
Book Value		254.51		0.00
<b>Aggregate Provision for Diminution in value</b>		(86.59)		93.04

\*Shares acquired at a cost of ₹105 per share. Subsequent to issue of bonus shares in the ratio of 1:1 during FY 2016-17, revised cost price comes to ₹52.5 per share.

\*\*Refer Para - 5.1 of Note Part - B - Significant Accounting Policies. Provision as at 31.03.2016 pertains to Coal India Ltd. based on Significant Accounting Policy of that year.

## NOTE - Part A -11

## CASH AND BANK BALANCES

(₹ in Crore)

Description	As at 31.03.2017	As at 31.03.2016
<b>I Cash and Cash Equivalents:</b>		
i) Balances in current accounts with:		
Reserve Bank of India	0.02	0.05
Scheduled Banks	42.84	28.01
ii) Cheques in hand		0.00
iii) Imprest with postal authority		0.00
iv) Fixed Deposits with Scheduled Banks (original maturity up to 3 months)		0.00
<b>Sub Total (I)</b>	<b>3,114.74</b>	<b>28.06</b>
<b>II Earmarked Balances:</b>		
i) Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.	458.41	6.41
ii) IPDS / R-APDRP		
Balances in current account with schedule banks	0.00	13.01

Description		As at 31.03.2017		As at 31.03.2016	
iii)	Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)		0.00		30.97
	<b>Sub Total (II)</b>		<b>458.41</b>		<b>50.39</b>
	<b>Total (I+II)</b>		<b>3,573.15</b>		<b>78.45</b>

**NOTE - Part A - 12****REVENUE FROM OPERATIONS**

(₹ in Crore)

Description		Year ended 31.03.2017		Year ended 31.03.2016	
<b>I. Interest</b>					
	Interest on Loans	26,587.14		27,359.13	
	Less : Rebate for Timely Payment to Borrowers	316.65		297.42	
	Less : Post COD Timely Payment Rebate	22.39	26,248.10	2.56	27,059.15
	Lease income		21.98		20.29
	<b>Sub Total (I)</b>		<b>26,270.08</b>		<b>27,079.44</b>
<b>II. Other Operating income</b>					
	Income from surplus funds		117.71		97.60
	Interest received on advances given to subsidiaries		12.10		11.73
	Profit on sale of Bonds of Borrowers		0.00		9.05
	<b>Sub Total (II)</b>		<b>129.81</b>		<b>118.38</b>
<b>III. Other Financial Services</b>					
	Prepayment Premium on Loans		201.77		170.46
	Upfront fees on Loans		37.87		18.72
	Management, Agency & Guarantee Fees		48.13		46.42
	Commitment charges on Loans	5.44		5.07	
	Less : Commitment charges on Loans waived	0.27	5.17	0.01	5.06
	Fee on account of GoI Schemes:				
	Nodal Agency Fee - R-APDRP (Refer Note No. 12(B)(ii) of Part-C - Other Notes on Accounts)	2.24		0.66	
	Nodal Agency Fee - IPDS	21.16	23.40	34.51	35.17
	<b>Sub Total (III)</b>		<b>316.34</b>		<b>275.83</b>
	<b>Total (I+II+III)</b>		<b>26,716.23</b>		<b>27,473.65</b>

**NOTE - Part A - 13****OTHER INCOME**

(₹ in Crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Dividend / Interest Income on Non-Current Investments	203.02	32.22
Dividend Income on Current Investments	87.39	38.44
Profit on sale of Fixed Assets	0.03	0.03
Profit on sale of Non-Current Investments	0.00	0.05
Profit on sale of Current Investments	0.50	0.44
Interest on Income Tax Refund	3.88	9.10
Miscellaneous Income	7.40	10.08
Excess Liabilities written back	0.12	0.30
<b>Total</b>	<b>302.34</b>	<b>90.66</b>

**NOTE - Part A - 14****FINANCE COSTS**

(₹ in Crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
<b>I. Interest</b>		
On Bonds	15,592.33	15,071.06
On Loans	322.15	644.34
GOI on Interest Subsidy Fund	9.06	8.86
Financial Charges on Commercial Paper	389.72	277.43
Swap Premium ( Net )	(23.42)	1.65
	16,289.84	16,003.34
<b>II. Other Charges</b>		
Commitment & Agency Fees	0.65	0.67
Guarantee, Listing & Trusteeship fees	2.17	2.13
Management Fees on Foreign Currency Loans	0.01	37.82
Bank / Other Charges	0.00	0.00
Interest paid on advances received from subsidiaries	6.35	5.11
	9.18	45.73
<b>III. Net Translation / Transaction Exchange Loss (+) / Gain (-)</b>	<b>311.82</b>	<b>424.74</b>
<b>IV. Net Change in Fair Value of Derivatives - Loss (+) / Gain (-)</b> (Refer Note No. 5(E) of Part-C - Other Notes on Accounts)	<b>(178.15)</b>	<b>0.00</b>
<b>Total</b>	<b>16,432.69</b>	<b>16,473.81</b>

**NOTE - Part A - 15****BOND ISSUE EXPENSES**

(₹ in Crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Interest on Application Money	0.00	11.51
Credit Rating Fees	4.65	4.20
Other Issue Expenses	14.04	11.23
Stamp Duty Fees	7.89	6.50
<b>Total</b>	<b>26.58</b>	<b>33.44</b>

**NOTE - Part A - 16****EMPLOYEE BENEFIT EXPENSES**

(₹ in Crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Salaries, Wages and Bonus	83.41	65.30
Contribution to Provident and other funds	10.29	8.19
Staff Welfare	15.66	12.23
Rent for Residential accommodation of employees (Refer Note No. 11(B) of Part-C - Other Notes on Accounts)	5.61	4.65
<b>Total</b>	<b>114.97</b>	<b>90.37</b>



**NOTE - Part A - 17**  
**OTHER EXPENSES**

(₹ in Crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Office Rent (Refer Note No. 11(B) of Part-C - Other Notes on Accounts)	0.50	0.50
Electricity & Water charges	1.50	1.56
Insurance	0.16	0.12
Repairs & Maintenance	3.30	2.85
Stationery & Printing	1.88	1.64
Travelling & Conveyance	10.04	8.15
Postage, Telegraph & Telephone	2.25	1.87
Professional & Consultancy charges	2.02	3.51
Miscellaneous Expenses <sup>#</sup>	39.97	18.83
Loss on sale of Fixed Assets	0.19	0.17
Loss on Disposal of Investment	0.98	0.00
Auditors' Remuneration <sup>#</sup>	0.60	0.77
Service Tax	2.58	9.26
Rates & Taxes	1.41	0.88
Contribution to PMC (MoP)	0.41	0.51
<b>Total</b>	<b>67.79</b>	<b>50.62</b>
<b># Note :-</b>		
<b>1) Miscellaneous Expenses includes :</b>		
Legal & Filing Fees	17.42	0.04
Books & Periodicals	0.07	0.04
Advertisement	5.28	5.52
Membership & Subscription	1.09	0.73
Entertainment	0.97	0.62
Conference & Meeting Expenses	2.63	1.65
Security Expenses	1.60	1.32
Training	1.55	0.99
Other EDP Expenses	3.01	2.37
Business Promotion / Related Expenses	0.62	0.12
Interest on income tax	0.69	0.00
<b>2) Auditors' Remuneration includes :</b>		
Audit fees	0.35	0.30
Tax Audit fees	0.06	0.06
Other certification services	0.19	0.38
Reimbursement of Expenses	0.00	0.03

**Note - Part A -18**

**PRIOR PERIOD ITEMS (NET)**

(₹ in Crore)

Description	Year ended 31.03.2017		Year ended 31.03.2016	
<b>Prior Period Expenses :</b>				
Interest & other Charges	0.24		0.00	
Personnel & Administration Expenses - Others	0.77		0.10	
Depreciation	0.22	1.23	0.00	0.10
<b>Less: Prior Period Income :</b>				
Interest Income	(0.20)		0.00	
Other Income	(0.04)	(0.24)	2.23	2.23
<b>Total</b>		<b>1.47</b>		<b>(2.13)</b>

## Note - Part - B (SIGNIFICANT ACCOUNTING POLICIES)

### 1. (a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, relevant provisions of the Companies Act, 1956 and 2013, applicable regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and prevailing practices.

### (b) USE OF ESTIMATES

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

## SIGNIFICANT ACCOUNTING POLICIES

### 2. RECOGNITION OF INCOME/EXPENDITURE

- 2.1 Income and expenses (except as stated below) are accounted for on accrual basis.
  - 2.1.1 In accordance with the prudential norms which are applicable to the Company, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.
  - 2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.
  - 2.1.3 In accordance with the prudential norms which are applicable to the Company, income from dividend on shares of corporate bodies and units of mutual funds are taken into account on cash basis. Provided that the income from dividend on shares of corporate bodies is taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established.
- 2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.
- 2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.
- 2.4 Expenditure on issue of shares is charged to the securities premium account.
- 2.5 In accordance with the prudential norms which are applicable to the Company, income from bonds and debentures of corporate bodies is taken into account on accrual basis, provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.
- 2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.
- 2.7 Prepaid expenses upto ₹5,000/- are charged to natural heads of account.

### 3. TANGIBLE ASSETS/DEPRECIATION

- 3.1 Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.
- 3.2 Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.
- 3.3 Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except for Cell Phone where useful life has been taken as 2 years as estimated by the Company.
- 3.4 Items of tangible assets acquired during the year costing up to ₹5,000/- are fully depreciated.



#### 4. INTANGIBLE ASSETS / AMORTIZATION

- 4.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

#### 5. INVESTMENTS

- 5.1 In accordance with the prudential norms which are applicable to the Company, quoted current investments are valued category-wise, at lower of cost or market value.
- 5.2 Unquoted Equity shares held in a borrower company, on account of conversion of loan asset classified as non-performing asset, are considered as current investments and such Equity Shares are valued at Rupee One. Depreciation in value in these Equity shares is not set off against the appreciation in any other securities held under the 'current investment' category.
- 5.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

#### 6. ASSET CLASSIFICATION AND PROVISIONS

##### 6.1 BASIS OF ASSET CLASSIFICATION :

Loans & other credits and lease assets are classified into the following classes, namely:

- 6.1.1 Standard Assets: Standard asset means an asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.
- 6.1.2 (i) An asset is considered as non-performing asset (NPA) and sub-categorized as Sub-standard, Doubtful and Loss Asset, as mentioned below:

As at	NPA (loan assets excluding lease assets)	NPA Sub-Categorization (all loan assets including lease assets)		
		Sub-Standard	Doubtful	Loss
31 <sup>st</sup> March 2017	Overdue for 4 months or more	NPA for a period not exceeding 14 months	NPA for a period exceeding 14 months	(a) Asset identified as loss asset by the Company or its internal or external auditor or by RBI during inspection of the Company, to the extent it is not written off by the Company and
31 <sup>st</sup> March 2018 and thereafter	Overdue for 3 months or more	NPA for a period not exceeding 12 months	NPA for a period exceeding 12 months	(b) Asset adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

- (ii) The classification of project loans as a sub-standard asset is also done as per the RBI norms for restructured advances.
- (iii) A lease asset, in respect of which installment / rental remains over due for a period of six months or more, has been classified as non-performing asset. However, with effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

## 6.2 PROVISIONING AGAINST STANDARD LOANS AND NPAs

6.2.1 The provisioning is made in respect of loans and other credit as under:

S. No.	Description	Rate of Provision
1.	Standard Asset (Provisioning for Restructured Standard Loans is made as detailed at Para 6.3)	0.35%
2.	Sub-Standard Asset	10%
3.	Doubtful Asset	
	Secured portion of Doubtful assets	
	Upto one year	20%
	More than one year to upto three years	30%
	More than three years	50%
	Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	100%
4.	Loss Asset if not written off	100%

6.2.2 Provision on Standard Assets is made as per RBI norms whereby the Company is required to enhance provision in a phased manner from 0.30% on 31.03.2016 to 0.35% by 31.03.2017 and 0.40% by 31.03.2018.

6.2.3 Provision on hire purchase and lease assets is as per para 13(2) of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time.

## 6.3 PROVISIONING AGAINST RESTRUCTURED LOANS

6.3.1 For the following cases, the provisioning against Restructured Standard Assets is made as per RBI norms, including provision on diminution in fair value:

- new project loans to generating companies restructured w.e.f. 01.04.2015, where provisioning is at the rate of 5%.
- all loans to generating companies categorised as restructured as per RBI restructuring norms other than (a) above (as per RBI in case of stock of outstanding restructured loan, the provisioning has to be increased in a phased manner i.e. commencing with a provision of 2.75% with effect from 31.03.2015 and shall reach 3.5% by 31.03.2016, 4.25% by 31.03.2017 and 5% by 31.03.2018).

6.3.2 RBI has exempted the Company from application of RBI restructuring norms for project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Accordingly, where facilities to such projects is partly secured, a provision to the extent of shortfall in the security available, is made while restructuring and/or rescheduling and/or renegotiation of the loans apart from the provision required on present value basis.

6.4 For the purpose of asset classification and NPA provisioning, facilities granted to Government Sector and Private Sector Entities are considered borrower-wise, other than Government Sector loans which are considered on project-wise basis provided cash flows from each project are separately identifiable and applied to the same project.

Further, in case of a Government Sector account, if the project has not commenced commercial operation within the date of commencement of commercial operation (DCCO) envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for restructured advances), the classification is done project-wise instead of borrower-wise (till 31.03.2022 as exempted by RBI).

## 7. FOREIGN CURRENCY TRANSACTIONS

7.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – II:

- Expenses and income in foreign currency; and
- Amounts borrowed and lent in foreign currency.



**7.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – II:**

- (i) Foreign currency loan liabilities.
- (ii) Funds kept in foreign currency account with banks abroad.
- (iii) Contingent liabilities in respect of guarantees given in foreign currency.
- (iv) Income earned abroad but not remitted / received in India.
- (v) Loans granted in foreign currency.
- (vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

7.3 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

7.4 In accordance with the paragraph 46A of the Accounting Standard (AS) II, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

**8. DERIVATIVE TRANSACTIONS**

8.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

8.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose.

8.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – II.

8.4 Derivative contracts not covered by Accounting Standard II and covered under Guidance Note on Accounting for Derivative Contracts issued by ICAI are measured at fair value with changes in fair value being recognized in the statement of profit and loss.

**9. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES**

9.1 The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.

9.1.1 Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.

9.1.2 The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

**10. INTEREST SUBSIDY FUND**

10.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

10.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

## 11. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

- 11.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".
- 11.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.
- 11.3 Interest on amount recoverable from subsidiaries (promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.
- 11.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-  
corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.
- 11.5 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

## 12. EMPLOYEE BENEFITS

### 12.1 PROVIDENT FUND, GRATUITY, PENSION FUND AND POST RETIREMENT BENEFITS

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

### 12.2 OTHER EMPLOYEE BENEFITS

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

## 13. INCOME TAX

- 13.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

- 13.2 Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

## 14. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

## 15. CASH AND CASH EQUIVALENTS

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

## Note Part – C

### Other Notes on Accounts

1. The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.

### 2. Contingent Liabilities and Commitments:

#### 2.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

S. No	Description	As at 31.03.2017	As at 31.03.2016
(i)	Guarantees issued in domestic currency	190.11	226.48
(ii)	Claims against the Company not acknowledged as debts	-	-
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1,640.56	403.07
	<b>Total</b>	<b>1,830.67</b>	<b>629.55</b>

(B) Income Tax Demands

Additional demands raised by and paid to the Income Tax Department totaling to ₹40.53 crore (Previous year ₹45.23 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹165.39 crore (Previous year ₹121.04 crore). The same are also being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

(C) Service Tax Demands

Service Tax demand / show cause notices raised by Service Tax Department totaling to ₹23.51 crore (Previous year Nil) of earlier years are being contested. Further, the Service Tax Department has also filed an appeal before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax of ₹1.11 crore (Previous year ₹1.11 crore). The same is also being contested. The Management does not consider it necessary to make provision, as the liabilities are not considered probable.

#### 2.2 Other Commitments

Estimated amount of contract remaining to be executed on account of capital account, not provided for, is Nil (Previous year Nil).

3. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:

(₹ in crore)

S. No.	Description	Year ended 31.03.2017	Year ended 31.03.2016
1.	Opening Balance	95.39 <sup>§</sup>	78.50
2.	Addition during the year	23.90	17.65
3.	Reversal during the year	(0.90)	(0.76)
4.	Closing Balance	118.39 <sup>*</sup>	95.39 <sup>§</sup>

\* Pertaining to Assessment Year 2001-02 to 2014-15.

§ Pertaining to Assessment Year 2001-02 to 2013-14.

4. A. The Company is creating Debenture Redemption Reserve (DRR) for public issue of bonds or debentures @ 50% (as per MCA Circular No. 6/3/2001 – CLV dated 18.04.2002) for public issues wherein prospectus had been filed before 11.02.2013 and @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014) for the subsequent public issues.
- B. The Company raises funds through various instruments including series of non-convertible bond issues. During the year, the Company has not defaulted in servicing of its borrowings.

As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2017.

5. A. Foreign currency expenditure and earning:

(₹ In crore)

S. No.	Description	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>A.</b>	<b>Expenditure in foreign currency</b>		
(i)	Interest on foreign currency loans*	255.47	250.90
(ii)	Financial & Other charges*	1.81	39.38
(iii)	Traveling Expenses	-	0.30
(iv)	Training Expenses	0.29	0.26
<b>B.</b>	<b>Earning in foreign currency</b>	-	-

\*excluding withholding tax

- B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2017		As at 31.03.2016	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	581	3,764.80	979	6,535.38
EURO	16	108.03	17	129.28
JPY*	43,668	2,532.85	57,102	3,405.56
<b>Total</b>		<b>6,405.68</b>		<b>10,070.22</b>

\*Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for USD 45 million / ₹291.83 crore (Previous year USD / JPY leg USD 105 million / ₹701.09 crore).

- C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2017 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹647.56 crore (Previous year debit balance ₹739.74 crore).
- D. Liabilities and assets denominated in foreign currency have generally been translated at FEDAI spot rate at year end as given below:

S. No.	Exchange Rates	As at 31.03.2017	As at 31.03.2016
(i)	USD / INR	64.85	66.77
(ii)	JPY / INR	0.580025	0.5964
(iii)	EURO / INR	69.2925	75.78

In-case of specific provision in the loan agreement, rate as prescribed in respective loan agreement has been used.

- E. During the year ended 31.03.2017, Company has amended the accounting policy for accounting of derivative contracts in order to align it with the 'Guidance Note on Accounting for Derivative Contracts' issued by The Institute of Chartered Accountants of India which has become applicable from 01.04.2016. The said Guidance Note require derivative contracts to be accounted either on fair value basis or as per hedge accounting and the Company has opted for accounting on fair value basis.

Accordingly, Derivative contracts not covered by AS-II but covered under Guidance Note are measured at fair value with changes in fair value being recognized in the Statement of Profit & Loss. In accordance with the transitional provisions



mentioned in the Guidance Note, an amount of ₹74.35 crore (net of Deferred Tax Liability of ₹39.35 crore) has been adjusted in the opening balance of reserves, representing the cumulative impact of change in the fair value (gain) of the interest rate swaps till 31.03.2016 net of amount accrued. Thereafter, further fair value gain (net) on interest rate swaps has been booked to the Statement of Profit & Loss. Due to this change in the accounting policy, profit before tax for the year has increased by ₹178.15 crore.

## 6. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

### A Key managerial personnel (KMP):

Description	Period
Shri Rajeev Sharma, CMD and CEO	with effect from 01.10.2016
Shri M. K. Goel, CMD and CEO	with effect from 22.01.2015 till 30.09.2016
Shri R Nagarajan, Director (Finance) and CFO	with effect from 31.07.2009
Shri C. Gangopadhyay, Director (Projects)	with effect from 01.01.2017
Shri A K Agarwal, Director (Projects)	with effect from 13.07.2012 till 31.12.2016
Shri D. Ravi, Director (Commercial)	With effect from 16.11.2015
Shri Manohar Balwani, CS	With effect from 01.04.2014 <sup>#</sup>

<sup>#</sup>Joined the Company on 11.04.2013, KMP from 01.04.2014 as per Companies Act 2013.

### B Transactions with Key Management Personnel (KMP):

Managerial remuneration of KMP for the year ended 31.03.2017 is ₹3.50 crore (Previous year ₹2.36 crore). Loans & Advances given to KMP is ₹0.50 crore (Previous year ₹0.39 crore) as on 31.03.2017.

## 7. A Investment in share capital of companies incorporated and operating in India as subsidiaries / joint venture companies including companies promoted as Special Purpose Vehicles (SPVs) for Ultra Mega Power Projects (UMPPs) are given below:

S. No.	Name of the companies	Date of investment	No. of equity shares subscribed (as at 31.03.2017)	% of ownership as at 31.03.2017	Amount as at 31.03.2017 (₹in crore)	Amount as at 31.03.2016 (₹in crore)
<b>(a)</b>	<b>Subsidiary Companies<sup>(i)</sup></b>					
(i)	PFC Consulting Limited (PFCCL) <sup>(ii)</sup>	09.04.2008	50,000	100%	0.05	0.05
(ii) (a)	PFC Green Energy Limited (PFCGEL) (Equity Shares) <sup>(iii)</sup>	29.07.2011	50,000	100%	100.00	100.00
		08.12.2011	44,50,000			
		29.03.2012	4,90,000			
		21.03.2013	2,10,00,000			
		18.06.2013	1,36,00,000			
(ii) (b)	PFCGEL(Preference Shares) <sup>(iii)</sup>	21.03.2013	8,40,00,000	100%	200.00	200.00
		18.06.2013	5,44,00,000			
		07.10.2013	6,04,10,000			
(iii)	PFC Capital Advisory Services Limited (PFCCAS) <sup>(ii)</sup>	01.09.2011	1,00,000	100%	0.10	0.10
(iv)	Power Equity Capital Advisors (Private) Limited (PECAP) <sup>(iv)</sup>	15.04.2008	15,000	100%	0.05	0.05
		11.10.2011	35,000			
	<b>Sub-Total (A)</b>				<b>300.20</b>	<b>300.20</b>
<b>(b)</b>	<b>Subsidiary Companies promoted as SPVs for UMPPs<sup>(v)</sup></b>					
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05	0.05

S. No.	Name of the companies	Date of investment	No. of equity shares subscribed (as at 31.03.2017)	% of ownership as at 31.03.2017	Amount as at 31.03.2017 (₹in crore)	Amount as at 31.03.2016 (₹in crore)
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited (TAMPL) <sup>(vi)</sup>	27.01.2010	50,000	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05	0.05
(x)	Cheyur Infra Limited	24.03.2014	50,000	100%	0.05	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	50,000	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	50,000	100%	0.05	0.05
(xiii)	Bihar Infrapower Limited	26.08.2015	50,000	100%	0.05	0.05
(xiv)	Bihar Mega Power Limited	27.08.2015	50,000	100%	0.05	0.05
(xv)	Jharkhand Infrapower Limited	05.02.2016	50,000	100%	0.05	0.05
	<b>Sub-Total (B)</b>				<b>0.75</b>	<b>0.75</b>
<b>(c)</b>	<b>Joint venture Companies<sup>(i)</sup></b>					
(i)	National Power Exchange Limited (NPEL) <sup>(vii)</sup>	-	-	-	-	2.19
(ii)	Energy Efficiency Services Limited (EESL)	21.01.2010 26.03.2013 21.08.2015 25.04.2016	6,25,000 2,18,75,000 2,50,00,000 9,90,00,000	31.71%	146.50	47.50
	<b>Sub-Total (C)</b>				<b>146.50</b>	<b>49.69</b>
	<b>TOTAL <sup>(viii)</sup> (A+ B+ C)</b>				<b>447.45</b>	<b>350.64</b>

<sup>(i)</sup> Financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures.

<sup>(ii)</sup> Subsequent to decision by the Board of Directors of respective subsidiaries, merger of PFCCAS with PFCCCL is under progress.

<sup>(iii)</sup> The Board has in- principle approved the merger of PFCGEL with PFCL in meeting held on 9<sup>th</sup> August 2016 which is under progress.

<sup>(iv)</sup> Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

<sup>(v)</sup> Subsidiary companies were incorporated as SPVs under mandate from the GoI for development of UMPPs with the intention to hand over the same to successful bidders on completion of the bidding process. Financial statements of these subsidiaries are not consolidated, in accordance with paragraph 11 of Accounting Standard-21.

<sup>(vi)</sup> MoP vide its OM dated 21<sup>st</sup> June, 2016 has conveyed its approval for the wound up of TAMPL. The related proceedings are under way.

<sup>(vii)</sup> Board of Directors of NPEL (erstwhile JV of the Company) had approved a plan of Voluntary Liquidation with effect from 28.10.2014. The Voluntary winding up of NPEL has been completed on 26.07.2016. The Company has received ₹1.21 crore in July 2016 as final settlement from NPEL's liquidator. Accordingly, during the year, accumulated provision ₹1.06 crore has been reversed and loss on disposal of investments of ₹0.98 crore has been recognised. Accordingly financial statements of NPEL have not been consolidated for the FY 2016-17.

<sup>(viii)</sup> Maximum amount of investment during the year is same as investment at the year-end for each of the entities except NPEL where maximum amount during the year stood at ₹2.19 crore gross of provision for diminution.

**B The Company's share of assets, liabilities, contingent liabilities and capital commitment as at 31.03.2017 and income and expenses for the period in respect of joint venture entities based on financial statements are given below:**

(₹ in crore)

S. No.	Description	As at 31.03.2017			As at 31.03.2016		
		NPEL <sup>#</sup>	EESL <sup>@</sup>	Total	NPEL	EESL	Total
	<b>Ownership (%)</b>	-	<b>31.71</b>		<b>16.66</b>	<b>28.79</b>	
A	Assets						
	Non-Current assets	NA	336.90	<b>336.90</b>	0.01	180.87	<b>180.88</b>
	Current assets	NA	510.19	<b>510.19</b>	1.22	253.66	<b>254.88</b>
	Total	NA	<b>847.09</b>	<b>847.09</b>	<b>1.23</b>	<b>434.53</b>	<b>435.76</b>
B	Liabilities						
	Non-Current Liabilities	NA	263.59	<b>263.59</b>	0.00	65.89	<b>65.89</b>
	Current Liabilities	NA	399.32	<b>399.32</b>	0.03	248.82	<b>248.85</b>
	Total	NA	<b>662.91</b>	<b>662.91</b>	<b>0.03</b>	<b>314.71</b>	<b>314.74</b>
C	Contingent liabilities	NA	11.74	<b>11.74</b>	0.00	-	<b>0.00</b>
D	Capital commitments	NA	103.95	<b>103.95</b>	0.00	84.24	<b>84.24</b>
		<b>For the Year ended 31.03.2017</b>			<b>For the Year ended 31.03.2016</b>		
E	Total Income	NA	410.10	<b>410.10</b>	0.09	205.68	<b>205.77</b>
F	Total Expenses	NA	386.08	<b>386.08</b>	0.00	191.40	<b>191.40</b>

<sup>#</sup> Reference may be made to footnote (vii) of Part C – 7(A) of notes on accounts.

<sup>@</sup> Based on unaudited provisional financials.

**8. A. Loans and Advances in the nature of Loans:**

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ In crore)

Name of the Subsidiary Companies	As at 31.03.2017*	As at 31.03.2016*	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
Coastal Maharashtra Mega Power Limited	11.10	9.99	11.10	10.14
Orissa Integrated Power Limited	138.93	89.04	138.93	132.11
Coastal Karnataka Power Limited	4.95	4.35	4.95	4.35
Coastal Tamil Nadu Power Limited	113.60	96.85	113.60	96.85
Chhattisgarh Surguja Power Limited	89.07	82.13	89.07	82.13
Sakhigopal Integrated Power Company Limited	7.12	6.41	7.12	6.58
Ghogarpalli Integrated Power Company Limited	6.08	5.46	6.11	5.72
Tatiya Andhra Mega Power Limited	9.36	9.26	9.36	9.26
Deoghar Mega Power Limited	10.69	8.70	10.69	8.70
PFC Green Energy Limited	0.11	0.24	0.36	0.43
PFC Capital Advisory Services Limited	0.03	0.19	0.20	0.23
Cheyur Infra Limited	0.04	0.02	0.04	0.02
Odisha Infra Power Limited	0.20	0.16	0.22	0.16
Bihar Infra Power Limited	0.02	0.01	0.18	0.01
Bihar Mega Power Limited	4.28	0.95	5.73	0.95
Deoghar Infra Limited	0.15	0.01	0.15	0.01
Jharkhand Infrapower Limited	0.03	0.00	0.03	0.00
PFC Consulting Limited	0.00	0.00	0.79	0.00
<b>Total</b>	<b>395.76</b>	<b>313.77</b>	<b>398.63</b>	<b>357.65</b>

\* Amount is in the nature of advances, does not include any loan.

- (ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2017	As at 31.03.2016	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
PFC Consulting Limited	1.06	2.70	6.40	2.70
Coastal Maharashtra Mega Power Limited	65.50	62.81	65.50	62.81
Orissa Integrated Power Limited	87.66	83.06	87.66	83.06
Coastal Tamil Nadu Power Limited	78.26	73.56	78.26	73.56
Chhattisgarh Surguja Power Limited	75.70	71.00	75.70	71.00
Sakhigopal Integrated Power Company Limited	26.30	25.05	26.30	25.05
Ghogarpalli Integrated Power Company Limited	24.88	23.72	24.88	23.72
Tatiya Andhra Mega Power Limited	26.36	25.73	26.36	25.73
Bihar Mega Power Limited	42.64	16.20	42.64	16.20
PFC Green Energy Limited	0.00	0.00	0.51	0.00
PFC Capital Advisory Services Limited	0.04	0.00	0.04	0.00
Deochar Mega Power Limited	14.02	0.00	14.02	0.00
<b>Total</b>	<b>442.42</b>	<b>383.83</b>	<b>448.27</b>	<b>383.83</b>

- (iii) Loans and Advances, in the nature of loans, to subsidiaries are given below:

(₹ In crore)

Name of the Firms / companies	Outstanding as at 31.03.2017	Outstanding as at 31.03.2016	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
PFC Green Energy Limited	252.69	11.58	255.06	11.58

- B. None of the related party loanee is holding any equity investment in the Company as on 31.03.2017 (Previous year Nil).**

**9. A. Major Investments made during the year:**

- i) During the year, the Company has subscribed to 26,05,42,051 fully paid equity shares of NHPC Limited of face value of ₹10/- per share under Offer for Sale by GoI. The shares have been subscribed at a cost of ₹21.78/- per share including brokerage and other statutory charges aggregating to ₹567.50 crore.
- ii) The Company has subscribed to 9,90,00,000 fully paid equity shares of EESL of face value of ₹10/- per share as on 31.03.2016 and the same have been allotted on 25.04.2016.

**B. Conversion of Debt into Equity:**

- i) In case of a borrower which was classified as a doubtful loan asset, the Company invoked the pledge of equity shares. Accordingly, 6,57,46,779 number of equity shares of ₹10/- each pledged by the promoters have been transferred to the Company on 01.06.2016. These equity shares have been recognised at a value of ₹1/-.

Further, 6,61,00,000 number of equity shares of ₹10/- each have been allotted to the Company on 01.06.2016 on partial conversion of sub-debt loan given earlier to the extent of ₹66.10 crore. A provision for diminution in value of these shares has been made. The impact of provision after netting the provision earlier made is ₹46.27 crore. Carrying value of these equity shares as on 31.03.2017 amounts to ₹1.

As on 31.03.2017, the Company holds 23.32% of paid-up equity share capital of the borrower company.

- ii) In case of another borrower, the Company has converted its debt into equity under approved Strategic Debt Restructuring (SDR) package and 27,50,00,000 number of equity shares of ₹10/- each have been allotted to the Company on 23.02.2017. As at 31.03.2017, provision for diminution in value of investment works out to ₹81.95 crore. Company has opted to distribute the provision over four quarters in accordance with RBI's SDR norms. Accordingly, a provision for diminution in value of investment of ₹20.49 crore has been provided in the last quarter of the current year. As at 31.03.2017, Company holds 4.81% of paid-up equity share capital of the borrower.

#### 10. Interest Differential Fund (IDF) – KFW

The agreement between KFW and the Company provides that IDF belongs to the borrowers solely and will be used to cover exchange risk variations under this loan and any excess will be used in accordance with the agreement. Balance in IDF has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. Total fund accumulated as on 31.03.2017 is ₹63.88 crore (Previous year ₹60.71 crore), after transferring exchange difference of ₹12.56 crore (Previous year ₹13.48 crore).

#### 11. As required under AS-19, disclosure with respect to various leases are given below:

##### (A) Asset under finance lease after 01.04.2001:

- (i) Gross investment in leased assets and present value of minimum value receivable at the balance sheet date and value of unearned financial income are given in table below:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total of future minimum lease payments recoverable (Gross Investments)	335.79	364.78
Present value of lease payments recoverable	194.32	204.09
<b>Unearned finance income</b>	<b>141.47</b>	<b>160.69</b>
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	27.11	27.11
Later than one year and not later than 5 years	107.10	107.54
Later than five years	201.58	230.13
<b>Total</b>	<b>335.79</b>	<b>364.78</b>
Break up of present value of lease payments recoverable:-		
Not later than one year	8.62	7.89
Later than one year and not later than 5 years	43.17	39.52
Later than five years	142.53	156.68
<b>Total</b>	<b>194.32</b>	<b>204.09</b>

- (ii) The Company had sanctioned an amount of ₹88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹88.85 crore in December 2006. Gross investment stood at the level of ₹0.89 crore as on 31.03.2017 (Previous year ₹1.33 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.
- (iii) The Company had sanctioned an amount of ₹98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at ₹3.45 crore as on 31.03.2017 (Previous year ₹3.94 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period is in force with effect from 01.04.2014.
- (iv) The Company had sanctioned an amount of ₹93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at ₹3.74 crore as on 31.03.2017 (Previous year ₹4.21 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period is in force with effect from 01.04.2015.

- (v) The Company had sanctioned an amount of ₹228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹327.71 crore as on 31.03.2017 (Previous year ₹355.30 crore). Lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as primary period and a maximum of 7 years as secondary period.

**(B) The Company's operating leases consist of:**

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹5.61 crore (Previous year ₹4.65 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices amounting to ₹0.50 crore (Previous year ₹0.50 crore) are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are given below:

(₹ In crore)

Future minimum lease rent payments	Year ended 31.03.2017	Year ended 31.03.2016
Not later than one year	3.69	3.00
Later than one year and not later than 5 years	1.02	1.05
Later than 5 years	-	-
<b>Total</b>	<b>4.71</b>	<b>4.05</b>

## 12. Implementation of GoI Schemes

**(A) Subsidy under Accelerated Generation & Supply Programme (AG&SP):**

- (i) The Company claimed subsidy from GoI at net present value calculated at indicative interest rates in accordance with GOI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of actual repayment schedule, moratorium period and duration of repayment. Amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. Impact of difference between indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after end of respective schemes. However, on the basis of projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated net excess amount of ₹8.67 crore and ₹93.56 crore as on 31.03.2017 (Previous year ₹7.80 crore and ₹87.47 crore) for IX and X Plan, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of respective scheme.
- (ii) Balance under the head Interest Subsidy Fund shown as liability, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following :-

(₹in crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Opening Balance	107.47	111.35
Add : Received during the period	-	-
: Interest credited during the period	9.06	8.87
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	6.84	12.75
: Refunded to MoP:-	-	-
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
<b>Closing Balance</b>	<b>109.69</b>	<b>107.47</b>

**(B) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):**

- (i) The Company is Nodal Agency for operationalization and associated service for implementation of R – APDRP.

Amounts received from the GoI under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. The amount on-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers.

Details are furnished below:

(₹ In crore)

Description	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
<b>A. GoI Loan under R-APDRP (Principal)</b>						
Opening Balance	8,230.45	7,687.84	-	-	-	-
Additions during the period	1,349.56	667.82	1349.56	667.82	-	-
Recoveries / refunds / changes during the period	(357.78)	(125.21)	(1349.56)	(667.82)	-	-
<b>Closing Balance (A)</b>	<b>9,222.23</b>	<b>8,230.45</b>	-	-	-	-
<b>B. Interest Accrued but not due (Int. earned on FD)</b>		-	NA		-	-
<b>C. Interest on loan under R-APDRP</b>		-	NA			
(i) Accrued but not due						
Opening Balance	2,136.83	2,563.89				
Additions during the period	852.49	650.36				
Transfers to / from Accumulated Moratorium Interest	(19.24)	(986.16)				
Transfer to Interest Accrued and Due	(64.98)	(91.26)				
Closing Balance (i)	2,905.10	2,136.83				
(ii) Accrued and due						
Opening Balance	142.05	3.68				
(+) Additions/(-) Reversal due to extension of project completion period	(19.25)	182.27				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	(21.20)	(43.90)				
Closing Balance (ii)	101.60	142.05				
<b>Interest on loan under R-APDRP (C) = (i + ii)</b>	<b>3,006.70</b>	<b>2,278.88</b>				
<b>D. Accumulated Moratorium Interest</b>			NA			
Opening Balance	999.68	38.85				
(+) Additions/(-) Reversal due to extension of project completion period	(540.98)	994.90				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	28.78	(34.07)				
<b>Closing Balance (D)</b>	<b>487.48</b>	<b>999.68</b>				
<b>E. Interest on Accumulated Moratorium Interest</b>			NA			
(i) Accrued but not due						

Opening Balance	7.26	0.15				
(+) Additions/(-) Reversal due to extension of project completion period	(18.93)	34.99				
(-) Transfer to Accrued and due/ (+) Reversal due to extension of project completion period	13.77	(27.88)				
Closing Balance (i)	2.10	7.26				
(ii) Accrued and due						
Opening Balance	55.22	1.18				
(+) Additions/(-) Reversal due to extension of project completion period	(35.77)	71.92				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	4.88	(17.88)				
Closing Balance (ii)	24.33	55.22				
<b>Interest on Accumulated Moratorium Int. (E) = (i + ii)</b>	<b>26.43</b>	<b>62.48</b>				
<b>F. Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest</b>			NA			
(i) Interest on Interest						
Opening Balance	4.63	0.05				
Additions During the period	14.86	4.64				
Recoveries / refunds / changes during the period	(16.31)	(0.06)				
Closing Balance (i)	3.18	4.63				
(ii) Interest on "Interest on Accumulated Moratorium Interest"						
Opening Balance	1.80	0.02				
(+) Additions/(-) Reversal due to extension of project completion period	(0.43)	1.80				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	0.01	(0.02)				
Closing Balance (ii)	1.38	1.80				
(iii) Penal Interest						
Opening Balance	5.18	0.05				
Additions During the period	7.65	5.21				
Recoveries / refunds / changes on account of extension of project completion period during the year	(11.03)	(0.08)				
Closing Balance (iii)	1.80	5.18				
<b>Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest (F) = (i + ii + iii)</b>	<b>6.36</b>	<b>11.61</b>				
<b>Closing Balance (A+B+C+D+E+F)</b>	<b>12,749.20</b>	<b>11,583.10</b>				

- (ii) Nodal Agency Fee under R – APDRP scheme for XIth plan is being accounted for @ 1% of sanctioned project cost in three stages - 0.40% on sanction of project, 0.30% on disbursement of funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). In addition, actual expenditure including expenditure allocable on account of Company's manpower, incurred for operationalizing the R– APDRP is reimbursable by MoP, GoI. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.



From XII<sup>th</sup> plan onwards, in accordance with Company's claim, approved by MoP vide its letter dated 31.03.2015 and subsequent clarification issued by MoP vide letter dated 20.05.2015, the Company continues to restrict its claims only to reimbursement of actual expenditure excluding Company's own manpower and administrative charges.

As at 31.03.2017, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company is given below:

(₹ in crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016	Accumulated up-to year ended	
			31.03.2017	31.03.2016
Nodal agency fee <sup>(1)</sup>	2.24	0.66	130.31	128.07
Reimbursement of expenditure	22.74	22.99	150.41	127.67
<b>Total</b>	<b>24.98</b>	<b>23.65</b>	<b>280.72</b>	<b>255.74</b>

<sup>(1)</sup>Exclusive of Service Tax

### (C) Integrated Power Development Scheme (IPDS)

Ministry of Power on 03.12.2015 has launched IPDS for (i) strengthening of sub-transmission and distribution network in urban areas, (ii) metering of feeders / distribution transformers / consumers in urban areas and (iii) IT enablement of distribution sector and strengthening of distribution network by subsuming R-APDRP and carrying forward the approved outlay for R-APDRP to IPDS.

The scope of works under IPDS includes work relating to strengthening of sub-transmission and distribution system, including provisioning of solar panels, metering of distribution transformers / feeders / consumers in the urban areas and IT enablement of distribution sector.

The Company has been designated as Nodal Agency for operationalization and implementation of scheme under overall guidance of the MoP, GoI. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS guidelines.

The Company will be eligible for 0.5% of total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

- 1<sup>st</sup> installment: 40% of nodal agency fee in financial years in which projects are approved by the Monitoring Committee under IPDS.
- 2<sup>nd</sup> installment: 30% of nodal agency fee on award of approved projects.
- 3<sup>rd</sup> installment: 20% of nodal agency fee after one year of claiming 2<sup>nd</sup> installment.
- 4<sup>th</sup> installment: 10% of nodal agency fee after completion of works.

The details are furnished below :

(₹ in crore)

Description	Amount of GoI grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2017	Year ended 31.03.2017
Opening Balance	358.70	-	-	50.00	-	0.01
Additions during the period	2,202.31	358.70	2,202.31	308.70	-	2.14
Recoveries / refunds / changes during the period	-	-	(2,202.31)	358.70	-	(2.15)
<b>Closing Balance</b>	<b>2,561.01</b>	<b>358.70</b>	-	-	-	-

**13 Government of India Fully Serviced Bonds**

For meeting GOI's funding requirement of central sector schemes, during the year, the Company has raised an aggregate amount of ₹5,000 crore through unsecured, redeemable, non-convertible, taxable bonds in the nature of debentures of face value of ₹10 lacs at par on private placement basis. As per O.M. dated 20.10.2016 of Ministry of Finance, these bonds will be fully serviced by GoI. Accordingly, the amount of such bonds along-with interest is also appearing as recoverable by the Company from GoI.

**14 A. Asset classification and Provisioning:**

1) The Company has aligned with RBI Prudential norms during the year, contained in RBI's "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time read with specific directions mentioned below:

**1. Assets classification norms in line with RBI's letter dated 03.10.2016:**

- i. loan assets (excluding lease asset) outstanding as at 31.03.2017 and overdue for 4 months or more is classified as Non-Performing Asset (NPA) and classification during the year is based on prevailing norm of overdue for 5 months or more,
- ii. NPA as at 31.03.2017 for a period not exceeding 14 months is classified as Sub-standard asset and classification during the year is based on prevailing norm of NPA for a period not exceeding 16 months, and
- iii. NPA as at 31.03.2017 for a period exceeding 14 months is classified as Doubtful asset and classification during the year is based on prevailing norm of NPA for a period exceeding 16 months.

**2. Restructuring Norms:**

(i) In line with RBI's letter dated 11.06.2014, Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters are regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms will be applied for any future restructuring undertaken in these loans.

Further, RBI vide letter dated 11.06.2014 has directed that for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018.

(ii) As regard implementation of RBI restructuring norms (shifting from MoP, GoI approved restructuring norms), based on the various correspondence exchanged, RBI in letter dated 11.04.2017 has stated that in case of a Govt. Sector account, if the project has not commenced commercial operation within DCCO envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for Restructured Advances), the classification is to be done project-wise instead of borrower-wise till 31.03.2022.

- 2) a) The Company has been applying RBI restructuring norms on new generation loans sanctioned w.e.f. 01.04.2015 (Before 01.04.2015, MoP, GoI approved restructuring norms were applicable).
- b) After receipt of RBI letter dated 11.04.2017, Company has adopted RBI restructuring norms on remaining loans (other than loans as stated at 14A(1)(2)(i) above). In generation loans sanctioned before 31.03.2015 and where restructuring has been done w.e.f. 01.04.2015, the asset classification has been given effect on 31.03.2017 as per RBI norms with consequent provisioning.

**B. Credit Concentration Norms**

For credit concentration norms, RBI vide its letter dated 16.06.2016, has extended exemption in respect of exposure to Central / State Government entities till 31.03.2022. Thus, the Company continues to follow MoP approved credit concentration norms for Central / State Government entities.

**15. Pursuant to adoption of RBI's restructuring norms during the year (shifting from MoP, GoI approved restructuring norms), in respect of loans to state sector, regular in servicing, having no overdues as on 31.03.2017:**

- a) Company has categorised standard assets amounting to ₹35,994.70 crore as restructured standard assets. The provision on such loans has been increased from 0.35% to 4.25%. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹1,403.79 crore.

- b) Company has classified two loan assets as NPA having amount outstanding of ₹8,284.47 crore as on 31.03.2017, which achieved DCCO on or before 31.03.2017 after 2/3/4 years from original DCCO (as permitted under norms). During the year, un-realised income on these loans amounting to ₹163.71 crore has been reversed and additional provision of ₹799.45 crore has been made on such loans. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹963.16 crore.
- c) Company has classified three loan assets as NPA having amount outstanding of ₹4,157.28 crore as on 31.03.2017, which by year ended 31.03.2017 could not achieve date of commencement of commercial operation (DCCO) within 2/3/4 years from original DCCO (as permitted under norms). During the year, un-realised income on these loans amounting to ₹103.04 crore has been reversed and additional provision of ₹401.18 crore has been made on such loans. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹504.22 crore.
- d) Company has classified one loan asset as NPA having amount outstanding of ₹5,793.83 crore as on 31.03.2017, which was restructured after achievement of DCCO. During the year, un-realised income on this loans amounting to ₹142.03 crore has been reversed and additional provision of ₹333.14 crore has been made on this loan.

Further, in accordance with borrower-wise asset classification norms, other loans to the same borrower have also been classified as NPA. Hence, un-realised income on such other loans amounting to ₹118.59 crore has been reversed and additional provision of ₹489.62 crore has been made on such other loans having amount outstanding of ₹5,073.73 crore as on 31.03.2017.

Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹1,083.38 crore.

The profit before tax for the year has decreased by ₹3,954.55 crore on account of para a to d above.

#### 16. Loan Assets, Other assets and provisions thereon:

(₹ in crore)

S. No.	Asset Classification	As at 31.03.2017			As at 31.03.2016		
		Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2016	Accumulated Provision
<b>(A)</b>	<b>Classification of Loan Assets and provision thereon</b>						
(i)	Standard Assets	159,382.44	-39.57	557.84	199,138.19	110.85	597.41
(ii)	Restructured Standard Assets <sup>(1)</sup>	55,440.62	1,227.03	2,356.23	32,262.98	564.77	1,129.20
(iii)	Sub-standard Assets	23,751.56 <sup>(2)</sup>	1,887.40	2,375.16	4,877.61	366.83	487.76
(iv)	Doubtful Assets	6,677.81	1,986.27	2,708.25	2,393.15	327.47	721.98
(v)	Loss Assets	272.84	24.56	272.84	248.28	239.36	248.28
<b>(B)</b>	<b>Other Assets and provision thereon</b>						
(i)	Other Assets	16.40	15.39	16.40	1.17	0.04	1.01
	<b>Grand Total</b>	<b>245,541.67</b>	<b>5,101.08</b>	<b>8,286.72</b>	<b>238,921.38</b>	<b>1,609.32</b>	<b>3,185.64</b>

<sup>(1)</sup>R/R/R loans on which restructuring provisioning as per RBI norms is applicable, outstanding as at 31.03.2017 amount to ₹19,445.92 crore in private sector and ₹35,994.70 crore in Govt. sector as explained at Note Part C-15 (a) above (Previous year ₹21,479.20 crore in private sector and ₹10,783.78 crore in Govt. sector).

<sup>(2)</sup>Includes loans amounting to ₹23,309.30 crore pertaining to Govt. Sector which became NPA on adoption of RBI RRR Norms during current year as explained at Note Part C-15 (b,c&d) above.

#### 17. Basis of secured / un-secured categorization of loan assets:

- a) In cases where Company is a lead or sole lender, it considers the loan asset as secured if hypothecation of movable project assets has been completed and mortgage of more than 50% of the project land for loan assets has been achieved. Further, wherever valuation is required as per applicable norms, the security status is updated on the basis of valuation report.
- b) In all other cases, secured / un-secured classification is done on the basis of security status obtained from the lead lender.

## 18. Details of Restructured Accounts on which restructuring provisioning as per RBI norms is applicable, along-with provisions thereon, are given below:

(₹ in crore)

S.N	Type of Restructuring Asset Classification Details	Under CDR / SME Mechanism				Others				Total				
		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Total
1	No. of borrowers	15	3	4	-	15	3	4	-	22	15	3	4	22
	Amount outstanding (Restructured facility)	32,262.98	3,111.05	1,414.67	-	32,262.98	3,111.05	1,414.67	-	36,788.70	32,262.98	3,111.05	1,414.67	36,788.70
	Amount outstanding (Other facility)	-	-	232.11	-	-	-	232.11	-	232.11	-	-	232.11	232.11
	Provision Thereon	1,129.20	311.11	520.57	-	1,129.20	311.11	520.57	-	1,960.88	1,129.20	311.11	520.57	1,960.88
2	No. of borrowers	2	-	2	-	2	-	2	-	4	2	-	2	4
	Amount outstanding (Restructured facility)	(1,867.82)	-	(63.58)	-	(1,867.82)	-	(63.58)	-	(1,931.40)	(1,867.82)	-	(63.58)	(1,931.40)
	Amount outstanding (Other facility)	-	-	73.99	-	-	-	73.99	-	73.99	-	-	73.99	73.99
	Provision Thereon	(65.37)	-	362.53	-	(65.37)	-	362.53	-	297.15	(65.37)	-	362.53	297.15
3	No. of borrowers	11	-	-	-	11	-	-	-	11	-	-	-	11
	Amount outstanding (Restructured facility)	36,445.60	-	-	-	36,445.60	-	-	-	36,445.60	36,445.60	-	-	36,445.60
	Amount outstanding (Other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision Thereon	1,548.94	-	-	-	1,548.94	-	-	-	1,548.94	1,548.94	-	-	1,548.94
4	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding (Restructured facility)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding (Other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-



S.N	Type of Restructuring		Under CDR / SME Mechanism				Others				Total							
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	(2)	-	-	-	(2)	-	-	-	(2)	-	-	-	-	-	(2)	
		Amount outstanding (Restructured facility)	(2,857.41)	-	-	-	(2,857.41)	-	-	-	(2,857.41)	-	-	-	-	-	(2,857.41)	
		Amount outstanding (Other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	(100.01)	-	-	-	(100.01)	-	-	-	(100.01)	-	-	-	-	-	(100.01)	
6	Down gradation of restructured accounts during the year	No. of borrowers	(1)	(2)	3	-	(1)	(2)	3	-	(1)	(2)	3	-	-	-	-	
		Amount outstanding (Restructured facility)	(8,542.74)	4,779.09	3,111.05	-	(8,542.74)	4,779.09	3,111.05	-	(8,542.74)	4,779.09	3,111.05	-	-	-	-	
		Amount outstanding (Other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	(299.00)	477.91	745.56	-	(299.00)	477.91	745.56	-	(299.00)	477.91	745.56	-	-	-	989.73	
7	Write-offs restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding (Restructured facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding (Other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Restructured accounts as on March 31, 2017	No. of borrowers	21	1	7	-	29	1	7	-	29	1	7	-	-	-	29	
		Amount outstanding (Restructured facility)	55,440.62	7,890.14	4,462.14	-	68,445.49	55,440.62	7,890.14	4,462.14	-	68,445.49	55,440.62	7,890.14	4,462.14	-	68,445.49	
		Amount outstanding (Other facility)	-	-	306.10	-	306.10	-	-	306.10	-	306.10	-	-	306.10	-	306.10	
		Provision Thereon	2,356.23	789.02	1,662.61	-	4,873.12	2,356.23	789.02	1,662.61	-	4,873.12	2,356.23	789.02	1,662.61	-	4,873.12	

**19. In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015.**

The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset was re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹339.99 crore made till the date of reclassification was reversed during the previous year.

The matter is sub-judice and ad-interim stay is continuing. Based on the subsequent legal opinion sought, the Company maintained asset classification as standard as on 31.03.2016 and continues the same in the current year also amid further progress in the project.

On 30.06.2016, the Company has moved petition for vacating the order of ad-interim stay. The said petition is pending for hearing.

Subsequent to reclassification of the said account in the previous year,

(i) interest / income of ₹413.03 crore accrued and remaining unrealised as on 31.03.2017 has been reversed;

(ii) provision, as applicable based on the existing asset classification as restructured standard asset, has been made which stands at ₹163.17 crore as on 31.03.2017 (as on 31.03.2016 ₹148.82 crore);

(iii) provision treating the account as doubtful, on the loan balance of ₹4,893.39 crore as on 31.03.2017 (as at 31.03.2016 ₹4,251.91 crore), after considering the provision as stated at (ii) above, has not been recognized amounting to ₹815.50 crore (previous year ₹276.37 crore).

**20. Disclosures as per Accounting Standard -15 :-**

**A. Provident fund**

The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. The trust has to ensure, a minimum rate of return to the members as specified by GoI. However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

**B. Gratuity**

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹10 lakh per employee.

**C. Pension**

The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employee and Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

**D. Post-Retirement Medical Scheme (PRMS)**

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

This scheme is managed by a separate trust. Trust was registered during the FY. 2014-15 in the name of PFC Superannuation Medical Fund and started operations from the FY 2016-17. Provision on this account as on 31.03.2016 amounting to ₹17.83 crore was transferred by the Company to the trust on 11.07.2016. The provision for the same has been made on actuarial valuation. The trust has to ensure, adequate corpus for meeting the medical expenditure incurred by the retired employees. However, any short fall has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.



## E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

## F. Leave

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis @ 15 days and 10 days, respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. On separation after 10 years of service or on superannuation, earned leave plus half pay leave together can be en-cashed subject to a maximum of 300 days. However, there is no restriction in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2017 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

i) Expenses recognised in Statement of Profit and Loss Account

(₹in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.82 (1.55)	0.78 (0.62)	2.93 (2.34)
Interest cost on benefit obligation	1.66 (1.55)	1.43 (1.17)	2.15 (1.87)
Expected return on plan assets	-1.84 (-1.72)	-1.01 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-0.23 (-1.11)	2.84 (2.36)	2.41 (2.18)
Expenses recognised in Statement of Profit & Loss Account*	1.41 (0.27)	4.04 (4.15)	7.49 (6.39)

\*During the year, the expenses include ₹0.09 crore (previous year ₹0.03 crore), ₹0.43 crore (previous year ₹0.55 crore) and ₹0.29 crore (previous year ₹0.44 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) Amount recognized in the Balance Sheet

(₹in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2017 (i)	22.95 (20.74)	21.82 (17.83)	30.68 (26.89)
Fair value of plan assets as at 31.03.2017 (ii)	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-1.21 (-0.27)	-3.67 (-17.83)	-30.68 (-26.89)
Net asset / (liability) recognized in the Balance Sheet	-1.21 (-0.27)	-3.67 (-17.83)	-30.68 (-26.89)

## iii) Changes in present value of defined benefit obligations

(₹ In crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2016	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)
Interest cost	1.66 (1.55)	1.43 (1.17)	2.15 (1.87)
Current service cost	1.82 (1.55)	0.78 (0.62)	2.93 (2.34)
Benefits paid	-0.98 (-0.63)	-1.09 (-0.90)	-3.70 (-2.93)
Net actuarial (gain)/loss on obligation	-0.29 (-1.09)	2.87 (2.36)	2.41 (2.18)
Present value of the defined benefit obligation as at 31.03.2017	22.95 (20.74)	21.82 (17.83)	30.68 (26.89)

## iv) Changes in fair value of plan assets

(₹ In crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2016	20.47 (19.14)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	1.84 (1.72)	1.01 (0.00)	0.00 (0.00)
Contributions by employer	0.47 (0.21)	17.93 (0.00)	0.00 (0.00)
Benefit paid	-0.98 (-0.63)	-0.83 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	-0.06 (0.02)	0.04 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2017	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)

## v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

(₹ In crore)

Particulars	PRMS	Service and Interest Cost
Cost increase by 1%	3.53	0.36
Cost decrease by 1%	3.44	0.44

vi) During the year, Company has provided liability of ₹1.41 crore, ₹4.04 crore, ₹7.49 crore and Nil (Previous year ₹0.27 crore, ₹4.15 crore, ₹6.39 crore and Nil) towards contribution to the Gratuity Trust, PRMS, leave and towards Pension respectively. Above amount includes ₹0.09 crore, ₹0.43 crore and ₹0.29 crore (Previous year ₹0.03 crore, ₹0.55 crore and ₹0.44 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

## I. Other Employee Benefits:-

During the year, provision of ₹0.21 crore (Previous year ₹0.33 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹0.59 crore (Previous year ₹0.48 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss. LSA includes ₹0.05 crore (Previous year ₹0.06 crore) allocated to subsidiary companies.





**J. (I) Details of Plan Asset:- Gratuity**

The details of plan assets at cost, as at 31.03.2017 are given below:

(₹in crore)

S.No.	Description	As at 31.03.2017	As at 31.03.2016
i)	Government Securities	12.95	11.75
ii)	Corporate bonds / debentures <sup>(1)</sup>	7.86	8.07
iii)	Mutual Funds	0.31	0.15
	<b>Total</b>	<b>21.12</b>	<b>19.97</b>

<sup>(1)</sup>As at 31.03.2017, Bonds of the Company amounting to ₹0.60 crore (previous year ₹0.50 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.50%
Expected rate of return on assets – Gratuity	7.50%
Future salary increase*	6.00%

\*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

**(II) Details of Plan Asset:- PRMS**

The details of the plan assets at cost, as on 31.03.2017 are as follows:-

(₹in crore)

S.No.	Description	As at 31.03.2017	As at 31.03.2016
i)	Government Securities	8.07	0.00
ii)	Corporate bonds / debentures <sup>(1)</sup>	8.54	0.00
iii)	Mutual Fixed Deposits	0.97	0.00
	<b>Total</b>	<b>17.58</b>	<b>0.00</b>

<sup>(1)</sup>As at 31.03.2017, Bonds of the Company amounting to Nil (previous year Nil) are held by PFC Limited PRMS Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.50%
Expected rate of return on assets – PRMS	8.39%
Future salary increase*	6.00%

\*Estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

**K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFCGEL and PFCCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.**

**L. Other disclosures**

(₹ In crore)

<b>Gratuity*</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Present value of obligation as at	22.95	20.74	19.36	17.98	16.16
Fair value of plan assets as at	21.74	20.47	19.14	17.12	14.67
Surplus/(Deficit)	(1.21)	(0.27)	(0.21)	(0.86)	(1.48)
Experience adjustment on plan liabilities (loss)/gain	1.38	1.09	1.10	0.31	0.31
Experience adjustment on plan assets (loss)/gain	(0.06)	0.02	0.09	0.26	0.02

\*The Company's best estimate of contribution towards gratuity for financial year 2017-18 is ₹1.16 crore (Previous year ₹0.74). Actual return on plan assets during the year ended 31.03.2017 is ₹1.79 crore (Previous year ₹1.74 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ In crore)

<b>PRMS*</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Present value of obligation as at	21.82	17.83	14.58	11.75	9.50
Fair value of plan assets as at	18.15	-	-	-	-
Surplus/(Deficit)	(3.67)	(17.83)	(14.58)	(11.75)	(9.50)
Experience adjustment on plan liabilities (loss)/gain	(1.34)	(2.36)	(2.11)	(1.54)	(0.16)
Experience adjustment on plan assets (loss)/gain	0.03	-	-	-	-

\*The Company's best estimate of contribution towards PRMS for financial year 2017-18 is ₹4.97 crore (Previous year ₹2.73). Actual return on plan assets during the year ended 31.03.2017 is ₹1.04 crore (Previous year Nil). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ In crore)

<b>Leave</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Present value of obligation as at	30.68	26.89	23.42	20.66	20.39
Experience adjustment on plan liabilities (loss)/gain	(1.04)	(2.18)	(1.18)	(2.63)	(1.50)

(₹ In crore)

<b>LSA</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Present value of obligation as at	4.99	4.74	4.49	4.04	3.71
Experience adjustment on plan liabilities (loss)/gain	1.18	1.10	0.67	0.46	0.80

(₹ In crore)

<b>ERS</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Present value of obligation as at	1.63	1.50	1.24	1.24	1.31
Experience adjustment on plan liabilities (loss)/gain	0.52	0.02	0.38	0.46	0.43

(₹ in crore)

Baggage Allowance	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	0.13	0.11	0.10	0.09	0.08
Experience adjustment on plan liabilities (loss)/gain	0.00	0.02	0.02	0.01	0.01

21. Disclosure of provision as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	Opening Balance (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance 5 = (1+2-3-4)
Post-Retirement Medical Scheme	17.83 (14.58)	4.04 (4.15)	18.09 (0.90)	0.00 (-)	3.78 (17.83)
Pay revision	- (-)	9.94 (-)	- (-)	- (-)	9.94 (-)
Gratuity	0.13 (0.08)	1.41 (0.27)	0.33 (0.22)	- (-)	1.21 (0.13)
Provision for superannuation benefit (Pension)	0.07 (0.07)	- (-)	- (-)	- (-)	0.07 (0.07)
Leave Encashment	26.89 (23.42)	7.49 (6.40)	3.70 (2.93)	- (-)	30.68 (26.89)
Economic Rehabilitation Scheme for employee	1.50 (1.24)	0.21 (0.33)	0.08 (0.07)	0.00 (-)	1.63 (1.50)
Bonus / Incentives	9.87 (10.90)	4.83 (9.22)	9.19 (8.89)	-0.07 (-1.36)	5.58 (9.87)
Baggage Allowances	0.11 (0.10)	0.02 (0.01)	0.00 (0.00)	0.00 (-)	0.13 (0.11)
Service Award	4.74 (4.49)	0.59 (0.48)	0.34 (0.23)	0.00 (-)	4.99 (4.74)
Provision on loan assets etc. <sup>(1)</sup>	3,185.64 (1,576.32)	5,101.08 (1,609.32)	- (0.00)	- (-)	8,286.72 (3,185.64)
Provision for diminution in value of investment	97.32 (1.06)	86.59 (96.26)	0.00 (0.00)	94.10 (-)	89.81 (97.32)
CSR	102.16 (114.30)	166.15 (145.79)	168.11 (157.93)	- (-)	100.20 (102.16)
Income Tax	7,513.58 (6,211.19)	3,075.08 (2,822.26)	2,050.04 (1,519.87)	- (-)	8,538.62 (7,513.58)
Proposed Final Dividend	79.20 (79.20)	0.00 (79.20)	79.20 (79.20)	0.00 (-)	0.00 (79.20)
Proposed Corporate Dividend Tax	16.12 (16.12)	0.00 (16.12)	16.12 (16.12)	0.00 (-)	0.00 (16.12)
Interim Dividend	- (-)	1,320.04 (1,755.66)	- (1,755.66)	- (-)	1,320.04 (-)
Corporate Dividend Tax on Interim dividend	- (-)	268.73 (356.74)	201.55 (356.74)	- (-)	67.18 (-)

<sup>(1)</sup>As detailed at Note Part – C 16.

## 22. (a) Details of gross amount required to be spent on CSR activities by the Company during the year

(₹ In crore)

Particulars	FY 2016-17	FY 2015-16
CSR provision made at the rate of 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years	166.15	145.79
Carry forward from previous year	102.16	114.30
Gross amount required to be spent	268.31	260.09

## (b) Amount spent during the year on CSR activities:

(₹ in crore)

S. No.	Particulars	FY 2016-17			FY 2015-16		
		Paid or settled	Yet to be paid	Total	Paid or settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
(iia)	Sanitation / Waste Management / Drinking water	112.52	0.20	112.72	133.85	-	133.85
(iib)	Education / Vocational Skill development	30.32	-	30.32	16.06	-	16.06
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	20.93	0.76	21.69	4.10	0.50	4.60
(iid)	Sports	0.10	-	0.10	-	-	-
(iie)	Others	1.02	-	1.02	-	-	-
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	2.02	0.24	2.26	3.16	0.26	3.42
	<b>Total (ii)</b>	<b>166.91</b>	<b>1.20</b>	<b>168.11</b>	<b>157.17</b>	<b>0.76</b>	<b>157.93</b>
	<b>Grand Total (i) and (ii)</b>			<b>168.11</b>			<b>157.93</b>

- c) Details of related party transactions w.r.t. CSR activities as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).
- d) Movements in the CSR provision during the year as per AS-29 shown separately at Note no. 19 above.
- e) During the year ended 31.03.2017, an amount of ₹119.48 crore (Previous year ₹192.13 crore) has been disbursed against CSR activities.

(₹ In crore)

## 23. During the year ended 31.03.2017, following modifications in Significant Accounting Policies (Part – B of Notes) have been made:

S. No.	Significant Accounting Policy		Modifications	Impact on PBT [(+) increase / (-) decrease]
	No.	Title		
1.	1	Basis of Preparation of Financial Statements	Reworded to bring in more clarity and augmented to include reference of RBI norms <sup>1</sup> as well.	Nil
2.	2.1.1	Recognition of Income	Modified indicating applicability of RBI prudential norms <sup>1</sup> .	Nil
3.	2.1.3	Income from dividend	Added to replace earlier policy no 2.5 enabling recognition of dividend in line with RBI prudential norms <sup>1</sup> .	Nil
4.	2.5	Income from bond & Debentures	Substituted to include recognition of income from bonds etc. in line with RBI prudential norms <sup>1</sup> .	Nil
5.	2.7	Prior period expenses / Income	Portion related to Prior period expenses / Income deleted to align the existing practice with practice envisaged under upcoming Ind AS regime w.e.f. FY 2018-19.	Nil
6.	5.1	Quoted Current Investments	Modified to align with the RBI prudential norms <sup>1</sup> requiring category-wise valuation of Quoted Current Investments against the earlier policy of scrip-wise valuation.	92.06
7.	5.2	Un-Quoted Current Investments	Substituted to include policy on valuation of equity shares converted from debt in line with RBI prudential norms <sup>1</sup> .	(46.27)
8.	5.3	Long term Investment	Earlier policy no. 5.2 renumbered.	Nil
9.	6.1 & 6.4	Asset Classification	6.1.2 (i) Modified to align with the RBI prudential norms <sup>1</sup> .	Nil
			6.1.2 (ii) & 6.4 Modified to align with RBI Restructuring Norms / Directions <sup>3</sup>	(2,550.76)
10.	6.2	Provisioning against Standard Loans and NPAs	Modified to align with the RBI prudential norms <sup>1</sup> resulting in –	
			i) additional pro-rata provision on standard assets	(79.69)
			ii) Change in rate of provision from 100% to 50% on doubtful assets exceeding 3 years.	707.80
11.	6.3	Provisioning against Restructured Loans	Apart from reordering of sub paras, modified to align with the RBI Restructuring Norms / Directions resulting in additional / pro-rata provision on restructured standard assets including an amount of ₹1,403.79 crore as explained at Note Part C-15 (a) <sup>3</sup> .	(1549.64)
12.	8	Derivative Transactions	Augmented to align with the provisions of Guidance Note on Accounting for Derivative Contracts issued by ICAI applicable w.e.f 01.04.2016 <sup>2</sup> .	178.15
<b>Total</b>				<b>(3,248.34)</b>

<sup>1</sup> Adoption of RBI norms (Refer Note Part C-14).<sup>2</sup> Reference may be made to Note Part-C 5(E) for impact on opening reserves.<sup>3</sup> Reference may be made to Note Part-C-15.

24. Depreciation on assets is provided over the useful life of assets as mentioned below:

S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost
1.	Building	60	5%
2	EDP Equipment		
2A	Servers and networks	6	5%
2B	End user devices i.e. desktops, laptops etc.	3	5%
3.	Office and other Equipment	5	5%
3A	Cell Phone	2	5%
4.	Furniture & Fixture	10	5%
5.	Vehicle (Car )	8	5%
6.	Intangible Assets	5	0%

All assets as mentioned above are depreciated using written down value method, while Intangible Assets are amortized using straight-line method over the useful life estimated by the Company. Further, Company's estimate of useful life for Cell Phone is shorter than life prescribed in Schedule II of the Companies Act, 2013, and for all other items useful life is in line with Schedule II of the Companies Act, 2013.

25. The Company has no outstanding liability towards Micro, Small and Medium enterprises.

26. Leasehold land is not amortized, as it is a perpetual lease.

27. As required under Section 125 of the Companies Act, 2013, ₹4.58 crore, (Previous Year ₹0.21 crore), became due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2017 and was deposited. Further, an amount of ₹2.03 crore (Previous Year ₹0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.

28. During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2016 to the borrowers. Confirmation for 99.38% of the said balances have been received and confirmation for ₹1,482.46 crore is awaited.

29. Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below:  
(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
<b>(A) Deferred Tax Asset (+)</b>		
(i) Provision for expenses not deductible under Income Tax Act	17.30	18.29
<b>(B) Deferred Tax Liabilities (-)</b>		
(i) Depreciation	0.19	(0.07)
(ii) Lease income	(66.00)	(68.73)
(iii) Amortization	(0.24)	(0.47)
(iv) Unamortized Exchange Loss (Net)	(100.76)	(251.08)
(v) Net MTM Receivable from bank against derivative*	(101.00)	-
<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(250.51)</b>	<b>(302.06)</b>

30. During the year, Government of India (GoI) has transferred 3,82,17,338 equity shares held in the Company to CPSE ETF (Central Public Sector Enterprises Exchange Traded Fund) account under DIPAM (Department of Investment and Public Asset Management) in connection with Further Fund Offer (FFO) of CPSE ETF Mutual Fund scheme. Shareholding of GoI in the Company has come down from 67.80% to 66.35% of the paid up equity share capital.

31. Shareholders in their Annual General Meeting held on 19 August 2016 have accorded approval:

- to increase the authorized share capital of the Company from ₹2,000 crore divided into 2,00,00,00,000 equity shares of ₹10/- each to ₹10,000 crore divided into 10,00,00,00,000 equity shares of ₹10/- each, and
- for issuance of Bonus Shares in the ratio of 1:1 by capitalizing the Securities Premium Account.

Consequently, the Board of Directors of the Company in its meeting held on 1<sup>st</sup> September 2016 has accorded approval for allotment of 132,00,40,704 bonus equity shares (in the ratio of 1:1) to the existing shareholders as on 29.08.2016 (record date). As a result of this, paid up equity share capital of Company has increased from ₹1,320.04 crore (132,00,40,704 equity shares of ₹10 each) to ₹2,640.08 crore (264,00,81,408 no of equity shares of ₹10 each).

**32. In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earnings Per Share (basic and diluted) is given below:**

Description	During year ended 31.03.2017	During year ended 31.03.2016 <sup>(1)</sup>
Net Profit after tax used as numerator (₹in crore)	2,126.39	6,113.48
Weighted average number of equity shares used as denominator (basic)	264,00,81,408	132,00,40,704
Diluted effect of outstanding Stock Options	-	-
Weighted average number of equity shares used as denominator (diluted)	264,00,81,408	132,00,40,704
Earning per equity share, face value ₹10 each(basic) (₹) <sup>(1)</sup>	8.05	23.16
Effect of outstanding Stock Options (₹)	-	-
Earning per equity share, face value ₹10 each (diluted) (₹) <sup>(1)</sup>	8.05	23.16

<sup>(1)</sup>Earnings Per Share (basic and diluted) for FY 2015-16 has been adjusted on account of bonus shares.

**33. A) The status of dividend on equity shares of face value of ₹10 each, for the year ended 31.03.2017 is as under:**

Particulars	Year ended 31.03.2017			Year ended 31.03.2016		
	% of share capital	Per equity share (₹)	Amount (₹in crore)	% of share capital	Per equity share (₹)	Amount (₹in crore)
First Interim dividend	50% <sup>(1)</sup>	5.00	1,320.04	88%	8.80	1,161.64
Second Interim dividend	-	-	-	45%	4.50	594.02
Final Dividend	-	-	-	6%	0.60	79.20 <sup>(2)</sup>
<b>Total Dividend</b>	<b>50%</b>	<b>5.00</b>	<b>1,320.04</b>	<b>139%</b>	<b>13.90</b>	<b>1,834.86</b>

<sup>(1)</sup>Declared by Board of Directors in their 359<sup>th</sup> meeting held on 24.03.2017 and paid on 07.04.2017.

<sup>(2)</sup> Paid on 01.09.2016.

**B) Dividend payable to Non-Resident Shareholders**

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Number of non-resident shareholders	3,343	2,507	NA	2,654	NA	2,740
Number of shares held by them of Face Value of ₹10 each	41,32,25,284	17,37,41,847	NA	17,00,05,752	NA	17,55,45,216
Gross amount of Dividend (₹in crore)	206.61	152.88	NA	76.50	NA	10.52

## 34. Other key financial parameters:

Description	As at 31.03.2017	As at 31.03.2016
Debt Equity Ratio	5.55	5.61
Net worth (₹in crore)	36,470.21	35,766.03

## 35. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

Items	As at 31.03.2017	As at 31.03.2016
(i) Capital Fund - a. Tier I (₹in crore)	33,454.83	33,217.38
- b. Tier II (₹in crore)	6,369.90	6,224.90
(ii) Risk weighted assets along-with adjusted value of off balance sheet items. (₹in crore)	206,567.92	1,94,558.46
(iii) CRAR	19.28%	20.27%
(iv) CRAR – Tier I Capital	16.20%	17.07%
(v) CRAR – Tier II Capital	3.08%	3.20%
	<b>During the year ended 31.03.2017</b>	<b>During the year ended 31.03.2016</b>
(vi) Amount of subordinated debt raised as Tier-II capital (₹in crore)	-	-
(vii) Amount raised by issue of Perpetual Debt Instruments (₹in crore)	-	-

36. The Company does not transact in physical cash. Accordingly, no cash in Specified Bank Notes (SBN) was held or transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.

## 37. (I) Additional disclosures in accordance with RBI directions on Corporate Governance

(A) Reference may be made to Note Part - B for Significant Accounting Policies.

## (B) Capital

Reference may be made to Note Part C - 35 for CRAR.

## (C) Investments

(₹ In crore)

Sl. No.	Description	As at 31.03.2017	As at 31.03.2016
1	Value of Investments		
(i)	Gross Value of Investments		
(a)	In India	3,680.94	2,774.79
(b)	Outside India	-	-
(ii)	Provisions for Depreciation		
(a)	In India	89.81	97.32
(b)	Outside India	-	-
(iii)	Net Value of Investments		
(a)	In India	3,591.13	2,677.47
(b)	Outside India	-	-
2	Movement of provisions held towards depreciation on investments.		
(i)	Opening balance	97.32	1.06
(ii)	Add : Provisions made during the year	86.59	96.26
(iii)	Less : Write-off / write-back of excess provisions during the year	94.10	-
(iv)	Closing balance	89.81	97.32



**(D) Derivatives**

## I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2017	As at 31.03.2016
(i)	Notional principal of swap agreements	6,813.10	7,164.60
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	299.87	121.72
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book (obtained from counterparty banks)	299.87	121.72

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

- Company has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.
- Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks and are managed through various derivative instruments.
- These derivative transactions are done for hedging purpose and not for trading or speculative purpose.
- Reference may be made to Note Part B-8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In Crore)

Sl. No.	Particular	As at 31.03.2017		As at 31.03.2016	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging <sup>(1)</sup>	2,107.63	6,813.10	939.65	7,164.60
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	0.00	299.87	6.54	125.42
	b) Liability (-MTM)	68.41	0.00	181.39	3.70
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures <sup>(2)</sup>	6,405.68	6,296.24	10,070.22	8,587.86

<sup>(1)</sup>Interest rate derivatives include derivatives on Rupee liabilities of ₹6,164.60 crore (Previous year ₹7,164.60 crore)<sup>(2)</sup>Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹291.83 crore (Previous year covering USD / JPY ₹701.09 crore).

**(E) Disclosures related to Securitization**

- I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2017 (Previous year Nil).
- II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2017 (Previous Year Nil).
- III. Company has not undertaken any assignment transaction during the year ended 31.03.2017 (Previous Year Nil).
- IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2017 (Previous Year Nil).

**(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

(₹ In crore)

Description	Up to 30 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances <sup>(1)</sup>	3,655.60	614.22	615.82	8,240.92	19,525.29	39,071.21	38,282.20	1,35,259.88	<b>245,265.14</b>
Investments <sup>(2)</sup>	0.00	0.00	0.00	0.00	1,325.53	0.00	0.00	2,265.60	<b>3,591.13</b>
Borrowings <sup>(3)</sup>	5,890.79	3,820.00	1,036.40	7,101.00	9,131.58	58,350.85	48,153.21	60,930.73	<b>194,414.56</b>
Foreign Currency assets	5.03	0.00	0.00	0.00	0.00	0.00	0.00	255.09	<b>260.12</b>
Foreign Currency Liabilities	4.64	0.00	5.08	1,167.30	9.73	1,660.15	4,645.72	951.26	<b>8,443.88</b>

<sup>(1)</sup>Rupee Loan Assets<sup>(2)</sup>Net of provision<sup>(3)</sup>Rupee Liabilities**(G) Exposures**

- I. Company does not have any exposure to real estate sector.
- II. Exposure to Capital Market:

(₹ In crore)

Sl. No.	Description	Amount as at 31.03.2017	Amount as at 31.03.2016
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	1,874.79	869.64
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances (excluding loans where security creation is under process);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,772.39	1,744.13
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	6.15
<b>Total Exposure to Capital Market</b>		<b>4,653.33</b>	<b>2,619.92</b>

III. Details of financing of parent company products:

Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2016-17 and FY 2015-16.

V. Unsecured Advances:

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2017 (Previous year Nil).

**(H) Registration obtained from other financial sector regulators:**

Nil.

**(I) Disclosure of Penalties imposed by RBI and other regulators**

During the year ended 31.03.2017, no penalty has been imposed on the Company by RBI and other regulators (Previous Year Nil).

**(J) Credit rating**

a. Ratings assigned by credit rating agencies and migration of ratings during the year:

Sl. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

No rating migration has taken place during the year.

b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2017:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable
3.	Moody's	Baa3	Positive

**(K) Net Profit or Loss for the period, prior period items and changes in accounting policies**

Reference may be made to Part A-18 and C-23 of notes to accounts regarding prior period items and changes in accounting policies respectively.

**(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties**

Nil.

**(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 7 (A) of notes to accounts in this regard.**

**(N) Provisions and Contingencies**

Reference may be made to Note Part C-21 for provisions and contingencies.

**(O) Draw Down from Reserves**

Reference may be made to Note Part C – 31 and Note - Part A - 2.

**(P) Concentration of Deposits, Advances, Exposures and NPAs**

a. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

## b. Concentration of Advances:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Advances to 20 largest borrowers	1,53,506.95	1,49,625.35
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	62.60%	62.63%

## c. Concentration of Exposures:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Exposure to twenty largest borrowers / customers	2,40,892.19	2,10,983.79
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	56.23%	56.43%

## d. Concentration of NPAs:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Outstanding to top four NPA accounts	22,667.83	4,461.48

## e. Sector-wise NPAs:

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2017, the percentage of Gross NPAs to total loan assets stands at 12.50% (Previous year 3.15%).

**(Q) Movement of NPAs in respect of Loan Assets**

(₹ In crore)

Sl. No.	Description	Year ended 31.03.2017	Year ended 31.03.2016
(i)	Net NPAs to Net Advances (%)	10.55	2.55
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	7,519.04	2,533.31
(b)	Additions during the year	24,573.14	8,385.58
(c)	Reductions during the year	1,389.97	3,399.85
(d)	Closing balance	30,702.21	7,519.04
(iii)	Movement of Net NPAs		
(a)	Opening balance	6,061.02	2,008.96
(b)	Additions during the year	20,536.65	7,111.93
(c)	Reductions during the year	1,251.70	3,059.87
(d)	Closing balance	24,345.97	6,061.02
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	1,458.02	524.35
(b)	Provisions made during the year	4,036.50	1,273.66
(c)	Write-off / write-back of excess provisions	138.27	339.99
(d)	Closing balance	5,356.25	1,458.02

**(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.**

(S) Reference may be made to Part C-7(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.

(T) Customer Complaints for FY 2016-17

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

38. Disclosure so far as applicable in line with Paragraph 18 of RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:

(₹ In crore)

Particulars		Amount as on 31.03.2017		Amount as on 31.03.2016	
Liabilities Side		outstanding	overdue	outstanding	overdue
<b>1</b>	<b>Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:</b>				
	(a) Debentures : Secured	20,109.87	0.00	21,786.66	0.00
	: Unsecured	170,800.80	0.00	150,552.50	0.00
	(b) (i) Rupee Term Loans	2,000.00	0.00	11,000.00	0.00
	(ii) Foreign Currency Loans	7,276.58	0.00	9,573.71	0.00
	(c) Commercial Paper	0.00	0.00	5,286.37	0.00
	(d) Short Term Borrowings	2,400.79	0.00	2,285.20	0.00
Assets Side		Principal Amount Outstanding as on 31.03.2017		Principal Amount Outstanding as on 31.03.2016	
<b>2</b>	<b>Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :</b>				
	(a) Secured		168,251.79		147,738.28
	(b) Unsecured		72,039.40		89,783.11
<b>3</b>	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :</b>				
	(i) Lease assets including lease rentals under sundry debtors:				
	(a) Financial lease		194.32		204.09
<b>4</b>	<b>Break-up of Investments (Net of Provisions)</b>				
	<b>Current Investments</b>				
	1. <u>Quoted</u>				
	(i) Shares				
	(a) Equity		1,071.02		410.74
	2. <u>Unquoted</u>				
	(i) Shares				
	(a) Equity		254.51		0.00
	<b>Long Term Investments</b>				
	1. <u>Quoted</u>				
	(i) Shares				
	(a) Equity		12.00		12.00
	(ii) Debentures and Bonds		1,800.00		1,800.00
	2. <u>Unquoted</u>				
	(i) Shares				
	(a) Equity*		247.45		149.58
	(b) Preference		200.00		200.00
	(ii) Units of SIB Fund		6.15		6.15

5		Borrower group-wise classification of assets financed as in (2) and (3) above: (as per applicable provisioning norms)					
Category		Amount Net of Provisions (as on 31.03.2017)			Amount Net of Provisions (as on 31.03.2016)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
	I. Related Parties						
	(a) Subsidiaries	0.00	496.18	496.18	0.00	202.04	202.04
	(b) Other related parties	0.04	0.46	0.50	0.03	0.36	0.39
	2. Other than related parties	168,446.07	71,542.76	239,988.83	147,942.34	89,580.71	237,523.05
	<b>Total</b>	<b>168,446.11</b>	<b>72,039.40</b>	<b>240,485.51</b>	<b>147,942.37</b>	<b>89,783.11</b>	<b>237,725.48</b>
6		Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)					
Category		As on 31.03.2017		As on 31.03.2016			
		Market value / Break up <sup>s</sup> or fair value or NAV	Book Value (Net of Provisions)	Market value / Break up <sup>s</sup> or fair value or NAV	Book Value (Net of Provisions)		
	<b>I. Related Parties</b>						
	(a) Subsidiaries	437.91	300.95	348.86	300.95		
	(b) Companies in the same group*	183.86	146.50	61.01	48.63		
	<b>2. Other than related parties</b>						
	(i) Quoted	3,170.10	2,883.02	2,292.10	2,222.74		
	(ii) Unquoted	331.47	260.66	6.30	6.15		
	<b>Total</b>	<b>4,123.34</b>	<b>3,591.13</b>	<b>2,708.26</b>	<b>2,578.47</b>		
7		Other Information					
Particulars		Amount (as on 31.03.2017)		Amount (as on 31.03.2016)			
	(i) Gross Non-performing Assets						
	(a) Other than related parties		30,718.61		7,520.19		
	(ii) Net Non-performing Assets						
	(a) Other than related parties		25,345.95		6,061.17		
	(iii) Assets acquired in satisfaction of debt		341.10		0.00		

\*Book value as on 31.03.2016 excludes investment of ₹99.00 crore to subscribe 9,90,00,000 equity shares of face value of ₹10 of EESL (a JV Company).

<sup>s</sup>In case of negative break-up value, Nil value has been considered

### 39. Additional disclosure flowing from RBI schemes for dealing with stressed assets:

#### A. Disclosures on Strategic Debt

Restructuring Scheme (accounts which are currently under the stand-still period)

{Figures in brackets ( ) are for previous year}

(Amount in ₹Crore)

No. of accounts where SDR has been invoked	Amount outstanding as on 31.03.2017		Amount outstanding as on 31.03.2017 with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on 31.03.2017 with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
1	928.06 (-)	- (-)	- (-)	- (-)	928.06 (-)	- (-)

## B. Disclosures on Change in Ownership outside SDR Scheme

{Figures in brackets ( ) are for previous year}

(Amount in ₹Crore)

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on 31.03.2017		Amount outstanding as on 31.03.2017 with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on 31.03.2017 with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on 31.03.2017 with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
1	- (-)	924.48 (-)	- (-)	- (-)	- (-)	924.48 (-)	- (-)	- (-)

40. The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.
41. Figures have been rounded off to the nearest crore of rupees with two decimals.
42. Figures for the previous period have been regrouped/reclassified wherever necessary, to confirm to current period classification.

For and on behalf of the Board of Directors

Sd/-  
**(MANOHAR BALWANI)**  
Company Secretary

Sd/-  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892

Sd/-  
**RAJEEV SHARMA**  
Chairman & Managing Director  
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

Sd/-  
**(M. K. AGGARWAL)**  
PARTNER  
Membership No - 014956

Sd/-  
**(SANJEEV CHANDNA)**  
PARTNER  
Membership No - 087354

Place : New Delhi  
Date : 29.05.2017

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POWER FINANCE CORPORATION LIMITED**

### **REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying consolidated financial statements of **Power Finance Corporation Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the holding company and its subsidiary together referred to as "the Group") and jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31 March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group and its jointly controlled entity 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 and of its Jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and of its jointly controlled entity for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **AUDITOR'S RESPONSIBILITY**

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **OPINION**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group and jointly controlled entity as at 31<sup>st</sup> March, 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.



## EMPHASIS OF MATTER

We draw attention to the following matters in the consolidated notes to the financial statements:

- (a) Note No. 15 of Part-C 'Consolidated Other Notes on Accounts' regarding adoption of Reserve Bank of India Prudential Norms on restructuring as against MoP approved norms, resulting in higher provision by ₹3,427.18 crore and reversal of income by ₹527.37 crore during the year on state sector loans.
- (b) Note No. 19 of Part-C 'Consolidated Other Notes on Accounts' regarding income reversal of ₹413.03 crore remaining unrealised, in case of a restructured loan asset categorised as standard in view of ad-interim stay taken by the borrower from Hon'ble High Court of Madras.
- (c) Note No. 6 (E) of Part-C 'Other Notes on Accounts', whereby income of ₹178.15 crore has been recognized during the year due to change in accounting policy on derivative contracts.

Our opinion is not modified in respect of above matters.

## OTHER MATTERS

- (a) We did not audit the financial statements of four subsidiaries whose financial information reflect total assets of ₹928.47 crore as at 31<sup>st</sup> March, 2017, total revenues of ₹187.63 crore and net cash flows amounting to ₹29.47 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements 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 subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) We have also considered the Unaudited Financial Statements of one jointly controlled entity whose financial information reflect total assets of ₹847.09 crore as at 31<sup>st</sup> March, 2017, total revenues of ₹408.83 crore and net cash flows amounting to ₹-26.73 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements 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 this jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- I. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors/management.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors/management of its subsidiary companies and jointly controlled entity incorporated in India, none of the directors of the Group Companies & its jointly controlled entity incorporated in India is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group & its jointly controlled entity and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity - Refer Note No. 3(B), 3(C) & 4 of Part-C 'Consolidated Other Notes on Accounts' to the consolidated financial statements;
  - ii. There are no long-term contracts including derivative contracts existing as on the date of balance sheet for which provision is required to be made under the applicable law or accounting standards for any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entity incorporated in India.
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Refer Note Part – C 39 of the Consolidated Financial Statements.

**FOR M.K. AGGARWAL & CO.***Chartered Accountants*

Firm's Registration No.: 01411N

by the hand of

Sd/-

**CA M.K. AGGARWAL***Partner*

Membership No.014956

**FOR K. B. CHANDNA & CO.***Chartered Accountants*

Firm Registration No.: 00862N

by the hand of

Sd/-

**CA SANJEEV CHANDNA***Partner*

Membership No.087354

Date: 29.05.2017

Place: New Delhi



## Annexure - A to the Independent Auditors' Report on the Consolidated Financial Statements

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 Company as of and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of Power Finance Corporation Limited (hereinafter referred to as "the Holding Company"), its subsidiary companies and jointly controlled entity, which are companies incorporated in India, as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### 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 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 were 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 control over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## OPINION

In our opinion, Holding Company, its subsidiary companies and jointly controlled entity, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India and in respect of one jointly controlled entity, we have relied on the explanation provided by the management of holding company in absence of IFC report of such entity. In our opinion, the same is not considered material for the consolidated financial statement of the group and its jointly controlled entity.

### FOR M.K. AGGARWAL & CO.

*Chartered Accountants*

Firm's Registration No.: 01411N

by the hand of

Sd/-

**CA M.K. AGGARWAL**

*Partner*

Membership No.014956

### FOR K. B. CHANDNA & CO.

*Chartered Accountants*

Firm Registration No.: 00862N

by the hand of

Sd/-

**CA SANJEEV CHANDNA**

*Partner*

Membership No.087354

Date: 29.05.2017

Place: New Delhi



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POWER FINANCE CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2017**

The preparation of Consolidated Financial Statements of Power Finance Corporation Limited for the year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the Standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with Section 129(4) of the Act of the Consolidated Financial Statements of Power Finance Corporation Limited for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of Power Finance Corporation Limited, PFC Consulting Limited and PFC Green Energy Limited but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in the Annexure for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

**Sd/-  
(Ritika Bhatia)**

**Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board — III,  
New Delhi**

**Place: New Delhi  
Date: 03 August 2017**

**Annexure**

**List of Subsidiaries, Associate Companies and Jointly Controlled Entities whose Financial Statements are not audited by the Comptroller & Auditor General of India**

**A. Subsidiaries incorporated in India:**

1. PFC Capital Advisory Services Limited
2. Power Equity Capital Advisors Private Limited

**B. Joint Ventures incorporated in India:**

1. National Power Exchange Limited
2. Energy Efficiency Services Limited

**POWER FINANCE CORPORATION LIMITED**  
**CIN L6591ODL1986G0I024862**  
**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2017**

(₹ In crore)

Description		Note Part	As at 31.03.2017		As at 31.03.2016	
<b>A.</b>	<b>EQUITY &amp; LIABILITIES</b>					
	<b>(1) Shareholders' Funds</b>					
	(a) Share Capital	A-1	2,640.08		1,320.04	
	(b) Reserves & Surplus	A-2	34,204.83	36,844.91	34,708.27	36,028.31
	<b>(2) Non-Current Liabilities</b>					
	(a) Long Term Borrowings	A-3				
	Secured		20,106.17		19,869.75	
	Unsecured		1,54,997.19	1,75,103.36	1,52,744.82	1,72,614.57
	(b) Deferred Tax Liabilities (Net)	C-29		247.55		301.96
	(c) Other Long Term Liabilities	A-4		6,143.07		548.85
	(d) Long Term Provisions	A-5		2,549.29		1,230.59
	<b>(3) Current Liabilities</b>					
	(a) Short -Term Borrowings	A-3				
	Secured		2,543.48		0.00	
	Un-secured		0.00		7,571.57	
	(b) Trade Payables					
	(i) total outstanding dues of micro enterprises and small enterprises		0.00		0.00	
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		120.55		69.65	
	(c) Other Current Liabilities					
	(i) Current Maturity of Long Term Borrowings	A-3				
	Secured		3.70		1,916.91	
	Un-secured		25,342.20		18,557.09	
	(ii) Other Short Term Liabilities	A-4	8,592.95		7,564.86	
	(d) Short Term Provisions	A-5	1,928.55	38,531.43	815.39	36,495.47
	<b>Total</b>			<b>2,59,419.61</b>		<b>2,47,219.75</b>
<b>B.</b>	<b>ASSETS</b>					
	<b>(1) Non-current Assets</b>					
	(a) Fixed Assets	A-6				
	(i) Tangible Assets		393.03		256.20	
	Less: Accumulated Depreciation		97.87	295.16	59.18	197.02
	(ii) Intangible Assets		9.62		8.90	
	Less: Accumulated Amortization		8.40	1.22	7.44	1.46
	(iii) Intangible Assets under development			105.44		46.63
	(b) Non-Current Investments	A-7				
	Trade		19.64		19.23	
	Others		1,800.00	1,819.64	1,800.00	1,819.23
	(c) Long Term Loans	A-8				
	Secured		1,38,911.54		1,34,986.71	
	Un-Secured		62,026.71	2,00,938.25	65,394.00	2,00,380.71
	(d) Other Non-Current Assets	A-9				
	(i) Fixed Deposits with Scheduled Banks (original maturity more than twelve months)		145.18		57.37	
	(ii) Other		5,457.19	5,602.37	318.14	375.51
	<b>(2) CURRENT ASSETS</b>					
	(a) Current Investments	A-10	1,325.53		410.74	
	(b) Trade Receivables	A-19				
	More than Six Months		166.03		49.16	
	Others		113.53		62.05	

Description	Note Part	As at 31.03.2017		As at 31.03.2016	
(c) Cash and Bank Balances	A-11	3,799.82		301.55	
(d) Short Term Loans	A-8				
Secured		1,490.49		1,080.93	
Un-Secured		4,412.41		2,711.45	
(e) Other Current Assets					
(i) Current Maturity of Long Term Loans	A-8				
Secured		28,659.49		12,203.39	
Un-Secured		5,045.28		21,431.03	
(ii) Others	A-9	5,644.95	50,657.53	6,148.89	44,399.19
<b>Total</b>			<b>2,59,419.61</b>		<b>2,47,219.75</b>
<b>CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES</b>	<b>Part B</b>				
<b>CONSOLIDATED OTHER NOTES ON ACCOUNTS</b>	<b>Part C</b>				
<b>Notes from Part A I to 20, Part B &amp; Part C form integral Financial Statements.</b>					

Sd/-  
(MANOHAR BALWANI)  
Company Secretary

For and on behalf of the Board of Directors

Sd/-  
R.NAGARAJAN  
Director (Finance)  
DIN - 00701892

Sd/-  
RAJEEV SHARMA  
Chairman & Managing Director  
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

Sd/-  
(M. K. AGGARWAL)  
PARTNER  
Membership No - 014956

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

Sd/-  
(SANJEEV CHANDNA)  
PARTNER  
Membership No - 087354

Place : New Delhi  
Date : 29.05.2017

**POWER FINANCE CORPORATION LIMITED**  
**CIN L6591ODL1986G0I024862**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

(₹ In crore)

Description		Note No.	Year ended 31.03.2017		Year ended 31.03.2016	
<b>I.</b>	<b>Revenue from Operations</b>					
	Interest	A-12	26,333.11		27,099.83	
	Consultancy / Advisory Services	A-12	181.44		262.52	
	Other Operating Income	A-12	457.21		136.21	
	Other Financial Services	A-12	318.10	27,289.86		27,780.21
<b>II.</b>	<b>Other Income</b>					
	Other Income	A-13		321.43		105.56
<b>III.</b>	<b>Total Income (I+II)</b>			<b>27,611.29</b>		<b>27,885.77</b>
<b>IV.</b>	<b>Expenses</b>					
	Finance Costs	A-14		16,767.64		16,645.38
	Bonds Issue Expenses	A-15		26.58		33.44
	Employee Benefit Expenses	A-16		133.24		106.63
	Provisions	C-16		5,112.33		1,610.16
	Provision for decline in value of investments	C-21		(741)		96.26
	Depreciation and Amortization Expenses	A-6		40.82		20.08
	CSR Expenses	C-22(a)		167.64		146.81
	Other Expenses	A-17		105.29		61.97
	Prior Period Items (Net)	A-18		1.47		(2.06)
	<b>Total Expenses</b>			<b>22,347.60</b>		<b>18,718.67</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>			<b>5,263.69</b>		<b>9,167.10</b>
<b>VI.</b>	<b>Exceptional Items</b>			0.00		0.00
<b>VII.</b>	<b>Profit before extraordinary items and tax (V-VI)</b>			<b>5,263.69</b>		<b>9,167.10</b>
<b>VIII.</b>	<b>Extraordinary Items</b>			0.00		0.00
<b>IX.</b>	<b>Profit Before Tax (VII-VIII)</b>			<b>5,263.69</b>		<b>9,167.10</b>
<b>X.</b>	<b>Tax Expenses</b>					
	<b>1) Current Tax</b>					
	Current Year			3,121.71		2,857.89
	Earlier Years			(0.47)		12.11
	<b>2) Deferred Tax Liability (+) / Asset (-)</b>			<b>(93.65)</b>		<b>113.10</b>
<b>XI.</b>	<b>Profit (Loss) for the year from continuing operations (IX-X)</b>			<b>2,236.10</b>		<b>6,184.00</b>
<b>XII.</b>	<b>Earnings per equity share of par value of ₹10/- each</b>	<b>C-32</b>				
	<b>(1) Basic (₹)</b>			8.47		23.43
	<b>(2) Diluted (₹)</b>			8.47		23.43
	<b>CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES</b>	<b>Part B</b>				
	<b>CONSOLIDATED OTHER NOTES ON ACCOUNTS</b>	<b>Part C</b>				
	<b>Notes from part A I to 20, Part B &amp; Part C form integral part of Financial Statements.</b>					

For and on behalf of the Board of Directors

Sd/-  
**(MANOHAR BALWANI)**  
 Company Secretary

Sd/-  
**R. NAGARAJAN**  
 Director (Finance)  
 DIN - 00701892

Sd/-  
**RAJEEV SHARMA**  
 Chairman & Managing Director  
 DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
 Chartered Accountants  
 Firm Regn. No - 01411N

Sd/-  
**(M. K. AGGARWAL)**  
**PARTNER**  
 Membership No - 014956

For K.B.Chandna & Co.  
 Chartered Accountants  
 Firm Regn. No.: 00862N

Sd/-  
**(SANJEEV CHANDNA)**  
**PARTNER**  
 Membership No - 087354

Place : New Delhi  
 Date : 29.05.2017



**POWER FINANCE CORPORATION LIMITED**  
**CIN L65910DLI986GOI024862**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017**

(₹ In crore)

PARTICULARS	Note Part	Year ended 31.03.2017	Year ended 31.03.2016
<b>I. Cash Flow from Operating Activities :-</b>			
<b>Net Profit before Tax and Extraordinary items</b>		<b>5,263.69</b>	<b>9,167.10</b>
<b>ADD: Adjustments for</b>			
Loss on Sale of Fixed Assets (net)		0.16	0.14
Profit on sale of Investments	A-13	(0.50)	(0.49)
Depreciation / Amortization (including Prior period depreciation)	A-6	41.04	20.08
Amortization of Zero Coupon Bonds & Commercial Papers		99.49	(11.55)
Foreign Exchange Translation Loss		221.48	306.16
Net Change in Fair Value of Derivatives	A-14	(178.15)	0.00
Provision for decline in value of investments		(7.41)	96.26
Provisions		5,112.33	1,610.17
Dividend / Interest on investment	A-13	(287.02)	(70.66)
CSR Expenses		166.15	145.79
Interest Subsidy Fund		2.22	(3.88)
Provision for interest under IT Act		0.69	0.00
Excess Liabilities written back	A-13	(0.12)	(0.30)
Provision for Retirement Benefits/Other Welfare Expenses/Wage revision		19.03	20.97
Interest Received		(22.54)	(15.43)
Interest Paid		15.79	3.58
Deferred Rent expenses		<u>0.23</u>	<u>0.05</u>
<b>Operating profit before working Capital Changes:</b>		<b>10,446.56</b>	<b>11,267.99</b>
<b>Increase / Decrease :</b>			
Loans Assets (Net)		(7,377.60)	(21,508.66)
Other Assets		(4,689.47)	(615.07)
Foreign Currency Monetary Item Translation Difference A/c	A-2(C)(v)	84.46	(359.18)
Liabilities and provisions		<u>6,473.59</u>	<u>972.04</u>
<b>Cash flow before extraordinary items</b>		<b>4,937.54</b>	<b>(10,242.88)</b>
Extraordinary items		<u>0.00</u>	<u>0.00</u>
<b>Cash Inflow/Outflow from operations before Tax</b>		<b>4,937.54</b>	<b>(10,242.88)</b>
Income Tax paid		(3,370.01)	(3,092.64)
Income Tax Refund		<u>68.61</u>	<u>37.82</u>
<b>Net Cash flow from Operating Activities</b>		<b>1,636.14</b>	<b>(13,297.70)</b>
<b>II. Cash Flow From Investing Activities :</b>			
Sale / adjustment of Tangible / Intangible Assets		0.10	0.15
Purchase of Tangible / Intangible Assets	A-6	(124.36)	(111.46)
Increase / decrease in Intangible assets under development & CWIP	A-6	(57.01)	(44.23)
Investments in Subsidiaries		(0.64)	(0.33)
Interest Received		22.28	15.38
Dividend / Interest on investments		256.69	70.66
Purchase / Sale of Other Investments		(597.67)	(1,900.34)
Capital advances		<u>(0.17)</u>	<u>(3.13)</u>
<b>Net Cash Used in Investing Activities</b>		<b>(500.78)</b>	<b>(1,973.30)</b>
<b>III. Cash Flow From Financing Activities :</b>			
Issue of Equity Shares		31.39	21.59
Issue of Bonds (including premium) (Net)		18,570.20	11,711.11
Raising of Long Term Loans (Net)		(8,781.10)	(3,434.58)
Foreign Currency Loans (Net)		(2,559.98)	732.75
Interest Paid		(15.73)	(3.58)
Commercial paper (Net)		(5,350.00)	3,195.00

PARTICULARS		Note Part	Year ended 31.03.2017		Year ended 31.03.2016	
	Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)		356.70		368.62	
	Unclaimed Bonds (Net)		(3.32)		(0.13)	
	Unclaimed Dividend (Net)		(0.29)		0.40	
	Payment of Final Dividend of Previous year		(79.20)		(79.20)	
	Payment of Interim Dividend of Current year		0.00		(1,755.66)	
	Payment of Corporate Dividend Tax		(218.35)		(372.86)	
	<b>Net Cash in-flow from Financing Activities</b>			<b>1,950.32</b>		<b>10,383.46</b>
	<b>Net Increase / Decrease in Cash &amp; Cash Equivalents</b>			<b>3,085.68</b>		<b>(4,887.54)</b>
	Add : Cash & Cash Equivalents at beginning of the financial year			145.65		5,033.20
	<b>Cash &amp; Cash Equivalents at the end of the year #</b>			<b>3,231.33</b>		<b>145.65</b>
	<b>Details of Cash &amp; Cash Equivalents at the end of the year:</b>	<b>A-II</b>				
i)	Balances in current accounts with:					
	a) Reserve Bank of India		0.02		0.05	
	b) Scheduled Banks		151.18	151.20	141.87	141.92
ii)	Cheques in hand			0.00		0.00
iii)	Imprest with postal authority			0.00		0.00
iv)	Fixed Deposits with Scheduled Banks (original maturity up to three months)			3080.13		3.73
	<b>Sub Total (I)</b>			<b>3231.33</b>		<b>145.65</b>
	<b>Details of Earmarked &amp; Other Cash and Bank Balances at the end of the year:</b>	<b>A-II</b>				
i)	Earmarked Balances :					
a)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.		458.41		6.41	
b)	IPDS / R-APDRP					
	Balances in current accounts with scheduled banks		0.00		13.01	
	Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)		0.00	458.41	30.97	50.39
ii)	Fixed Deposits with Scheduled Banks (original maturity more than 3 months but up to 12 months)			110.08		105.51
	<b>Sub Total (II)</b>			<b>568.49</b>		<b>155.90</b>
	<b>Total Cash and Bank Balance at the end of the year. (I+II)</b>			<b>3799.82</b>		<b>301.55</b>
	# Includes ₹87.11 crore (Previous year ₹113.81 crore) share of Jointly Controlled Entity.					

For and on behalf of the Board of Directors

Sd/-  
**(MANOHAR BALWANI)**  
Company Secretary

Sd/-  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892

Sd/-  
**RAJEEV SHARMA**  
Chairman & Managing Director  
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

Sd/-  
**(M. K. AGGARWAL)**  
**PARTNER**  
Membership No - 014956

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

Sd/-  
**(SANJEEV CHANDNA)**  
**PARTNER**  
Membership No - 087354

Place : New Delhi  
Date : 29.05.2017

**NOTE - Part A - I****CONSOLIDATED SHARE CAPITAL**

(₹ In crore)

Description		As at 31.03.2017	As at 31.03.2016
A	Authorised :		
	10,00,00,00,000 equity shares of par value of ₹10/- each* (Previous year 200,00,00,000 equity shares of par value of ₹10/- each)	10,000.00	2,000.00
	<b>Total</b>	<b>10,000.00</b>	<b>2,000.00</b>
B	Issued, subscribed and paid up :		
	132,00,40,704 Equity shares of ₹10/- each fully paid-up (Previous year 132,00,40,704 equity shares of ₹10/- each fully paid up)	1,320.04	1,320.04
	Add : 132,00,40,704 Equity shares of ₹10/- each fully paid-up* (Previous year Nil)	1,320.04	0.00
	<b>TOTAL</b>	<b>2,640.08</b>	<b>1,320.04</b>
	* (Refer Note No. 31 of Part-C - Consolidated Other Notes on Accounts)		

## Notes:-

- During the year, the Company has issued bonus shares in the ratio of 1:1 and has not bought back any shares.
- The Company has only one class of equity shares having a par value of ₹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 shareholding at the meetings of shareholders.
- Redeemable preference shares as on 31.03.2017 stand at Nil (Previous year Nil).
- During the year, no shares have been allotted under ESOP scheme.
- Reconciliation of the number of outstanding equity shares:

Description	As at 31.03.2017	As at 31.03.2016
Opening Balance	1,320,040,704	1,320,040,704
Bonus Shares issued during the year	1,320,040,704	Nil
Closing Balance	2,640,081,408	1,320,040,704

- Information on shares in the Company held by each shareholder holding more than 5 percent of paid-up equity share capital:

Name of Holders		As at 31.03.2017	As at 31.03.2016
President of India (Refer Note No. 30 of Part-C - Consolidated Other Notes on Accounts)	% of Share Holding	66.35	67.80
	No. of Shares Held	1,751,631,394	894,924,366
Life Insurance Corporation of India	% of Share Holding	8.65	9.08
	No. of Shares Held	228,252,101	119,830,788

- During the year, Government of India, Ministry of Power, has disinvested 3,82,17,338 equity shares of par value of ₹10/- each by transferring it to CPSE ETF.
- Information of aggregate number and class of shares allotted as fully paid-up by way of bonus shares for the period of 5 years immediately preceding the date of Balance Sheet:

Particulars	No of Shares issued	Year of issue
Issue of fully paid-up equity shares of face value ₹10/- with rights at par with existing equity shares in the ratio of 1:1	1,320,040,704	2016-17

## NOTE - Part A - 2

## CONSOLIDATED RESERVES &amp; SURPLUS

(₹ In crore)

	Description	As at 31.03.2017		As at 31.03.2016	
<b>(A)</b>	<b>Securities Premium Account</b>				
	Opening balance	4,096.58		4,096.37	
	Add : Addition during the year	0.00		0.21	
	Less: Utilization for Bonus Issue (Refer Note No. 3I of Part-C - Consolidated Other Notes on Accounts)	<u>1,320.04</u>	2,776.54	<u>0.00</u>	4,096.58
<b>(B)</b>	<b>Debenture Redemption Reserve (Refer Note No. 5(A) of Part-C - Consolidated Other Notes on Accounts)</b>				
	Opening balance	1,172.56		856.28	
	Add : Transfer from Profit and Loss Appropriation	312.55		316.27	
	Less: Transfer to Surplus on account of Utilization	<u>36.40</u>	1,448.71	<u>0.00</u>	1,172.55
<b>(C)</b>	<b>Others</b>				
<b>(i)</b>	<b>Reserve for Bad &amp; doubtful debts u/s 36(I)(vii)(c) of Income-Tax Act, 1961</b>				
	Opening balance	2,547.14		2,117.93	
	Add : Transfer from Profit and Loss Appropriation	<u>467.55</u>	3,014.69	<u>429.21</u>	2,547.14
<b>(ii)</b>	<b>Special Reserve created u/s 36(I)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97</b>		599.85		599.85
<b>(iii)</b>	<b>Special Reserve created and maintained u/s 36(I)(viii) of Income Tax Act, 1961 from Financial Year 1997-98</b>				
	Opening balance	12,512.36		10,541.45	
	Add : Transfer from Profit and Loss Appropriation for the year	1,812.97		2,008.37	
	Less : Transfer to General Reserve	0.00		66.22	
	Less : Transfer from Surplus*	<u>0.03</u>	14,325.30	<u>(28.76)</u>	12,512.36
<b>(iv)</b>	<b>Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934</b>				
	Opening balance	10.95		6.43	
	Add : Transfer from Profit and Loss Appropriation for the year	<u>6.03</u>	16.98	<u>4.52</u>	10.95
<b>(v)</b>	<b>General Reserve</b>				
	Opening balance	5,364.34		4,197.11	
	Add : Transfer from Profit and Loss Appropriation for the year	0.00		1,101.00	
	Add : Gain - Change in fair value of derivatives (Refer Note No. 6(E) of Part-C - Consolidated Other Notes on Accounts)	74.35		0.00	
	Add : Transfer from Special Reserve	<u>0.00</u>	5,438.69	<u>66.22</u>	5,364.33
<b>(vi)</b>	<b>Foreign Currency Monetary Item Translation Difference A/c (Refer Note No. 6(C) of Part-C - Consolidated Other Notes on Accounts)</b>				
	Opening balance	(739.74)		(380.56)	
	Add : Net addition during the year	<u>92.18</u>	(647.56)	<u>(359.18)</u>	(739.74)
<b>(D)</b>	<b>Surplus</b>				
	Opening balance	9,144.25		9,056.45	
	Add : Profit after tax for the Year	2,236.10		6,184.00	
	<b>Less : Transfer to Reserves</b>				
	Transfer towards Reserve for Bad & Doubtful Debts u/s 36 (I) (vii) (c) of Income Tax Act, 1961	467.55		429.21	



Description	As at 31.03.2017		As at 31.03.2016	
Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	1,812.97		2,008.37	
Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	6.03		4.52	
Debenture Redemption Reserve	312.55		316.27	
General Reserve	0.00		1,101.00	
<b>Less : Dividend &amp; Corporate Dividend Tax</b>				
Interim Dividend (Refer Note No. 33(A) of Part-C - Consolidated Other Notes on Accounts)	1,320.04		1,755.66	
Proposed Final Dividend	0.00		79.20	
Corporate Dividend Tax on Interim Dividend	268.73		356.74	
Proposed Corporate Dividend Tax	0.00		16.12	
<b>Adjustments during the Year</b>				
Add : Transfer from Debenture Redemption Reserve	36.40		0.00	
Add : Adjustments during the current period **	2.72		(0.35)	
Add : Transfer to/from Special Reserve under Income Tax Act, 1961 *	0.03	7,231.63	(28.76)	9,144.25
<b>Total (A) + (B) + (C) + (D) #</b>		<b>34,204.83</b>		<b>34,708.27</b>

\* Transferred to match the deduction claimed as per the Income tax return for the Assessment Year 2016-17.

# Includes ₹41.07 crore net (Previous year ₹14.34 crore) share of jointly controlled entities.

\*\* Includes amount of ₹1.68 crore (Previous year ₹0.38 crore) in respect of EESL against adjustment of audited statement of profit and loss over unaudited statement of profit and loss used for consolidation in previous year.

## NOTE - Part A - 3

## CONSOLIDATED BORROWINGS

(₹ In crore)

Description	As at 31.03.2017			As at 31.03.2016		
	Current	Non-Current	Total	Current	Non-Current	Total
<b>A. Long Term Borrowings</b>						
<b>I. Secured</b>						
<b>Bonds</b>						
Infrastructure Bonds (Refer Note No. I)	3.70	281.06	284.76	316.91	44.64	361.55
Tax Free Bonds (Refer Note No. II)	0.00	12,275.11	12,275.11	0.00	12,275.11	12,275.11
Other Bonds (Refer Note No. III)	0.00	7,550.00	7,550.00	1,600.00	7,550.00	9,150.00
<b>Sub- Total (I)</b>	<b>3.70</b>	<b>20,106.17</b>	<b>20,109.87</b>	<b>1,916.91</b>	<b>19,869.75</b>	<b>21,786.66</b>
<b>II. UnSecured</b>						
<b>a) Bonds</b>						
Other Bonds / Debentures (Refer Note No. IV & V)	24,155.40	1,41,836.65	1,65,992.05	15,868.00	1,29,682.64	1,45,550.64
Subordinated Bonds (Refer Note No. VI)	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00
Foreign Currency Notes (Refer Note No. VII)	1,167.30	0.00	1,167.30	0.00	1,201.86	1,201.86
	<b>25,322.70</b>	<b>1,45,636.65</b>	<b>1,70,959.35</b>	<b>15,868.00</b>	<b>1,34,684.50</b>	<b>1,50,552.50</b>
<b>b) Foreign Currency Loans</b>						
Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India) (Refer Note No. VIII)	19.50	288.19	307.69	20.68	282.05	302.73
Syndicated Foreign Currency Loans from banks / Financial Institutions (Refer Note No. IX)	0.00	7,072.35	7,072.35	2,057.58	7,278.27	9,335.85
	<b>19.50</b>	<b>7,360.54</b>	<b>7,380.04</b>	<b>2,078.26</b>	<b>7,560.32</b>	<b>9,638.58</b>
<b>c) Rupee Term Loans</b>						
Rupee Term Loans (From Banks) (Refer Note No X)	0.00	2,000.00	2,000.00	610.83	10,500.00	11,110.83
	0.00	2,000.00	2,000.00	610.83	10,500.00	11,110.83
<b>Sub- Total (II)</b>	<b>25,342.20</b>	<b>1,54,997.19</b>	<b>1,80,339.39</b>	<b>18,557.09</b>	<b>1,52,744.82</b>	<b>1,71,301.91</b>
<b>B. Short Term Borrowings</b>						
<b>I. Secured</b>						
Loan against FD (Refer Note No XI)	2,400.79	0.00	2,400.79	0.00	0.00	0.00
Rupee Term Loans (From Banks) (Refer Note No X)	142.69	0.00	142.69	0.00	0.00	0.00
<b>Sub-Total (I)</b>	<b>2,543.48</b>	<b>0.00</b>	<b>2,543.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>II. UnSecured</b>						
Commercial Paper	0.00	0.00	0.00	5,286.37	0.00	5,286.37
Working Capital Demand Loan / OD / CC / Line of Credit from Banks	0.00	0.00	0.00	2,285.20	0.00	2,285.20
<b>Sub- Total (II)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,571.57</b>	<b>0.00</b>	<b>7,571.57</b>
<b>Total (A)+(B)*</b>	<b>27,889.38</b>	<b>1,75,103.36</b>	<b>2,02,992.74</b>	<b>28,045.57</b>	<b>1,72,614.57</b>	<b>2,00,660.14</b>

# Includes ₹404.70 crore net (Previous year ₹175.69 crore) share of Jointly controlled entities.

**Notes:-****I. Details of Infrastructure Bonds outstanding as at 31.03.2017 are as follows:**

	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Redemption details	Nature of Security	Extent of Security
1	Infrastructure Bonds 86 A Series	30-Mar-12	8.43%	7.39	30-Mar-22	Redeemable at par on a date falling ten years from the date of allotment.	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.	100%
2	Infrastructure Bonds 86 B Series	30-Mar-12	8.43%	15.48	30-Mar-22	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.		
3	Infrastructure Bonds (2011-12) Series-I	21-Nov-11	8.50%	21.85	21-Nov-21	Redeemable at par on a date falling ten years from the date of allotment.	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari-passu charge on immovable property situated at Guindy, Chennai.	100%
4	Infrastructure Bonds (2011-12) Series-II	21-Nov-11	8.50%	36.34	21-Nov-21	Redeemable at par on a date falling ten years from the date of allotment.		
5	Infrastructure Bonds (2010-11) Series-1	31-Mar-11	8.30%	49.95	31-Mar-21	Redeemable at par on a date falling ten years from the date of allotment.	Secured by charge on specific book debt of ₹3,090.80 crore as on 31.03.2017 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.	100%
6	Infrastructure Bonds (2010-11) Series-2	31-Mar-11	8.30%	109.11	31-Mar-21	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.		
7	Infrastructure Bonds (2011-12) Series-III	21-Nov-11	8.75%	3.23	22-Nov-18	On exercise of buy-back option by the bondholders, redeemable at par, on a date, falling seven years and one day from the date of allotment; otherwise, redeemable at par on a date falling fifteen years from the date of allotment.	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari-passu charge on immovable property situated at Guindy, Chennai.	100%
8	Infrastructure Bonds (2011-12) Series - IV	21-Nov-11	8.75%	8.83	22-Nov-18	On exercise of buy-back option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling seven years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.		
9	Infrastructure Bonds (2010-11) Series-3	31-Mar-11	8.50%	6.13	1-Apr-18	On exercise of buy-back option by the bondholders, redeemable at par, on a date, falling seven years and one day from the date of allotment; otherwise, redeemable at par on a date falling fifteen years from the date of allotment.	Secured by charge on specific book debt of ₹3,090.80 crore as on 31.03.2017 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.	100%
10	Infrastructure Bonds (2010-11) Series-4	31-Mar-11	8.50%	22.75	1-Apr-18	On exercise of buy-back option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling seven years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.		
11	Infrastructure Bonds 86 C Series	30-Mar-12	8.72%	0.95	31-Mar-18	On exercise of buy-back option by the bondholders, redeemable at par, on a date, falling six years and one day from the date of allotment; otherwise, redeemable at par on a date falling fifteen years from the date of allotment.	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.	100%
12	Infrastructure Bonds 86 D Series	30-Mar-12	8.72%	2.75	31-Mar-18	On exercise of buy-back option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling six years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.		
		<b>Total</b>		<b>284.76</b>				

## II. Details of Tax Free Bonds outstanding as at 31.03.2017 are as follows:

	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security	Extent of Security
13	Tax Free Bonds 2015-16 SR-3A	17-Oct-15	7.35%	213.57	17-Oct-35	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
14	Tax Free Bonds 2015-16 SR-3B	17-Oct-15	7.60%	155.48	17-Oct-35	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
15	Tax Free Bonds (2013-14) - Series 3A	16-Nov-13	8.67%	1,067.38	16-Nov-33	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
16	Tax Free Bonds (2013-14) - Series 3B	16-Nov-13	8.92%	861.96	16-Nov-33	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
17	Tax Free Bonds 2015-16 SR-2A	17-Oct-15	7.27%	131.33	17-Oct-30	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
18	Tax Free Bonds 2015-16 SR-2B	17-Oct-15	7.52%	45.18	17-Oct-30	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
19	Tax Free Bonds (2013-14) - Series 2A	16-Nov-13	8.54%	932.70	16-Nov-28	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
20	Tax Free Bonds (2013-14) - Series 2B	16-Nov-13	8.79%	353.32	16-Nov-28	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
21	Tax Free Bonds Series 107 B	30-Aug-13	8.46%	1,011.10	30-Aug-28	First pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/ or others under / pursuant to the Transaction Documents.	100%
22	Tax Free Bonds (2012-13) tranche - II - Series II	28-Mar-13	7.04%	6.06	28-Mar-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created)	100%
23	Tax Free Bonds (2012-13) tranche - II - Series II	28-Mar-13	7.54%	63.15	28-Mar-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari- passu charge on immovable property situated at Guindy, Chennai.	100%
24	Tax Free Bonds (2012-13) tranche - I - Series II	4-Jan-13	7.36%	150.14	4-Jan-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari- passu charge on immovable property situated at Guindy, Chennai.	100%
25	Tax Free Bonds (2012-13) tranche - I - Series II	4-Jan-13	7.86%	206.86	4-Jan-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari- passu charge on immovable property situated at Guindy, Chennai.	100%
26	Tax Free Bonds Series 95 B	29-Nov-12	7.38%	100.00	29-Nov-27	First pari passu charge on the Immovable Property situated at Chennai. All present and future receivables/ loan assets of the Company, together with the underlying security, excluding the receivables on which specific charge has already been created by the Company.	100%
27	Tax Free Bonds Series 94 B	29-Nov-12	7.38%	25.00	22-Nov-27	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari- passu charge on immovable property situated at Guindy, Chennai.	100%
28	Tax Free Bonds(2011-12) tranche -I - Series II	1-Feb-12	8.30%	1,280.58	1-Feb-27	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari- passu charge on immovable property situated at Guindy, Chennai.	100%
29	"Tax Free Bonds Series 80 B"	25-Nov-11	8.16%	209.34	25-Nov-26	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.	100%
30	Tax Free Bonds Series 79 B	15-Oct-11	7.75%	217.99	15-Oct-26	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.	100%
31	Tax Free Bonds 2015-16 SR-1A	17-Oct-15	7.11%	75.09	17-Oct-25	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
32	Tax Free Bonds 2015-16 SR-1B	17-Oct-15	7.36%	79.35	17-Oct-25	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
33	Tax Free Bonds Series 136	17-Jul-15	7.16%	300.00	17-Jul-25	First pari passu charge on Total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/ or others under / pursuant to the Transaction Documents.	100%
34	Tax Free Bonds (2013-14) - Series 1A	16-Nov-13	8.18%	325.07	16-Nov-23	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
35	Tax Free Bonds (2013-14) - Series 1B	16-Nov-13	8.43%	335.47	16-Nov-23	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%



	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security	Extent of Security
36	Tax Free Bonds Series 107 A	30-Aug-13	8.01%	113.00	30-Aug-23	First pari passu charge on Total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.	100%
37	Tax Free Bonds (2012-13) tranche - II - Series I	28-Mar-13	6.88%	50.14	28-Mar-23	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created)	100%
38	Tax Free Bonds (2012-13) tranche - II - Series I	28-Mar-13	7.38%	46.01	28-Mar-23		
39	Tax Free Bonds (2012-13) tranche - I - Series I	4-Jan-13	7.19%	185.90	4-Jan-23	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari-passu charge on immovable property situated at Guindy, Chennai.	100%
40	Tax Free Bonds (2012-13) tranche - I - Series I	4-Jan-13	7.69%	156.85	4-Jan-23		
41	Tax Free Bonds Series 95 A	29-Nov-12	7.22%	30.00	29-Nov-22	First pari passu charge on the Immovable Property situated at Chennai. All present and future receivables/ loan assets of the Company, together with the underlying security, excluding the receivables on which specific charge has already been created by the Company.	100%
42	Tax Free Bonds Series 94 A	29-Nov-12	7.21%	255.00	22-Nov-22		
43	Tax Free Bonds(2011-12) tranche -I - Series I	1-Dec-12	8.20%	2,752.55	1-Feb-22	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari-passu charge on immovable property situated at Guindy, Chennai.	100%
44	Tax Free Bonds Series 80 A	25-Nov-11	8.09%	334.31	25-Nov-21	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.	100%
45	Tax Free Bonds Series 79 A	15-Oct-11	7.51%	205.23	15-Oct-21		
	<b>Total</b>			<b>12,275.11</b>			

### III. Details of Tax Free Bonds outstanding as at 31.03.2017 are as follows:

	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security	Extent of Security
46	Taxable Bonds Series 112 C	31-Jan-14	9.70%	270.00	31-Jan-21	First pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction Documents.	100%
47	Taxable Bonds Series 112 B	31-Jan-14	9.70%	270.00	31-Jan-20		
48	Taxable Bonds Series 113	3-Mar-14	9.69%	2,240.00	3-Mar-19	First pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction Documents.	100%
49	Taxable Bonds Series 112 A	31-Jan-14	9.70%	270.00	31-Jan-19	First pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction Documents.	100%
50	Taxable Bonds Series 109	7-Oct-13	9.81%	4,500.00	7-Oct-18	First pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction Documents.	100%
	<b>Total</b>			<b>7,550.00</b>			

IV. Zero Coupon unsecured Taxable Bonds 2022-XIX Series of ₹479.60 crore (previous year ₹443.74 crore) are redeemable at face value of ₹750.00 crore on 30.12.2022 [net of Unamortized Interest of ₹270.40 crore (previous year ₹306.26 crore)].

V. Details of other Unsecured Taxable Bonds as on 31.03.2017 are as follows :

Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
1	Series 71	9.05%	15-Dec-30	192.70
2	Series 66-C	8.85%	15-Jun-30	633.00
3	Series 118-B-III	9.39%	27-Aug-29	460.00
4	Series 103	8.94%	25-Mar-28	2,807.00
5	Series 102-A(III)	8.90%	18-Mar-28	403.00
6	Series 101-B	9.00%	11-Mar-28	1,370.00
7	Series 155	7.23%	5-Jan-27	2,635.00
8	Series 152	7.55%	25-Sep-26	4,000.00
9	Series 151B	7.56%	16-Sep-26	210.00
10	Series 77-B	9.45%	1-Sep-26	2,568.00
11	Series 150B	7.63%	14-Aug-26	1,675.00
12	Series 76-B	9.46%	1-Aug-26	1,105.00
13	Series 147	8.03%	2-May-26	1,000.00
14	Series 71	9.05%	15-Dec-25	192.70
15	Series 141-B	8.40%	18-Sep-25	1,000.00
16	Series 66-B	8.75%	15-Jun-25	1,532.00
17	Series 65	8.70%	14-May-25	1,337.50
18	Series 130-C	8.39%	19-Apr-25	925.00
19	Series 64-III	8.95%	30-Mar-25	492.00
20	Series 131-C	8.41%	27-Mar-25	5,000.00
21	Series 63-III	8.90%	15-Mar-25	184.00
22	Series 128	8.20%	10-Mar-25	1,600.00
23	Series 62-B	8.80%	15-Jan-25	1,172.60
24	Series 126	8.65%	4-Jan-25	5,000.00
25	Series 125	8.65%	28-Dec-24	2,826.00
26	Series 61	8.50%	15-Dec-24	351.00
27	Series 124-C	8.48%	9-Dec-24	1,000.00
28	Series 120-A	8.98%	8-Oct-24	961.00
29	Series 120-B	8.98%	8-Oct-24	950.00
30	Series 118-B-II	9.39%	27-Aug-24	460.00
31	Series 117-B	9.37%	19-Aug-24	855.00
32	Series 57-C	8.60%	7-Aug-24	866.50
33	STRPP C (1250 units of ₹20,00,000/- each) ISIN Number:NE688V07033	8.07%	20-Sep-23	79.27
34	Series 85-D	9.26%	15-Apr-23	736.00
35	Series 102-A(II)	8.90%	18-Mar-23	403.00
36	Series 102-B	8.87%	18-Mar-23	70.00
37	Series 100-B	8.84%	4-Mar-23	1,310.00
38	Series 92-C	9.29%	21-Aug-22	640.00
39	Series 91-B	9.39%	29-Jun-22	2,695.20
40	Series 88-C	9.48%	15-Apr-22	184.70

Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
41	Series 154	7.27%	22-Dec-21	1,101.00
42	Series 124-B	8.55%	9-Dec-21	1,200.00
43	Series 123-C	8.66%	27-Nov-21	200.00
44	Series 153	7.40%	30-Sep-21	1,830.00
45	STRPP B (1250 units of ₹10,00,000/- each) ISIN Number:INE688V07025	8.07%	20-Sep-21	39.64
46	Series 78-B	9.44%	23-Sep-21	1,180.00
47	Series 151A	7.47%	16-Sep-21	2,260.00
48	Series 150A	7.50%	16-Aug-21	2,660.00
49	Series 76-A	9.36%	1-Aug-21	2,589.40
50	Series 115-III	9.20%	7-Jul-21	700.00
51	Series 75-C	9.61%	29-Jun-21	2,084.70
52	Series 74	9.70%	9-Jun-21	1,693.20
53	Series 28	8.85%	31-May-21	600.00
54	Series 146	8.05%	27-Apr-21	300.00
55	Series 73	9.18%	15-Apr-21	1,000.00
56	Series 72-B	8.99%	15-Jan-21	1,219.00
57	Series 71	9.05%	15-Dec-20	192.70
58	Series 70	8.78%	15-Nov-20	1,549.00
59	Series 141-A	8.46%	18-Sep-20	1,000.00
60	Series 163	7.50%	17-Sep-20	2,435.00
61	Series 140-B	8.36%	4-Sep-20	1,250.00
62	Series 138	8.45%	10-Aug-20	1,000.00
63	Series 137	8.53%	24-Jul-20	2,700.00
64	Series 68-B	8.70%	15-Jul-20	1,424.00
65	Series 165	7.42%	26-Jun-20	3,605.00
66	Series 66-A	8.65%	15-Jun-20	500.00
67	Series 149	8.04%	30-May-20	100.00
68	Series 159	7.05%	15-May-20	2,551.00
69	Series 65	8.70%	14-May-20	1,337.50
70	Series 131-B	8.38%	27-Apr-20	1,350.00
71	Series 130-B	8.42%	18-Apr-20	200.00
72	Series 85-C	9.30%	15-Apr-20	79.50
73	Series 157	6.83%	15-Apr-20	2,000.00
74	Series 64-II	8.95%	30-Mar-20	492.00
75	Series 87-D	9.42%	20-Mar-20	650.80
76	STRPP A (1250 units of ₹10,00,000/- each) ISIN Number:INE688V07017	8.07%	20-Mar-20	39.64
77	Series 63-II	8.90%	15-Mar-20	184.00
78	Series 100-A	8.86%	4-Mar-20	54.30
79	Series 127	8.36%	26-Feb-20	4,440.00
80	Series 99-B	8.82%	20-Feb-20	733.00
81	Series 62-A	8.70%	15-Jan-20	845.40
82	Series 61	8.50%	15-Dec-19	351.00

Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
83	Series 124-A	8.52%	9-Dec-19	1,220.00
84	Series 123-B	8.65%	28-Nov-19	836.00
85	Series 60-B	IYINCMTBMK+179 bps (floating rate)	20-Nov-19	925.00
86	Series 122	8.76%	7-Nov-19	1,000.00
87	Series 121-B	8.96%	21-Oct-19	1,100.00
88	Series 59-B	8.80%	15-Oct-19	1,216.60
89	Series 119-B	9.32%	17-Sep-19	1,591.00
90	Series 118-B-I	9.39%	27-Aug-19	460.00
91	Series 57-B	8.60%	7-Aug-19	866.50
92	Series 115-II	9.15%	7-Jul-19	100.00
93	Series 135-B	8.50%	29-Jun-19	1,500.00
94	Series 90-B	9.41%	1-Jun-19	391.00
95	Series 148	7.95%	13-May-19	1,915.00
96	Series 145	7.85%	15-Apr-19	2,928.00
97	Series 143	8.12%	28-Feb-19	700.00
98	Series 98-III	8.72%	8-Feb-19	324.00
99	Series 82-C	9.70%	15-Dec-18	2,060.00
100	Series 52-C	11.25%	28-Nov-18	1,950.60
101	Series 142-B	8.00%	22-Oct-18	1,000.00
102	Series 51-C	11.00%	15-Sep-18	3,024.40
103	Series 140-A	8.28%	4-Sep-18	1,930.00
104	Series 139-C	8.17%	18-Aug-18	800.00
105	Series 49-B	10.85%	11-Aug-18	428.60
106	Series 161	6.90%	16-Jul-18	1,850.00
107	Series 162	6.90%	16-Jul-18	1,060.00
108	Series 48-C	10.55%	15-Jul-18	259.70
109	Series 135-A	8.40%	29-Jun-18	1,210.00
110	Series 130-A	8.40%	19-Jun-18	1,175.00
111	Series 129-A	8.29%	13-Jun-18	980.00
112	Series 129B	8.29%	13-Jun-18	100.00
113	Series 47-C	9.68%	9-Jun-18	780.70
114	Series 134-B	8.39%	28-May-18	1,500.00
115	Series 132-B	8.09%	16-May-18	200.00
116	Series 131-A	8.34%	27-Apr-18	100.00
117	Series 132-A	8.03%	9-Apr-18	272.00
118	Series 102-A(I)	8.90%	18-Mar-18	403.00
119	Series 101-A	8.95%	11-Mar-18	3,201.00
120	Series 99-A	8.77%	20-Feb-18	2.00
121	Series 98-II	8.72%	8-Feb-18	324.00
122	Series 72-A	8.97%	15-Jan-18	144.00
123	Series 40-C	9.28%	28-Dec-17	650.00
124	Series 123-A	8.50%	28-Nov-17	1,075.00
125	Series 18	7.87%	13-Nov-17	25.00

Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
126	Series 121-A	8.90%	21-Oct-17	1,500.00
127	Series 142-A	7.88%	21-Oct-17	800.00
128	Series 93-B	8.91%	15-Oct-17	950.00
129	Series 17	8.21%	3-Oct-17	25.00
130	Series 118-A	9.30%	27-Aug-17	2,160.00
131	Series 92-A	9.01%	21-Aug-17	50.00
132	Series 92-B	9.27%	21-Aug-17	1,930.00
133	Series 117-A	9.32%	19-Aug-17	1,311.00
134	Series 115-I	9.11%	7-Jul-17	1,650.00
135	Series 91-A	9.40%	29-Jun-17	107.50
136	Series 90-A	9.61%	1-Jun-17	537.90
137	Series 134-A	8.35%	27-May-17	1,500.00
138	Series 13	9.60%	24-May-17	65.00
139	Series 139-B	8.12%	22-May-17	1,435.00
140	Series 35	9.96%	18-May-17	530.00
141	Series 13	9.60%	16-May-17	125.00
142	Series 89-A	9.52%	2-May-17	165.00
143	Series 133-B	8.00%	24-Apr-17	605.00
144	Series 144	7.98%	21-Apr-17	1,775.00
145	Series 139-A	8.12%	17-Apr-17	565.00
146	Series 133-A	8.00%	3-Apr-17	545.00
			<b>Total*</b>	<b>1,65,512.45</b>

\*As at 31.03.2017, Bonds of ₹ 5.60 crore (previous year ₹ 6.10 crore) are held by PFC Ltd. Employees Provident Fund Trust and Bonds of ₹ 0.60 crore (previous year ₹ 0.50 crore) are held by PFC Ltd. Employees Gratuity Trust.

**VI. Details of Unsecured Subordinated Bonds as on 31.03.2017 are as follows :**

	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
1	Subordinated Tier II Debt Bond	9.70%	21-Feb-24	2,000.00
2	Subordinated Tier II Debt Bond	9.65%	13-Jan-24	1,000.00
3	Subordinated Tier II Debt Bond	8.19%	14-Jun-23	800.00
			<b>Total</b>	<b>3,800.00</b>

**VII.** Foreign currency 6.61 % Senior Notes (USPP) amounting to ₹ 1,167.30 crore (previous year ₹ 1,201.86 crore) are redeemable at par on 05.09.2017.

**VIII. Details of Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India) outstanding as at 31.03.2017 are as follows:**

S.No	Loan	Rate of Interest p.a. as on 31.03.2017	Amount (₹ in crore)	Date of Repayment
1	KfW I	0.75%	1.14	30-Jun-35
2	KfW I	0.75%	1.30	30-Dec-34
3	KfW I	0.75%	1.31	30-Jun-34
4	KfW I	0.75%	1.31	30-Dec-33
5	KfW I	0.75%	1.30	30-Jun-33

S.No	Loan	Rate of Interest p.a. as on 31.03.2017	Amount (₹ in crore)	Date of Repayment
6	KfW I	0.75%	1.31	30-Dec-32
7	KfW I	0.75%	1.30	30-Jun-32
8	KfW I	0.75%	1.30	30-Dec-31
9	KfW I	0.75%	1.31	30-Jun-31
10	KfW I	0.75%	1.30	30-Dec-30
11	KfW I	0.75%	1.30	30-Jun-30
12	KfW I	0.75%	1.31	30-Dec-29
13	KfW I	0.75%	1.30	30-Jun-29
14	KfW I	0.75%	1.30	30-Dec-28
15	ADB (New Loan)	6m USD LIBOR + 0.60%	0.27	15-Oct-28
16	Credit National France	2.00%	0.03	30-Jun-28
17	KfW I	0.75%	1.30	30-Jun-28
18	ADB (New Loan)	6m USD LIBOR + 0.60%	1.88	15-Apr-28
19	Credit National France	2.00%	0.03	31-Dec-27
20	KfW I	0.75%	1.30	30-Dec-27
21	ADB (New Loan)	6m USD LIBOR + 0.60%	2.23	15-Oct-27
22	Credit National France	2.00%	0.06	30-Jun-27
23	KfW I	0.75%	1.30	30-Jun-27
24	ADB (New Loan)	6m USD LIBOR + 0.60%	2.36	15-Apr-27
25	Credit National France	2.00%	0.36	31-Dec-26
26	KfW I	0.75%	1.30	30-Dec-26
27	ADB (New Loan)	6m USD LIBOR + 0.60%	2.59	15-Oct-26
28	Credit National France	2.00%	0.36	30-Jun-26
29	KfW I	0.75%	1.30	30-Jun-26
30	ADB (New Loan)	6m USD LIBOR + 0.60%	4.32	15-Apr-26
31	Credit National France	2.00%	0.43	31-Dec-25
32	KfW I	0.75%	1.30	30-Dec-25
33	ADB (New Loan)	6m USD LIBOR + 0.60%	4.32	15-Oct-25
34	KfW-I	1.96%	4.87	30-Jun-25
35	Credit National France	2.00%	0.92	30-Jun-25
36	KfW I	0.75%	1.30	30-Jun-25
37	ADB (New Loan)	6m USD LIBOR + 0.60%	4.32	15-Apr-25
38	Credit National France	2.00%	2.52	31-Dec-24
39	KfW-I	1.96%	6.46	30-Dec-24
40	KfW I	0.75%	1.30	30-Dec-24
41	ADB (New Loan)	6m USD LIBOR + 0.60%	4.32	15-Oct-24
42	KfW-I	1.96%	6.46	30-Jun-24
43	Credit National France	2.00%	3.05	30-Jun-24
44	KfW I	0.75%	1.30	30-Jun-24
45	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-24
46	Credit National France	2.00%	3.08	31-Dec-23
47	KfW-I	1.96%	6.46	30-Dec-23
48	KfW I	0.75%	1.31	30-Dec-23
49	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-23
50	KfW-I	1.96%	6.46	30-Jun-23
51	Credit National France	2.00%	3.78	30-Jun-23
52	KfW I	0.75%	1.30	30-Jun-23
53	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-23
54	Credit National France	2.00%	3.78	31-Dec-22
55	KfW-I	1.96%	6.46	30-Dec-22

S.No	Loan	Rate of Interest p.a. as on 31.03.2017	Amount (₹ in crore)	Date of Repayment
56	KfW I	0.75%	1.31	30-Dec-22
57	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-22
58	KfW-I	1.96%	6.46	30-Jun-22
59	Credit National France	2.00%	3.78	30-Jun-22
60	KfW I	0.75%	1.30	30-Jun-22
61	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-22
62	Credit National France	2.00%	3.78	31-Dec-21
63	KfW-I	1.96%	6.45	30-Dec-21
64	KfW I	0.75%	1.30	30-Dec-21
65	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-21
66	KfW-I	1.96%	6.46	30-Jun-21
67	Credit National France	2.00%	3.78	30-Jun-21
68	KfW I	0.75%	1.30	30-Jun-21
69	AFD	1.87%	2.68	30-Apr-21
70	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-21
71	Credit National France	2.00%	3.78	31-Dec-20
72	KfW-I	1.96%	6.46	30-Dec-20
73	KfW I	0.75%	1.31	30-Dec-20
74	AFD	1.87%	5.49	31-Oct-20
75	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-20
76	KfW-I	1.96%	6.46	30-Jun-20
77	Credit National France	2.00%	3.78	30-Jun-20
78	KfW I	0.75%	1.30	30-Jun-20
79	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-20
80	Credit National France	2.00%	3.78	31-Dec-19
81	KfW-I	1.96%	6.46	30-Dec-19
82	KfW I	0.75%	1.30	30-Dec-19
83	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-19
84	KfW-I	1.96%	6.46	30-Jun-19
85	Credit National France	2.00%	3.78	30-Jun-19
86	KfW I	0.75%	1.30	30-Jun-19
87	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-19
88	Credit National France	2.0%	3.78	31-Dec-18
89	KfW-I	1.96%	6.45	30-Dec-18
90	KfW I	0.75%	1.31	30-Dec-18
91	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-18
92	KfW-I	1.96%	6.46	30-Jun-18
93	Credit National France	2.00%	3.78	30-Jun-18
94	KfW I	0.75%	1.30	30-Jun-18
95	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-18
96	Credit National France	2.00%	3.78	31-Dec-17
97	KfW I	0.75%	1.30	30-Dec-17
98	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Oct-17
99	Credit National France	2.00%	3.78	30-Jun-17
100	KfW I	0.75%	1.31	30-Jun-17
101	ADB (New Loan)	6m USD LIBOR + 0.60%	4.64	15-Apr-17
			<b>307.69</b>	

Note: In case of ADB (new loan) a variable rebate is offered by ADB at the time of reset.

**IX. Details of Syndicated Foreign Currency Loans from banks / Financial Institutions outstanding as at 31.03.2017 are as follows:**

S.No	Loan	Rate of Interest p.a. as on 31.03.2017	Amount (₹ in crore)	Date of Repayment
1	SLN XVIII	6m JPY LIBOR + 0.75%	844.28	4-Nov-22
2	SLN XVIII	6m JPY LIBOR + 0.75%	844.29	8-Nov-21
3	SLN XVII-(III)	6m USD LIBOR +1.28%	972.75	24-Sep-21
4	SLN XVII-(II)	6m USD LIBOR +1.28%	972.75	26-Mar-21
5	SLN XVIII	6m JPY LIBOR + 0.75%	844.28	6-Nov-20
6	SLN XVII-(I)	6m USD LIBOR +1.28%	972.75	28-Sep-20
7	SLN XVI	6m USD LIBOR +1.55%	1621.25	4-Dec-19
			<b>7,072.35</b>	

**X. Details of Rupee Term Loans (From Banks) outstanding as at 31.03.2017 are as follows:**

S.No	Loan	Rate of Interest p.a. as on 31.03.2017	Amount (₹ in crore)	Date of Repayment
1	ICICI Bank	7.90%	1,500.00	30-Apr-2018
2	J&K Bank	8.10%	500.00	30-Apr-2018
3	ICICI Bank- Tranche X	8.20%	7.53	29-Mar-2018
4	HDFC Bank- Tranche III	8.15%	1.59	29-Mar-2018
5	State Bank of India- Tranche II	8.20%	38.05	29-Mar-2018
6	ICICI Bank- Tranche IX	8.20%	15.85	16-Mar-2018
7	ICICI Bank- Tranche VIII	8.20%	3.33	12-Mar-2018
8	ICICI Bank- Tranche VII	8.20%	2.64	9-Mar-2018
9	HDFC Bank- Tranche II	8.15%	6.34	6-Mar-2018
10	HDFC Bank- Tranche I	8.15%	4.76	27-Feb-2018
11	ICICI Bank- Tranche VI	8.20%	10.43	26-Jan-2018
12	ICICI Bank- Tranche V	8.20%	3.96	12-Jan-2018
13	PTC India Financial Services Limited	10.25%	8.24	1-Jan-2018
14	State Bank of India- Tranche I	9.10%	3.17	31-Dec-2017
15	ICICI Bank- Tranche IV	8.90%	5.30	27-Dec-2017
16	ICICI Bank- Tranche III	8.90%	1.43	13-Dec-2017
17	ICICI Bank- Tranche II	8.90%	2.64	12-Dec-2017
18	ICICI Bank- Tranche I	8.90%	3.96	5-Dec-2017
19	PTC India Financial Services Limited	10.25%	8.03	1-Oct-2017
20	PTC India Financial Services Limited	10.25%	7.82	1-Jul-2017
21	PTC India Financial Services Limited	10.25%	7.62	1-Apr-2017
			<b>2,142.69</b>	

**XI. Details of Loan against FD (From Banks) outstanding as at 31.03.2017 are as follows:**

S.No	Loan	Rate of Interest p.a. as on 31.03.2017	Amount (₹ in crore)	Date of Repayment
1	Oriental Bank of Commerce	7.25%	177.15	3-Apr-2017
2	Vijaya Bank	6.50%	1,800.00	3-Apr-2017
3	J&K Bank	5.50%	100.00	3-Apr-2017
4	Allahabad Bank	4.50%	323.64	3-Apr-2017
			<b>2,400.79</b>	



## NOTE - Part A - 4

## CONSOLIDATED OTHER LONG TERM &amp; CURRENT LIABILITIES

(₹ In crore)

Description	As at 31.03.2017		Total	As at 31.03.2016		Total
	Short Term	Long Term		Short Term	Long Term	
Interest Subsidy Fund from GOI (Refer Note No.12(A) (ii) of Part-C - Consolidated Other Notes on Accounts)	3.59	106.10	109.69	6.88	100.59	107.47
Interest Differential Fund - KFW (Refer Note No. 10 of Part-C - Consolidated Other Notes on Accounts)	0.00	63.88	63.88	0.00	60.71	60.71
Advance received / amount payable to Subsidiaries (including interest payable thereon) (Refer Note No. 8(A)(ii) of Part-C - Consolidated Other Notes on Accounts)	192.28	249.04	441.32	182.33	198.79	381.12
Amount payable to GoI under R-APDRP	0.00	0.00	0.00	13.00	0.00	13.00
Other Bonds (Amount Payable- Bonds fully serviced by GoI)* (Refer Note No. 13 of Part-C - Consolidated Other Notes on Accounts)						
a) Principal	0.00	5,000.00	5,000.00	0.00	0.00	0.00
b) Interest accrued but not due	38.21	0.00	38.21	0.00	0.00	0.00
<b>Sub Total</b>	<b>234.08</b>	<b>5,419.02</b>	<b>5,653.10</b>	<b>202.21</b>	<b>360.09</b>	<b>562.30</b>
<b>Interest Accrued but not due :</b>						
On Bonds	7,226.02	288.23	7,514.25	6,841.49	188.50	7,029.99
On Loans	32.42	0.00	32.42	58.78	0.00	58.78
<b>Sub Total</b>	<b>7,258.44</b>	<b>288.23</b>	<b>7,546.67</b>	<b>6,900.27</b>	<b>188.50</b>	<b>7,088.77</b>
<b>Unpaid / Unclaimed</b>						
Bonds	0.52	0.00	0.52	3.84	0.00	3.84
Interest on Bonds	14.17	0.00	14.17	8.33	0.00	8.33
Dividend	1.43	0.00	1.43	1.72	0.00	1.72
<b>Sub Total</b>	<b>16.12</b>	<b>0.00</b>	<b>16.12</b>	<b>13.89</b>	<b>0.00</b>	<b>13.89</b>
Others	1,084.31	435.82	1,520.13	448.49	0.26	448.75
<b>Sub Total</b>	<b>1,084.31</b>	<b>435.82</b>	<b>1,520.13</b>	<b>448.49</b>	<b>0.26</b>	<b>448.75</b>
<b>TOTAL#</b>	<b>8,592.95</b>	<b>6,143.07</b>	<b>14,736.02</b>	<b>7,564.86</b>	<b>548.85</b>	<b>8,113.71</b>

\*Details of Other Unsecured Taxable Bonds as on 31.03.2017 are as follows :

Bond Series	Date of allotment	Coupon Rate	Date of Redemption	Amount (₹ in crore)
1. PFC Bond Series 164-GoI Fully Serviced Bond	22-Mar-17	7.75%	22-Mar-27	2,000.00
2. PFC Bond Series 160-GoI Fully Serviced Bond	20-Feb-17	7.60%	20-Feb-27	1,465.00
3. PFC Bond Series 158-GoI Fully Serviced Bond	20-Jan-17	7.18%	20-Jan-27	1,335.00
4. PFC Bond Series 156-GoI Fully Serviced Bond	11-Jan-17	7.10%	11-Jan-27	200.00
<b>Total</b>				<b>5,000.00</b>

# Includes ₹139.29 crore net (Previous year ₹62.78 crore) share of Jointly controlled entities.

## NOTE - Part A - 5

## CONSOLIDATED PROVISIONS - LONG TERM AND SHORT TERM

(₹ In crore)

Description	As at 31.03.2017		Total	As at 31.03.2016		Total
	Short Term	Long Term		Short Term	Long Term	
<b>Employee Benefits*</b>						
Economic Rehabilitation of Employees	0.17	1.46	<b>1.63</b>	0.21	1.29	<b>1.50</b>
Leave Encashment	1.81	29.42	<b>31.23</b>	2.37	24.72	<b>27.09</b>
Staff Welfare Expenses (Refer Note No. 20 & 21 of Part-C - Consolidated Other Notes on Accounts)	3.98	4.92	<b>8.90</b>	1.07	21.61	<b>22.68</b>
Gratuity / Superannuation Fund	1.29	0.19	<b>1.48</b>	0.20	0.08	<b>0.28</b>
Proposed Pay Revision	9.94	0.00	<b>9.94</b>	0.00	0.00	<b>0.00</b>
Bonus / Incentive	6.63	0.00	<b>6.63</b>	11.14	0.00	<b>11.14</b>
<b>Sub Total</b>	<b>23.82</b>	<b>35.99</b>	<b>59.81</b>	<b>14.99</b>	<b>47.70</b>	<b>62.69</b>
<b>Others</b>						
Income Tax (net)	0.24	12.57	<b>12.81</b>	6.76	49.49	<b>56.25</b>
CSR & SD Expenses (Refer Note No. 21 of Part-C - Consolidated Other Notes on Accounts)	100.22	0.00	<b>100.22</b>	102.98	0.00	<b>102.98</b>
Contingent provision against Standard Assets (Refer Note No. 16(A)(i) of Part-C - Consolidated Other Notes on Accounts)	100.05	459.88	<b>559.93</b>	103.48	495.00	<b>598.48</b>
Contingent Provisions against Restructured Standard Assets (Refer Note No. 16(A)(ii) of Part-C - Consolidated Other Notes on Accounts)	317.00	2,040.85	<b>2,357.85</b>	490.80	638.40	<b>1,129.20</b>
Interim Dividend (Refer Note No. 33(A) of Part-C - Consolidated Other Notes on Accounts)	1,320.04	0.00	<b>1,320.04</b>	0.00	0.00	<b>0.00</b>
Proposed Final Dividend	0.00	0.00	<b>0.00</b>	79.20	0.00	<b>79.20</b>
Corporate Dividend Tax on interim dividend	67.18	0.00	<b>67.18</b>	0.00	0.00	<b>0.00</b>
Proposed Corporate Dividend Tax	0.00	0.00	<b>0.00</b>	16.12	0.00	<b>16.12</b>
Provision for diminution in value of Investments	0.00	0.00	<b>0.00</b>	1.06	0.00	<b>1.06</b>
<b>Sub Total</b>	<b>1,904.73</b>	<b>2,513.30</b>	<b>4,418.03</b>	<b>800.40</b>	<b>1,182.89</b>	<b>1,983.29</b>
<b>TOTAL#</b>	<b>1,928.55</b>	<b>2,549.29</b>	<b>4,477.84</b>	<b>815.39</b>	<b>1,230.59</b>	<b>2,045.98</b>

# Includes ₹0.74 crore net (Previous period ₹7.04 crore) share of Jointly controlled entities.

\* (Refer Note No. 21 of Part-C - Consolidated Other Notes on Accounts)

## NOTE - Part A - 6

## CONSOLIDATED FIXED ASSETS

(₹ in crore)

Description	GROSS BLOCK			DEPRECIATION					NET BLOCK			
	Opening Balance as at 01.04.2016	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2017	Opening Balance as at 01.04.2016	For the period 01.04.2016 to 31.03.2017	Adjustment	Prior period Adjustments	On Assets Sold/Written off from books	Closing Balance as at 31.03.2017	As at 31.03.2017**	As at 31.03.2016
<b>I. Tangible Assets* :</b>												
<b>Owned Assets</b>												
Land (Freehold)	3.38	0.00	0.00	3.38	0.00	0.00	0.00	0.00	0.00	0.00	3.38	3.38
Land (Leasehold) ***	3787	0.00	0.00	3787	0.00	0.00	0.00	0.00	0.00	0.00	3787	3787
Buildings	24.92	0.00	0.00	24.92	9.69	0.74	0.00	0.00	0.00	10.43	14.49	15.23
EDP Equipments	1752	2.84	2.59	1777	14.40	2.38	0.04	0.00	2.42	14.40	3.37	3.12
Office and other equipments	163.03	132.04	0.55	294.52	2788	36.05	1.57	0.20	0.49	65.21	229.31	135.15
Furniture & Fixtures	8.80	1.13	0.15	9.78	7.06	0.42	0.01	0.02	0.12	7.39	2.39	1.74
Vehicles	0.20	0.00	0.00	0.20	0.11	0.03	0.00	0.00	0.00	0.14	0.06	0.09
Leasehold Improvements	0.48	4.11	0.00	4.59	0.04	0.26	0.00	0.00	0.00	0.30	4.29	0.44
<b>Total*</b>	<b>256.20</b>	<b>140.12</b>	<b>3.29</b>	<b>393.03</b>	<b>59.18</b>	<b>39.88</b>	<b>1.62</b>	<b>0.22</b>	<b>3.03</b>	<b>97.87</b>	<b>295.16</b>	<b>197.02</b>
Previous year	148.23	111.51	3.54	256.20	43.17	19.19	0.07	0.00	3.25	59.18	197.02	
<b>II. Intangible Assets**:</b>												
<b>Purchased Software (Useful Life - 5 years)</b>	<b>8.90</b>	<b>0.72</b>	<b>0.00</b>	<b>9.62</b>	<b>7.44</b>	<b>0.94</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>8.40</b>	<b>1.22</b>	<b>1.46</b>
Previous year	8.34	0.55	0.00	8.90	6.55	0.89	0.00	0.00	0.00	7.44	1.46	
<b>III. Others# :</b>												
Intangible assets under development	0.16	0.03	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16
Capital Works in Progress	46.47	216.71	157.74	105.44	0.00	0.00	0.00	0.00	0.00	0.00	105.44	46.47
<b>Previous year</b>	<b>46.63</b>	<b>216.74</b>	<b>157.92</b>	<b>105.44</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>105.44</b>	<b>46.63</b>
	<b>2.78</b>	<b>170.67</b>	<b>125.82</b>	<b>46.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>46.63</b>	

\* (Refer Note No. 24 of Part-C - Consolidated Other Notes on Accounts)

\*\* Net Block of FY 2016-17 include amount of ₹ (1.67) crore in respect of EESL against adjustment of audited financial statements over unaudited financial statement used for consolidation in previous year.

\*\*\* (Refer Note No. 26 of Part-C - Consolidated Other Notes on Accounts)

# Net Block includes ₹335.76 crore net (Previous year ₹180.55 crore) share of Jointly controlled entities.

## NOTE - Part A 7

## CONSOLIDATED NON-CURRENT INVESTMENTS

(₹ In crore)

Description	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
<b>(A) Trade Investments (Face value of ₹10 /- each fully paid up - unless otherwise stated)</b>				
<b>I. Equity Instruments (Quoted) - valued at Cost</b>				
PTC India Ltd.	1,20,00,000	12.00	1,20,00,000	12.00
<b>II. Equity Instruments (Unquoted)</b>				
<b>- Valued at Cost (Less diminution, if any, other than temporary)</b>				
Power Exchange India Ltd.	32,20,000	3.22	32,20,000	3.22
Less : Provision for diminution		3.22		3.22
Long term investment				0.60
Subsidiaries (Refer Note No. 2.1 of Part-C - Consolidated Other Notes on Accounts)		0.99		1.08
Less : Provision for diminution		0.10		0.89
<b>III. Others (Unquoted)*</b>				
Units of " Small is Beautiful " Fund of KSK Investment Advisor Pvt. Ltd.**	61,52,200	6.15	61,52,200	6.15
<b>Sub Total</b>		<b>19.64</b>		<b>19.23</b>
<b>B. Other Investment -Bonds (Quoted) (Face value of ₹10,00,000/- each fully paid up - unless otherwise stated)</b>				
10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank	18,000	1,800.00	18,000	1800.00
<b>Sub Total</b>		<b>1,800.00</b>		<b>1,800.00</b>
<b>TOTAL#</b>		<b>1819.64</b>		<b>1819.23</b>

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Aggregate of Quoted Investments</b>		
Book Value	1812.00	1812.00
Market Value***	1912.08	1876.80
<b>Aggregate of Un-Quoted Investments</b>		
Book Value	7.04	7.23
<b>Aggregate Provision for Diminution in value</b>	<b>3.32</b>	<b>3.22</b>

\*Being Unquoted Investments, market value is not available.

\*\*NAV as on 31-Mar-2017 is ₹10.24 per unit (31-Mar-2016 ₹10.24 per unit). The fluctuation in NAV is considered as temporary.

\*\*\*10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank are listed on NSE platform, however, market price as at 31.03.2017 is not available on NSE platform and the bonds have not been traded in the market till 31.03.2017. Accordingly, the face value of the above bonds has been considered as market price.

# Includes ₹0.60 crore (Previous year Nil) share of Jointly Controlled Entity.

**NOTE - Part A - 8**  
**CONSOLIDATED LOANS \***

(₹ In crore)

Description	As at 31.03.2017		Total	As at 31.03.2016		Total
	Current maturities (Twelve Months)	Non-Current		Current maturities (Twelve Months)	Non-Current	
<b>A. Long Term</b>						
<b>I Secured Loans</b>						
<b>a) Considered Good</b>						
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments	18,725.71	91,918.09	<b>1,10,643.80</b>	8,886.36	1,10,419.53	<b>1,19,305.89</b>
RTLs to Independent Power Producers	6,648.19	23,034.61	<b>29,682.80</b>	1,881.53	18,665.66	<b>20,547.19</b>
Foreign Currency Loans to Independent Power Producers	5.03	0.00	<b>5.03</b>	20.58	5.14	<b>25.72</b>
Buyer's Line of Credit	6748	1,376.96	<b>1,444.44</b>	318.44	764.04	<b>1,082.48</b>
Lease Financing to Borrowers **	8.62	185.70	<b>194.32</b>	789	196.20	<b>204.09</b>
RTLs to Equipment Manufacturers	18.95	25,473.98	<b>869.00</b>	18.95	11,133.75	<b>861.30</b>
<b>b) Others</b>						
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA	2,323.18	21,064.92	<b>23,388.10</b>	374.35	347.61	<b>721.96</b>
Less: Provision for contingencies	328.58	1,994.60	<b>2,463.24</b>	74.87	299.48	<b>144.38</b>
RTL to Independent Power Producers - NPA	1,689.43	3,237.05	<b>4,926.48</b>	947.64	4,251.81	<b>5,199.45</b>
Less: Provision for contingencies	527.87	1,161.56	<b>1,236.29</b>	202.61	745.03	<b>779.99</b>
FCL to Independent Power Producers - NPA	58.70	134.48	<b>193.18</b>	35.90	201.79	<b>237.69</b>
Less: Provision for contingencies	29.35	67.24	<b>96.59</b>	10.77	60.53	<b>71.30</b>
<b>Sub-Total I</b>	<b>28659.49</b>	<b>1,38,911.54</b>	<b>1,67,571.03</b>	<b>12,203.39</b>	<b>1,34,986.71</b>	<b>1,47,190.10</b>
<b>II. Un-Secured Loans</b>						
<b>a) Considered Good</b>						
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments #	3,602.66	57,954.91	<b>61,557.57</b>	19,378.04	56,435.04	<b>75,813.08</b>
RTLs to Independent Power Producers	1,127.87	3,413.96	<b>4,541.83</b>	1,836.77	7705.09	<b>9,541.86</b>
Foreign Currency Loans to State Power Utilities	0.00	0.00	<b>0.00</b>	14.16	0.00	<b>14.16</b>
Buyer's Line of Credit #	72.35	4,802.88	<b>142.52</b>	202.06	21,431.03	<b>301.13</b>
<b>b) Others</b>						
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA*	269.33	373.83	<b>643.16</b>	0.00	0.00	<b>0.00</b>
Less: Provision for contingencies	26.93	242.40	<b>154.13</b>	0.00	0.00	<b>0.00</b>
RTL to Independent Power Producers - NPA	369.85	828.95	<b>1,198.80</b>	41.56	1,064.35	<b>1,105.91</b>
Less: Provision for contingencies	369.85	0.00	<b>1,198.80</b>	41.56	0.00	<b>370.70</b>
			<b>0.00</b>			<b>735.21</b>

Description	As at 31.03.2017		As at 31.03.2016		Total
	Current maturities (Twelve Months)	Non-Current	Current maturities (Twelve Months)	Non-Current	
FCL to Independent Power Producers - NPA	0.00	61.91	0.00	22.04	22.04
Less: Provision for contingencies	0.00	61.91	0.00	22.04	22.04
<b>Sub-Total II</b>	<b>5,045.28</b>	<b>61,685.67</b>	<b>0.00</b>	<b>21,431.03</b>	<b>64,974.41</b>
<b>Total A (I+ II)</b>	<b>33,704.77</b>	<b>2,00,597.21</b>	<b>33,634.42</b>	<b>1,99,961.12</b>	<b>2,33,595.54</b>
<b>B. Bonds</b>					
<b>I Un-secured Bonds</b>					
Bonds / Debentures from State Power Corporations	0.00	311.60	0.00	390.15	390.15
Bonds / Debentures from Independent Power Producers***	0.00	29.44	0.00	29.44	29.44
<b>Total B</b>	<b>0.00</b>	<b>341.04</b>	<b>0.00</b>	<b>419.59</b>	<b>419.59</b>
<b>C. Short Term</b>					
<b>I Secured Loans - Considered Good</b>					
Working Capital Loans to State Electricity Boards and State Power Corporations	1,467.91	0.00	1,080.93	0.00	1,080.93
Working Capital Loans to Independent Power Producers	22.58	0.00	0.00	0.00	0.00
<b>Sub-Total I</b>	<b>1,490.49</b>	<b>0.00</b>	<b>1,080.93</b>	<b>0.00</b>	<b>1,080.93</b>
<b>II Un-Secured Loans - Considered Good</b>					
Working Capital Loans to State Electricity Boards and State Power Corporations*	3,750.39	0.00	2,180.07	0.00	2,180.07
Working Capital Loans to Independent Power Producers	516.73	0.00	369.00	0.00	369.00
Others - NPA	290.58	0.00	231.97	0.00	231.97
Less : Provision for contingencies	145.29	0.00	69.59	0.00	69.59
<b>Sub-Total II</b>	<b>4,412.41</b>	<b>0.00</b>	<b>2,711.45</b>	<b>0.00</b>	<b>2,711.45</b>
<b>Total C (I+ II)</b>	<b>5,902.90</b>	<b>0.00</b>	<b>3,792.38</b>	<b>0.00</b>	<b>3,792.38</b>
<b>Grand Total<sup>§</sup></b>	<b>39,607.67</b>	<b>2,00,938.25</b>	<b>37,426.80</b>	<b>2,00,380.71</b>	<b>2,37,807.51</b>

\* (Refer Note No. 16(A) of Part-C - Consolidated Other Notes on Accounts)

\*\* (Refer Note No. 11(A)(i) of Part-C - Consolidated Other Notes on Accounts)

<sup>§</sup>Loans guaranteed by respective State Governments amounts to ₹23,353.40 crore (Previous Year ₹37,095.20 crore).

\*\*\*Bonds under issue

<sup>§</sup>Includes Nil (Previous year Nil) share of Jointly Controlled Entity.

## NOTE - Part A - 9

## CONSOLIDATED OTHER ASSETS

(₹ In crore)

Description	As at 31.03.2017				Total	As at 31.03.2016				Total		
	Current		Non-Current			Current		Non-Current				
<b>LOANS &amp; ADVANCES</b>												
<b>Loans (considered good) *</b>												
a) to Employees (Secured)	2.25		11.94		14.19	2.33		14.33		16.66		
b) to Employees (Unsecured)	9.76	12.01	48.22	60.16	57.98	72.17	8.48	10.81	46.68	61.01	55.16	71.82
<b>Advances (Unsecured considered good)</b>												
Advances recoverable in cash or in kind or for value to be received												
a) to Subsidiaries (including interest recoverable there on) (Refer Note No. 8(A)(i) of Part-C-Consolidated Other Notes on Accounts)	264.82		133.59		398.41	199.26		117.76		317.02		
Less : Provision for contingencies	0.86		0.00		0.86	0.00		0.00		0.00		
b) to Employees*	1.41		1.28		2.69	1.63		1.89		3.52		
c) Prepaid Expenses	18.51		0.00		18.51	18.86		0.00		18.86		
d) Others	1,366.11		6.31		1,372.42	262.05		9.33		271.38		
Less : Provision for contingencies	0.01		0.00		0.01	0.00		0.00		0.00		
e) Advance Income Tax and Tax Deducted at Source (net)	2.78		228.60		231.38	9.73		107.44		117.17		
f) Security Deposits	0.47	1,653.23	1.91	371.69	2.38	2,024.92	3.28	494.81	0.69	237.11	3.97	731.92
<b>Amount Recoverable on account of Bonds fully serviced by GoI (Unsecured considered good)</b> (Refer Note No. 13 of Part-C - Consolidated Other Notes on Accounts)												
a) Principal	0.00		5,000.00		5,000.00	0.00		0.00		0.00		
b) Interest	38.21	38.21	0.00	5,000.00	38.21	5,038.21	0.00	0.00	0.00	0.00	0.00	0.00
<b>OTHER ASSETS</b>												
<b>I Accrued but not due :</b>												
a) Interest on Loan Assets	3,736.71		0.00		3,736.71	4,814.39		0.00		4,814.39		
b) Other charges	0.00		0.00		0.00	11.92		0.00		11.92		
c) Interest on Loans to Employee	0.60		22.04		22.64	0.50		18.87		19.37		
d) Interest on Deposits and Investments	35.61	3,772.92	3.30	25.34	38.91	3,798.26	38.13	4,864.94	1.15	20.02	39.28	4,884.96
<b>II Accrued and due :</b>												
Incomes accrued & due on loans	168.58	168.58	0.00	0.00	168.58	168.58	778.17	778.17	0.00	0.00	778.17	778.17
<b>III Fixed Deposits with Scheduled Banks (original maturity more than twelve months)</b>	0.00	0.00	145.18	145.18	145.18	145.18	0.00	0.00	57.37	57.37	57.37	57.37
<b>Loans &amp; Advances (Unsecured - Others)</b> (Refer Note No. 16(B)(i) of Part-C-Consolidated Other Notes on Accounts)												
Non Performing Assets (NPAs)	16.40		0.00		16.40	1.17		0.00		1.17		
Less : Provision for contingencies	16.40	0.00	0.00	0.00	16.40	0.00	1.01	0.16	0.00	0.00	1.01	0.16
<b>TOTAL#</b>		<b>5,644.95</b>		<b>5,602.37</b>		<b>11,247.32</b>		<b>6,148.89</b>		<b>375.51</b>		<b>6,524.40</b>

\*Additions during the year includes ₹118.84 crore net (Previous year ₹84.54 crore) share of Jointly controlled entities.

\*Includes :

Description	Balance as at 31.03.2017	Balance as at 31.03.2016
Loans & Advances given to Directors & Other Officers (KMPs) (Refer Note No. 7(B) of Part-C-Consolidated Other Notes on Accounts)	0.51	0.47

## NOTE - Part A 10

## CONSOLIDATED CURRENT INVESTMENTS

(₹ In crore)

Description	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
<b>A. Equity Instruments (Quoted) (Face value of ₹10/- each fully paid up)</b>				
- Valued for category at lower of cost or market value				
PGCIL (Cost Price of ₹52)	4,39,349	2.28	4,89,349	2.54
REC Ltd. *	95,904	0.50	47,952	0.50
Coal India Ltd. (Cost Price of ₹358.58)	1,39,64,530	500.74	1,39,64,530	500.74
NHPC Limited (Cost Price ₹21.78 per Share) (Refer Note No. 9(A)(i) of Part-C - Consolidated Other Notes on Accounts)	26,05,42,051	567.50	0	0.00
Less : Provision for diminution on Equity Instruments (Quoted)**		0.00	1,071.02	93.04
<b>B. Equity Instruments (Borrower Companies) (Un-Quoted) (Face value of ₹10/- each fully paid up)</b>				
Shree Maheshwar Hydel Power Corporation Ltd. (NPA Borrower) (Refer Note No. 9(B)(i) of Part-C - Consolidated Other Notes on Accounts)	13,18,46,779	66.10	0	0.00
Less : Provision for diminution on Equity Instruments (Un-Quoted)		66.10	0.00	0.00
(Valued in accordance with Para - 6.2 of Note Part - B - Consolidated Significant Accounting Policies)				
GMR Chhattisgarh Energy Ltd. (Refer Note No. 9(B)(ii) of Part-C - Consolidated Other Notes on Accounts)	27,50,00,000	275.00	0	0.00
Less : Provision for diminution on Equity Instruments (Un-Quoted)		20.49	254.51	0.00
<b>TOTAL#</b>			<b>1325.53</b>	<b>410.74</b>

Particulars	As at 31.03.2017	As at 31.03.2016
<b>Aggregate of Quoted Investments</b>		
Book Value	1,071.02	410.74
Market Value	1,258.02	415.30
<b>Aggregate of Un-Quoted Investments</b>		
Book Value	254.51	0.00
<b>Aggregate Provision for Diminution in value</b>	86.59	93.04

\*Shares acquired at a cost of ₹105 per share. Subsequent to issue of bonus shares in the ratio of 1:1 during FY 2016-17, revised cost price comes to ₹52.5 per share.

\*\*Refer Para - 6.1 of Note Part - B - Consolidated Significant Accounting Policies. Provision as at 31.03.2016 pertains to Coal India Ltd. based on Significant Accounting Policy of that year.

#Includes Nil (Previous year Nil) share of Jointly Controlled Entity.



## NOTE - Part A II

## CONSOLIDATED CASH AND BANK BALANCES

(₹ In crore)

Description		As at 31.03.2017		As at 31.03.2016	
<b>A</b>	<b>Cash and Cash Equivalents</b>				
	i) Balances in Current accounts with:				
	Reserve Bank of India	0.02		0.05	
	Scheduled Banks	151.18	151.20	141.87	141.92
	ii) Cheques in hand		0.00		0.00
	iii) Imprest with postal authority		0.00		0.00
	iv) Fixed Deposits with Scheduled Banks (original maturity up to 3 months)		3,080.13		3.73
	<b>Sub-total (A)</b>		<b>3,231.33</b>		<b>145.65</b>
<b>B</b>	<b>Earmarked Balances:</b>				
	i) Balances in current accounts with scheduled banks for payment of interest on bonds, dividend etc.	458.41		6.41	
	ii) IPDS / R-APDRP				
	Balances in current accounts with scheduled banks	0.00	458.41	13.01	19.42
	iii) Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)		0.00		30.97
	<b>Sub-total (B)</b>		<b>458.41</b>		<b>50.39</b>
<b>C</b>	<b>Other Balances</b>				
	i) Fixed Deposits with Scheduled Banks (original maturity more than 3 months but up to 12 months)		110.08		105.51
	<b>Sub-total (C)</b>		<b>110.08</b>		<b>105.51</b>
	<b>TOTAL (A) + (B) + (C)#</b>		<b>3,799.82</b>		<b>301.55</b>

#Includes ₹117.21 crore (Previous year ₹115.03 crore) share of Jointly Controlled Entities.

## NOTE - Part A - 12

## CONSOLIDATED REVENUE FROM OPERATIONS

(₹ In crore)

Description	Year ended 31.03.2017		Year ended 31.03.2016	
<b>(A) Interest</b>				
Interest on Loans	26,650.50		27,379.56	
Less : Rebate for Timely Payment to Borrowers	316.98		297.46	
Less : Post COD Timely Payment Rebate	22.39	26,311.13	2.56	27,079.54
Lease income		21.98		20.29
<b>Sub Total (A)</b>		<b>26,333.11</b>		<b>27,099.83</b>
<b>(B) Consultancy / Advisory Services</b>				
Income from consultancy assignment		179.91		259.37
Syndication and Debenture Trustee Fee		1.53		3.15
<b>Sub Total (B)</b>		<b>181.44</b>		<b>262.52</b>
<b>(C) Other Operating Income</b>				
Income from surplus funds		117.71		112.07
Interest received on advances given to subsidiaries		12.54		12.29
Profit on sale of Bonds of Borrowers		0.00		9.05
Sale of goods		326.72		0.00
Others		0.24		2.80
<b>Sub Total (C)</b>		<b>457.21</b>		<b>136.21</b>
<b>(D) Other Financial Services</b>				
Prepayment Premium on Loans		201.77		170.46
Upfront fees on Loans		38.80		21.58
Management, Agency & Guarantee Fees		48.96		49.38
Commitment charges on Loans	5.44		5.07	
Less : Commitment charges on Loans waived	0.27	5.17	0.01	5.06
Fee on account of GoI Schemes :-				
Nodal Agency Fee - R-APDRP (Refer Note No. 12(B)(ii) of Part-C - Consolidated Other Notes on Accounts)	2.24		0.66	
Nodal Agency Fee - IPDS	21.16	23.40	34.51	35.17
<b>Sub Total (D)</b>		<b>318.10</b>		<b>281.65</b>
<b>TOTAL (A) + (B) + (C) + (D)#</b>		<b>27,289.86</b>		<b>27,780.21</b>

#Includes ₹403.52 crore (Previous year ₹204.07 crore) share of Jointly Controlled Entity.

## NOTE - Part A - 13

## CONSOLIDATED OTHER INCOME

(₹ In crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Dividend / Interest Income on Non-Current Investments	199.64	32.22
Dividend Income on Current Investments	87.39	38.44
Others	22.11	14.97
Profit on sale of Fixed Assets	0.03	0.08
Profit on sale of Non-Current Investments	0.00	0.05
Profit on sale of Current Investments	0.50	0.44
Interest on Income Tax Refund	3.88	9.11
Miscellaneous Income	7.62	9.56
Excess Liabilities written back	0.26	0.55
Processing Fee	0.00	0.14
<b>TOTAL#</b>	<b>321.43</b>	<b>105.56</b>

#Includes ₹5.31 crore (Previous year ₹1.88 crore) share of Jointly Controlled Entity.

**NOTE - Part A - 14****CONSOLIDATED FINANCE COSTS**

(₹ In crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
<b>I. Interest</b>		
On Bonds	15,592.33	15,071.06
On Loans	355.46	646.68
GOI on Interest Subsidy Fund	9.06	8.86
Financial Charges on Commercial Paper	389.72	277.43
Swap Premium (Net)	(23.42)	1.65
	16,323.15	16,005.68
<b>II. Other Charges</b>		
Commitment & Agency Fees	0.79	0.67
Guarantee, Listing & Trusteeship fees	3.38	2.13
Management Fees on Foreign Currency Loans	0.01	39.32
Bank / Other charges	0.00	0.01
Purchase of goods	265.68	0.00
Direct overheads for Consultancy Services	35.88	167.52
Interest paid on advances received from subsidiaries	6.35	5.11
	312.09	214.76
<b>III Net Translation / Transaction Exchange Loss (+) / gain (-)</b>	310.55	424.94
<b>IV Net Change in Fair Value of Derivatives - Loss (+) / Gain (-)</b> (Refer Note No. 6(E) of Part-C - Consolidated Other Notes on Accounts)	(178.15)	0.00
<b>TOTAL (I + II + III)#</b>	<b>16,767.64</b>	<b>16,645.38</b>

#Includes ₹314.01 crore (Previous year ₹168.52 crore) share of Jointly Controlled Entity.

**NOTE - Part A - 15****CONSOLIDATED BOND ISSUE EXPENSES**

(₹ In crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Interest on Application Money	0.00	11.51
Credit Rating Fees	4.65	4.20
Other Issue Expenses	14.04	11.23
Stamp Duty Fees	7.89	6.50
<b>TOTAL#</b>	<b>26.58</b>	<b>33.44</b>

#Includes Nil (Previous year Nil) share of Jointly Controlled Entity.

**NOTE - Part A - 16****CONSOLIDATED EMPLOYEE BENEFIT EXPENSES**

(₹ In crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Salaries, Wages and Bonus	98.02	78.14
Contribution to Provident and other funds	12.11	9.91
Staff Welfare	17.01	13.30
Rent for Residential accommodation of employees (Refer Note No. 11(B) of Part-C - Consolidated Other Notes on Accounts)	6.10	5.28
<b>Total#</b>	<b>133.24</b>	<b>106.63</b>

#Includes ₹7.73 crore (Previous period ₹4.16 crore) share of Jointly Controlled Entities.

**NOTE - Part A - 17****CONSOLIDATED OTHER EXPENSES**

(₹ In crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Office Rent (Refer Note No. 11(B) of Part-C - Consolidated Other Notes on Accounts)	4.99	1.00
Electricity & Water charges	1.85	1.94
Insurance	0.27	0.15
Repairs & Maintenance	5.96	4.02
Stationery & Printing	2.14	1.93
Travelling & Conveyance	12.87	10.12
Postage, Telegraph & Telephone	2.41	2.08
Professional & Consultancy charges	3.76	4.30
Miscellaneous Expenses*	62.91	24.45
Loss on sale of Fixed Assets	0.19	0.17
Loss on Disposal of Investment	0.98	0.00
Auditors' Remuneration*	0.70	0.84
Service Tax	2.60	9.34
Rates & Taxes	3.25	1.12
Contribution to PMC (MoP)	0.41	0.51
<b>TOTAL #</b>	<b>105.29</b>	<b>61.97</b>

# Includes ₹28.51 crore (Previous year ₹5.27 crore) share of Jointly Controlled entities

\*Note:-

**1) Miscellaneous Expenses includes :**

Books & Periodicals	0.07	0.04
Advertisement	8.25	6.77
Membership & Subscription	1.11	0.74
Entertainment	1.12	0.71
Conference & Meeting Expenses	2.95	2.03
Security Expenses	1.63	1.39
Training	1.68	1.04
EDP Expenses	3.05	2.46
Business Promotion / Related Expenses	2.02	0.51
Interest on income tax	0.69	0.00

**2) Auditors' Remuneration includes :**

Audit fees	0.44	0.35
Tax Audit fees	0.08	0.07
Other certification services	0.19	0.39
Reimbursement of Expenses	0.01	0.03

**Note - Part A - 18****CONSOLIDATED PRIOR PERIOD ITEMS (NET)**

(₹ In crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
<b>Prior Period Expenses :</b>		
Interest & other Charges	0.24	(0.02)
Personnel & Administration Expenses - Others	0.78	0.19
Depreciation	0.22	0.00
	1.24	0.17
<b>Less : Prior Period Income :</b>		
Interest Income	(0.19)	0.00
Other Income	(0.04)	2.23
<b>Total#</b>	<b>1.47</b>	<b>(2.06)</b>

#Includes Nil (Previous year Nil) share of Jointly Controlled Entity.

## Note - Part A -19

## CONSOLIDATED TRADE RECEIVABLES

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
<b>Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment.</b>		
(a) Secured, considered good;	0.00	0.00
(b) Unsecured, considered good;	166.03	49.16
(c) Doubtful	7.50	0.00
Less: Provision for bad and doubtful debts	7.50	0.00
<b>Sub-Total (I)</b>	<b>166.03</b>	<b>49.16</b>
Other Debts		
(a) Secured, considered good;	0.00	0.00
(b) Unsecured, considered good;	113.53	62.05
(c) Doubtful.	0.24	0.00
Less: Provision for bad and doubtful debts	0.24	0.00
<b>Sub-Total (II)</b>	<b>113.53</b>	<b>62.05</b>
<b>Total#</b>	<b>279.56</b>	<b>111.21</b>

#Includes ₹274.68 crore (Previous period ₹97.58 crore) share of Jointly Controlled Entity.

## Note - Part A - 20

## Additional Information - Subsidiaries and JVs

Name of the Subsidiary / JV	Net Assets, i.e., total assets minus total liabilities		Share in Profit / Loss	
	As % of Consolidated net assets	Amount (₹ crore)	As % of Consolidated profit / loss	Amount (₹ crore)
1	2	3	4	5
<b>Parent Subsidiaries</b>				
<b>Indian</b>				
1. PFC Consulting Limited	0.67%	246.287	2.60%	58.198
2. PFC Green Energy Limited	0.23%	82.904	1.35%	30.145
3. PFC Capital Advisory Services Limited	0.02%	8.168	0.05%	1.057
4. Power Equity Capital Advisors Private Limited	0.00%	0.001	0.00%	0.000
<b>Sub Total (A)</b>	<b>0.92%</b>	<b>337.360</b>	<b>4.00%</b>	<b>89.400</b>
<b>Foreign</b>				
N.A				
<b>Minority Interests in all subsidiaries</b>				
N.A				
<b>Associates (Investment as per the equity method)</b>				
N.A				
<b>Joint Ventures (as per proportionate consolidation/ investment as per the equity method)</b>				
<b>Indian</b>				
1. Energy Efficiency Services Limited	0.11%	41.067	1.07%	24.038
<b>Sub Total B</b>	<b>0.11%</b>	<b>41.067</b>	<b>1.07%</b>	<b>24.038</b>
<b>Foreign</b>				
N.A				
<b>Total</b>	<b>1.03%</b>	<b>378.427</b>	<b>5.07%</b>	<b>113.438</b>

Note:- This excludes subsidiaries in the nature of SPVs as mentioned at note no. 2.1 of Part C of Consolidated Other Notes on Accounts.

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

## PART "A" : Subsidiaries - SPVs

S No.	Name of the Subsidiary / SPV *	Date of acquisition / incorporation	Reporting period	Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Chhattisgarh Surguja Power Limited	10-Feb-06	01.04.2016-31.03.2017	0.0500	(0.0024)	83.0332	82.9867	-	-	-	-	-	-	100
2	Coastal Karnataka Power Limited	10-Feb-06	01.04.2016-31.03.2017	0.0500	(0.0021)	5.0048	4.9669	-	-	-	-	-	-	100
3	Coastal Maharashtra Mega Power Limited	1-Mar-06	01.04.2016-31.03.2017	0.0500	0.0043	64.4995	64.4452	-	-	0.0000	-	0.0000	-	100
4	Orissa Integrated Power Limited	24-Aug-06	01.04.2016-31.03.2017	0.0500	(0.1253)	1,10,9929	1,10,20682	-	-	0.1288	0.0383	0.0905	-	100
5	Coastal Tamil Nadu Power Limited	9-Jan-07	01.04.2016-31.03.2017	0.0500	0.0321	205.1356	205.0535	-	-	-	-	-	-	100
6	Sakhigopal Integrated Power Limited	21-May-08	01.04.2016-31.03.2017	0.0500	(0.0036)	30.2591	30.2126	-	-	-	-	-	-	100
7	Ghogarpalli Integrated Power Company Limited	22-May-08	01.04.2016-31.03.2017	0.0500	(0.0033)	24.2246	24.1780	-	-	0.0019	0.0006	0.0013	-	100
8	Tatiya Andhra Mega Power Limited	17-Apr-09	01.04.2016-31.03.2017	0.0500	(0.0015)	21.4791	21.4306	-	-	-	-	-	-	100
9	Deoghar Mega Power Limited	26-Apr-12	01.04.2016-31.03.2017	0.0500	(0.0039)	16.7351	16.6890	-	-	-	-	-	-	100
10	Cheyur Infra Limited	21-Jan-14	01.04.2016-31.03.2017	0.0500	(0.0037)	0.0875	0.0411	-	-	-	-	-	-	100
11	Odisha Infrapower Limited	23-Jan-14	01.04.2016-31.03.2017	0.0500	(0.0046)	0.2502	0.2047	-	-	-	-	-	-	100
12	Deoghar Infra Limited	30-Jun-15	01.04.2016-31.03.2017	0.0500	(0.0034)	0.1941	0.1475	-	-	-	-	-	-	100
13	Bihar Infrapower Limited	30-Jun-15	01.04.2016-31.03.2017	0.0500	(0.0034)	0.0678	0.0212	-	-	-	-	-	-	100
14	Bihar Mega Power Limited	9-Jul-15	01.04.2016-31.03.2017	0.0500	(0.0028)	43.2617	43.2146	-	-	0.0009	0.0003	0.0006	-	100

(₹ In crore)

S No.	Name of the Subsidiary / SPV *	Date of acquisition / Incorporation	Reporting period	Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
15	Jharkhand Infrapower Limited	10-Dec-15	01.04.2016-31.03.2017	0.0500	(0.0040)	0.0737	0.0277	-	-	-	-	-	-	100
16	Balabgarh-GN Transmission Company Limited	9-Sep-13	01.04.2016-31.03.2017	0.0500	(0.0500)	0.0115	0.0115	-	-	(0.0471)	-	(0.0471)	-	100
17	Tanda Transmission Company Limited	9-Sep-13	01.04.2016-31.03.2017	0.0500	(0.0029)	1.5875	1.5404	-	-	-	-	-	-	100
18	Mohindergarh-Bhiwani Transmission Limited	23-Dec-14	01.04.2016-31.03.2017	0.0500	(0.0500)	0.0113	0.0113	-	-	(0.0464)	-	(0.0464)	-	100
19	South-Central East Delhi Power Transmission Limited	18-Feb-15	01.04.2016-31.03.2017	0.0500	(0.0487)	0.0013	-	-	-	(0.0463)	-	(0.0463)	-	100
20	Fatehgarh-Bhadla Transmission Limited	30-Dec-16	30.12.2016-31.03.2017	0.0100	(0.0020)	0.4066	0.3986	-	-	(0.0020)	-	(0.0020)	-	100

\* Audited

Note:-

- The Company does not have any foreign subsidiary.
- Turnover is considered as Income from Operations.
- All the SPVs are under pre-operative stage and yet to commence operations.
- Odi sha Generation Phase-II Transmission Limited, Warora-Kurnool Transmission Limited, Gurgaon-Palwal Transmission Limited, Kohima-Mariani Transmission Limited and Medinipur-Jeerat Transmission Limited (Wholly owned subsidiaries company of PFC Consulting Limited) have been transferred during the year.
- Shongong Karcham-Wangtoo Transmission Limited, Bijawar-Vidhthha Transmission Limited and Goa-Tamnar Transmission Limited (Wholly owned subsidiaries company of PFCC Limited) have been incorporated in the month of January 2017. Financial Statement of these companies have not been prepared for FY 2016-17.
- Balabgarh-GN Transmission Company Limited, Mohindergarh-Bhiwani Transmission Limited and South-Central East Delhi Power Transmission Limited (Wholly owned subsidiaries company of PFC Consulting Limited) are under process of winding-up.

For and on behalf of the Board of Directors

Sd/-  
**(MANOHAR BALWANI)**  
Company Secretary

Sd/-  
**R. NAGARAJAN**  
Director (Finance)  
DIN - 00701892

Sd/-  
**RAJEEV SHARMA**  
Chairman & Managing Director  
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N  
Sd/-  
**(M. K. AGGARWAL)**  
PARTNER  
Membership No - 014956

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N  
Sd/-  
**(SANJEEV CHANDNA)**  
PARTNER  
Membership No - 087364

Place : New Delhi  
Date : 29.05.2017

## AOC-I (Subsidiaries and JVs)

### Form AOC I (contd.)

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

#### PART "A" : Subsidiaries

(Amount in ₹ Crore)

A.	Subsidiaries	PFC Consulting Limited (PFCCL)	PFC Green Energy Limited (PFCGEL)	PFC Capital Advisory Services Limited (PFCAS)	Power Equity Capital Advisors Private Limited (PEGAP)
1	Information for the year ended as on <sup>1</sup>	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17
2	Date of acquisition / incorporation	25-Mar-08	30-Mar-11	18-Jul-11	11-Oct-11
3	Share Capital	0.05	300.00	0.10	0.05
4	Reserves & Surplus	245.94	82.90	8.17	0.00
5	Total Assets	281.56	644.75	8.33	0.05
6	Total Liabilities	35.58	261.85	0.06	0.00
7	Investments	0.14	0.00	0.00	0.00
8	Turnover <sup>2</sup>	103.36	64.79	1.53	0.00
9	Profit before Taxation	88.55	43.14	1.56	0.00
10	Provision for Taxation	30.70	13.00	0.50	0.00
11	Profit after taxation	57.85	30.15	1.06	0.00
12	Proposed Dividend	Nil	Nil	Nil	Nil
13	% of Shareholding	100%	100%	100%	100%

#### Note:

1. Reporting period of all the subsidiaries is same as that of the holding company.
2. Turnover is considered as Income from Operations.
3. PEGAP is under process of voluntary liquidation.
4. The Company does not have any foreign subsidiary.

#### Part "B": Associates and Joint Ventures

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

(Amount in ₹ Crore)

B.	Name of Joint Ventures	Energy Efficiency Services Limited (EESL)
1	Latest audited Balance Sheet Date	31-Mar-16
2	Date on which JV was acquired	10-Dec-09
3	Shares of Joint Ventures held by the company on the year end	
	No. of shares	14,65,00,000
	Amount of Investments in Joint Venture	146.50
	Extent of Holding %	31.71%
4	Description of how there is Significant Influence	Being Promoter <sup>2</sup>
5	Reason why the joint venture is not consolidated	NA
6	Net worth attributable to shareholding as per latest audited Balance sheet	65.97
7	Profit / Loss for the year	
	i) Considered in Consolidation	24.04
	ii) Not considered in Consolidation	NA

#### Note:

1. Board of Directors of National Power Exchange Ltd. (NPEL) (erstwhile JV of the Company) had approved a plan of Voluntary Liquidation with effect from 28.10.2014. The Voluntary winding up of NPEL has been completed on 26.07.2016. The Company has received ₹1.21 crore in July 2016 as final settlement from NPEL's liquidator. Accordingly, during the year, accumulated provision ₹1.06 crore has been reversed and loss on disposal of investments of ₹0.98 crore has been recognised. Accordingly financial statements of NPEL have not been consolidated for the FY 2016-17.
2. EESL has been jointly promoted by PFC, NTPC, PGCIL and RECL.

Sd/-  
(MANOHAR BALWANI)  
Company Secretary

For and on behalf of the Board of Directors

Sd/-  
R.NAGARAJAN  
Director (Finance)  
DIN - 00701892

Sd/-  
RAJEEV SHARMA  
Chairman & Managing Director  
DIN - 00973413

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

Sd/-  
(M. K. AGGARWAL)  
PARTNER  
Membership No - 014956

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

Sd/-  
(SANJEEV CHANDNA)  
PARTNER  
Membership No - 087354

Place : New Delhi  
Date : 29.05.2017



## Note - Part - B

### CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

#### A. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

- i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.
- ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – Financial Reporting of interests in Joint Ventures.
- iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.
- iv) In case of Associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

#### B. Investments in Subsidiaries and Associates which are not consolidated, are accounted for as per Accounting Standard (AS) 13 – Accounting for Investments, as per policy no. 6.3 infra.

#### C. OTHER SIGNIFICANT ACCOUNTING POLICIES

##### 1. (a) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, relevant provisions of the Companies Act, 1956 and 2013, applicable regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and prevailing practices.

##### (b) USE OF ESTIMATES

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

##### 2. RECOGNITION OF INCOME/EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 In accordance with the prudential norms which are applicable to the Company, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.

2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.

2.1.3 In accordance with the prudential norms which are applicable to the Company, income from dividend on shares of corporate bodies and units of mutual funds are taken into account on cash basis. Provided that the income from dividend on shares of corporate bodies is taken into account on accrual basis when such dividend has been declared by the corporate body in its annual general meeting and the right to receive payment is established.

- 2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.
- 2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.
- 2.4 Expenditure on issue of shares is charged to the securities premium account.
- 2.5 In accordance with the prudential norms which are applicable to the Company, income from bonds and debentures of corporate bodies is taken into account on accrual basis, provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.
- 2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.
- 2.7 Prepaid expenses upto ₹5,000/- are charged to natural heads of account.
- 2.8 Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts.
- 2.9 Fees for advisory and professional services for developing Ultra Mega Power Projects (UMPPs) (Special Purpose Vehicle of Power Finance Corporation Limited) / Independent Transmission (ITPs) Projects becomes due only on transfer of project to the successful bidder and is accordingly accounted for at the time of such transfer.
- 2.10 The sale proceeds from Request for Qualification (RFQ) document / Request for Proposal (RFP) document for ITPs and UMPPs are accounted for when it becomes due.

### 3. MISCELLANEOUS (PRELIMINARY) EXPENDITURE

Expenditures which are not an Intangible Assets in terms of AS-26 will be fully written off in the same year in which it's incurred.

### 4. TANGIBLE ASSETS/DEPRECIATION

- 4.1 Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.
- 4.2 Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.
- 4.3 Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except following:

Nature of Assets	Life of Assets
Cell Phone <sup>(1)</sup>	2 Years
ESCO projects <sup>(2)</sup>	Project period
Lease Hold Improvements <sup>(3)</sup>	Lease Period (in case of EESL) Lease Period or their useful lives whichever is shorter (in case of PFCCL)

<sup>(1)</sup>Useful life has been taken as 2 years by the Company, PFCCL, PFCCLAS, PFCGEL (Company's Subsidiaries) and EESL (one of Company's Joint Venture).

<sup>(2)</sup>Useful life taken by EESL.

<sup>(3)</sup>Useful life taken by EESL and PFCCL (one of Company's Subsidiary).

- 4.4 Items of tangible assets acquired during the year costing up to ₹5,000/- are fully depreciated.
- 4.5 The Capital Expenditure Incurred on Fixtures & other fixed assets installed at the leased premises are recognised at cost and are shown as Leasehold Improvements under Tangible fixed assets.

## 5. INTANGIBLE ASSETS / AMORTIZATION

5.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

## 6. INVESTMENTS

6.1 In accordance with the prudential norms which are applicable to the Company, quoted current investments are valued category-wise, at lower of cost or market value.

6.2 Unquoted Equity shares held in a borrower company, on account of conversion of loan asset classified as non-performing asset, are considered as current investments and such Equity Shares are valued at Rupee One. Depreciation in value in these Equity shares is not set off against the appreciation in any other securities held under the 'current investment' category.

6.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

## 7. ASSET CLASSIFICATION AND PROVISIONS

### 7.1 BASIS OF ASSET CLASSIFICATION

Loans & other credits and lease assets are classified into the following classes, namely:

7.1.1 Standard Assets: Standard asset means an asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business.

7.1.2 (i) An asset is considered as non-performing asset (NPA) and sub-categorized as Sub-standard, Doubtful and Loss Asset, as mentioned below:

As at	NPA (loan assets excluding lease assets)	NPA Sub-Categorization (all loan assets including lease assets)		
		Sub-Standard	Doubtful	Loss
31 <sup>st</sup> March 2017	Overdue for 4 months or more	NPA for a period not exceeding 14 months	NPA for a period exceeding 14 months	(a) Asset identified as loss asset by the Company or its internal or external auditor or by RBI during inspection of the Company, to the extent it is not written off by the Company and (b) Asset adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.
31 <sup>st</sup> March 2018 and thereafter	Overdue for 3 months or more	NPA for a period not exceeding 12 months	NPA for a period exceeding 12 months	

(ii) The classification of project loans as a sub-standard asset has also been done as per the RBI norms for restructured advances.

(iii) A lease asset, in respect of which installment / rental remains over due for a period of six months or more, has been classified as non-performing asset. However, with effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

### 7.2 PROVISIONING AGAINST STANDARD LOANS AND NPAs

7.2.1 The provisioning is made in respect of loans and other credit as under:

S. No.	Description	Rate of Provision
1.	Standard Asset (Provisioning for Restructured Standard Loans is made as detailed at Para 7.3)	0.35%
2.	Sub-Standard Asset	10%

S. No.	Description	Rate of Provision
3.	Doubtful Asset	
	Secured portion of Doubtful assets	
	Upto one year	20%
	More than one year to upto three years	30%
	More than three years	50%
	Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	100%
4.	Loss Asset if not written off	100%

7.2.2 Provision on Standard Assets is made as per RBI norms whereby the Company is required to enhance provision in a phased manner from 0.30% on 31.03.2016 to 0.35% by 31.03.2017 and 0.40% by 31.03.2018.

7.2.3 Provision on hire purchase and lease assets is as per para 13(2) of the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time.

### 7.3 PROVISIONING AGAINST RESTRUCTURED LOANS

7.3.1 For the following cases, the provisioning against Restructured Standard Assets is made as per RBI norms, including provision on diminution in fair value:

- new project loans to generating companies restructured w.e.f. 01.04.2015, where provisioning is at the rate of 5%.
- all loans to generating companies categorised as restructured as per RBI restructuring norms other than (a) above (as per RBI in case of stock of outstanding restructured loan, the provisioning has to be increased in a phased manner i.e. commencing with a provision of 2.75% with effect from 31.03.2015 and shall reach 3.5% by 31.03.2016, 4.25% by 31.03.2017 and 5% by 31.03.2018).

7.3.2 RBI has exempted the Company from application of RBI restructuring norms for project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Accordingly, where facilities to such projects is partly secured, a provision to the extent of shortfall in the security available, is made while restructuring and/or rescheduling and/or renegotiation of the loans apart from the provision required on present value basis.

7.4 For the purpose of asset classification and NPA provisioning, facilities granted to Government Sector and Private Sector Entities are considered borrower-wise, other than Government Sector loans which are considered on project-wise basis provided cash flows from each project are separately identifiable and applied to the same project.

Further, in case of a Government Sector account, if the project has not commenced commercial operation within the date of commencement of commercial operation (DCCO) envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for restructured Advances), the classification is done project-wise instead of borrower-wise (till 31.03.2022 as exempted by RBI).

7.5 As regards PFCGEL, asset classification is in accordance with Prudential Norms issued by RBI. Provision in respect of Standard Assets, Non-Performing Assets and Restructured Assets is being made and maintained in accordance with Prudential Norms issued by RBI.

7.6 In case of PFCCL, the provision for doubtful debts and advances is made on the basis of on various factors including collectability of specific dues, risk perception and general factors that could affect the customers' ability to settle dues and managements assessment of the recoverability of the amount which are outstanding for at least two years. Such amounts are written off when considered unrealizable.

## 8. FOREIGN CURRENCY TRANSACTIONS

8.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

- Expenses and income in foreign currency; and
- Amounts borrowed and lent in foreign currency.

- 8.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – II:
- (i) Foreign currency loan liabilities.
  - (ii) Funds kept in foreign currency account with banks abroad.
  - (iii) Contingent liabilities in respect of guarantees given in foreign currency.
  - (iv) Income earned abroad but not remitted / received in India.
  - (v) Loans granted in foreign currency.
  - (vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

8.3 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

8.4 In accordance with the paragraph 46A of the Accounting Standard (AS) II, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

## 9. DERIVATIVE TRANSACTIONS

9.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

9.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose.

9.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – II.

9.4 Derivative contracts not covered by Accounting Standard II and covered under Guidance Note on Accounting for Derivative Contracts issued by ICAI are measured at fair value with changes in fair value being recognized in the statement of profit and loss.

## 10. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES

10.1 The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.

10.1.1 Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.

10.1.2 The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

## 11. INTEREST SUBSIDY FUND

11.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

11.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

## 12. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

12.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

12.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

- 12.3 Interest on amount recoverable from subsidiaries (promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.
- 12.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.
- 12.5 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

### 13. EMPLOYEE BENEFITS

#### 13.1 PROVIDENT FUND, GRATUITY, PENSION FUND AND POST RETIREMENT BENEFITS

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

#### 13.2 OTHER EMPLOYEE BENEFITS

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

### 14. INCOME TAX

- 14.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

- 14.2 Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

### 15. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

### 16. CASH AND CASH EQUIVALENTS

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

## Note Part – C

### CONSOLIDATED OTHER NOTES ON ACCOUNTS

- The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.
- The consolidated financial statements represent consolidation of accounts of the company (Power Finance Corporation Limited), its subsidiary companies and joint venture entity<sup>(iv)</sup> as detailed below:

Name of the Subsidiary Companies /Joint Venture Entities	Country of incorporation	Proportion of shareholdings as on		Status of accounts & Accounting period
		31.03.2017	31.03.2016	01.04.2016 – 31.03.2017
Subsidiary Companies:				
PFC Consulting Limited (PFCCL) <sup>(i)</sup>	India	100%	100%	Audited
PFC Green Energy Ltd. (PFCGEL) <sup>(ii)</sup>	India	100%	100%	Audited
PFC Capital Advisory Services Limited (PFCCAS) <sup>(i)</sup>	India	100%	100%	Audited
Power Equity Capital Advisors Private Limited (PECAP) <sup>(iii)</sup>	India	100%	100%	Audited
Joint Venture Entities:				
National Power Exchange Limited (NPEL) <sup>(iv)</sup>	India	-	16.66%	-
Energy Efficiency Services Limited (EESL) <sup>(v)</sup>	India	31.71%	28.79%	Unaudited

<sup>(i)</sup>Subsequent to decision by the Board of Directors of the Company and Board of Directors of respective subsidiaries, merger of PFCCAS with PFCCL is under progress.

<sup>(ii)</sup>The Board has in- principle approved the merger of PFCGEL with PFCL in meeting held on 9<sup>th</sup> August 2016 which is under progress.

<sup>(iii)</sup>Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

<sup>(iv)</sup>Board of Directors of NPEL (erstwhile JV of the Company) had approved a plan of Voluntary Liquidation with effect from 28.10.2014. The Voluntary winding up of NPEL has been completed on 26.07.2016. The Company has received ₹1.21 crore in July 2016, as final settlement from NPEL's liquidator. Accordingly, during the year, accumulated provision ₹1.06 crore has been reversed and loss on disposal of investments of ₹0.98 crore has been recognized. Accordingly financial statements of NPEL have not been consolidated for the FY 2016-17.

- The financial statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard – 21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal to successful bidder on completion of the bidding process :

Sl. No.	Name of the Company	Date of investment	Proportion of Shareholding as on		Amount (₹in crore)	
			31.03.2017	31.03.2016	31.03.2017	31.03.2016
Subsidiary Companies:						
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	100%	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	100%	100%	0.05	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	100%	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	100%	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	100%	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Limited	27.01.2010	100%	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	100%	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited*	27.01.2010	100%	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	100%	100%	0.05	0.05
(x)	Cheyur Infra Limited	24.03.2014	100%	100%	0.05	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	100%	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	100%	100%	0.05	0.05
(xiii)	Bihar Infrapower Limited	26.08.2015	100%	100%	0.05	0.05
(xiv)	Bihar Mega Power Limited	27.08.2015	100%	100%	0.05	0.05
(xv)	Jharkhand Infrapower Limited	05.02.2016	100%	100%	0.05	0.05
<b>Total</b>					<b>0.75</b>	<b>0.75</b>

\* MoP vide its OM dated 21<sup>st</sup> June, 2016 has conveyed its approval for the wound up of TAMPL. The related proceedings are under way.

The above subsidiary companies were incorporated as special purpose vehicle (SPVs) under the mandate from Government of India (GOI) for development of Ultra Mega Power Projects (UMPPs) with the intention to hand over them to successful bidder on completion of the bidding process.

Further, 8 subsidiary companies (out of 13 wholly owned subsidiaries of PFCCL, 5 were transferred to successful bidders during FY 2016-17) created for development of independent transmission projects (ITPs) are being held with the intention to transfer them to successful bidder on completion of the bidding process:

Sl. No.	Name of the Company	Date of investment	Date of Transfer to successful bidder	Proportion of Shareholding as on		Amount (₹ in crore)	
				31.03.2017	31.03.2016	31.03.2017	31.03.2016
Subsidiary Companies:							
1.	Warora-Kurnool Transmission Limited <sup>(i)</sup>	20.04.2015	06.07.2016	-	100%	-	0.05
2.	Gurgaon-Palwal Transmission Limited <sup>(i)</sup>	26.10.2015	14.07.2016	-	100%	-	0.01
3.	Kohima-Mariani Transmission Limited <sup>(i)</sup>	22.01.2016	31.03.2017	-	100%	-	0.01
4.	Medinipur-Jeerat Transmission Limited <sup>(i)</sup>	22.01.2016	28.03.2017	-	100%	-	0.01
5.	Odisha Generation Phase-II Transmission Limited <sup>(i)</sup>	17.04.2015	08.04.2016	-	100%	-	0.05
6.	Fatehgarh-Bhadla Transmission Limited <sup>(ii)</sup>	31.01.2017	-	100%	-	0.01	-
7.	Bijawar-Vidharbha Transmission Limited <sup>(ii)</sup>	21.02.2017	-	100%	-	0.01	-
8.	Shongtong Karcham-Wangtoo Transmission Limited <sup>(ii)</sup>	21.02.2017	-	100%	-	0.01	-
9.	Goa- Tamnar Transmission Limited <sup>(ii)</sup>	21.02.2017	-	100%	-	0.01	-
10.	Tanda Transmission Company Limited	21.10.2013	-	100%	100%	0.05	0.05
11.	Ballabgarh-GN Transmission Company Limited <sup>(iii)</sup>	21.10.2013	-	100%	100%	0.05	0.05
12.	Mohindergarh-Bhiwani Transmission Limited <sup>(iii)</sup>	23.12.2014	-	100%	100%	0.05	0.05
13.	South-Central East Delhi Power Transmission Limited <sup>(iii)</sup>	18.02.2015	-	100%	100%	0.05	0.05
<b>Total</b>						<b>0.24</b>	<b>0.33</b>

<sup>(i)</sup> Transferred to successful bidder(s) on completion of the bidding process:

<sup>(ii)</sup> Incorporated as wholly owned subsidiary of PFCCL during FY 2016-17.

<sup>(iii)</sup> Under process of winding up.

2.2 The Company promoted and acquired the shares at face value in the subsidiary companies. Therefore, goodwill or capital reserve did not arise.

### 3. Contingent Liabilities and Commitments:

#### 3.1 Contingent Liabilities

##### (A) Guarantees etc.

(₹ In crore)

S. No	Description	As at 31.03.2017	As at 31.03.2016
(i)	Guarantees issued in domestic currency	190.38	226.75
(ii)	Claims against the Company not acknowledged as debts	11.74	-
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1,640.56	446.22
<b>Total</b>		<b>1,842.68</b>	<b>672.97</b>



**(B) Income Tax Demands**

Additional demands raised by and paid to the Income Tax Department totaling to ₹40.53 crore (Previous year ₹45.23 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹165.39 crore (Previous year ₹121.04 crore). The same are also being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

**(C) Service Tax Demands**

Service Tax demand / show cause notices raised by Service Tax Department totaling to ₹23.51 crore (Previous year Nil) of earlier years are being contested. Further, the Service Tax Department has also filed an appeal before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax of ₹1.11 crore (Previous year ₹1.11 crore). The same is also being contested. The Management does not consider it necessary to make provision, as the liabilities are not considered probable.

**3.2 Other Commitments**

Estimated amount of contract remaining to be executed on account of capital account, not provided for, is ₹103.95 crore (Previous year ₹84.23 crore).

**4. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) paid and provided for under contest by the Company, are detailed below:**

(₹ In crore)

S. No.	Description	Year ended 31.03.2017	Year ended 31.03.2016
1.	Opening Balance	95.39 <sup>\$</sup>	78.50
2.	Addition during the year	23.90	17.65
3.	Reversal during the year	(0.90)	(0.76)
4.	Closing Balance	118.39*	95.39 <sup>\$</sup>

\* Pertaining to Assessment Year 2001-02 to 2014-15.

\$ Pertaining to Assessment Year 2001-02 to 2013-14.

**5. A.** The Company is creating Debenture Redemption Reserve (DRR) for public issue of bonds or debentures @ 50% (as per MCA Circular No. 6/3/2001 – CLV dated 18.04.2002) for public issues wherein prospectus had been filed before 11.02.2013 and @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014) for the subsequent public issues.

**B.** The Company raises funds through various instruments including series of non-convertible bond issues. During the year, the Company has not defaulted in servicing of its borrowings.

As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal was 31.03.2017.

**6. A.** Foreign currency expenditure and earning:

(₹ In crore)

S. No.	Description	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>A.</b>	<b>Expenditure in foreign currency</b>		
(i)	Interest on foreign currency loans *	255.47	250.90
(ii)	Financial & Other charges*	1.81	39.38
(iii)	Traveling Expenses	0.67	0.30
(iv)	Training Expenses	0.29	0.26
<b>B.</b>	<b>Earning in foreign currency</b>	<b>1.27</b>	-

\*excluding withholding tax

## B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2017		As at 31.03.2016	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	581	3,764.80	979	6,535.38
EURO	16	108.03	17	129.28
JPY*	43,668	2,532.85	57,102	3,405.56
<b>Total</b>		<b>6,405.68</b>		<b>10,070.22</b>

\*Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for USD 45 million / ₹291.83 crore (Previous year USD / JPY leg USD 105 million / ₹701.09 crore).

## C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2017 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹647.56 crore (Previous year debit balance ₹739.74 crore).

## D. Liabilities and assets denominated in foreign currency have generally been translated at FEDAI spot rate at year end as given below:

(₹ In crore)

S. No.	Exchange Rates	As at 31.03.2017	As at 31.03.2016
(i)	USD / INR	64.85	66.77
(ii)	JPY / INR	0.580025	0.5964
(iii)	EURO / INR	69.2925	75.78

In-case of specific provision in the loan agreement, rate as prescribed in respective loan agreement has been used.

## E. During the year ended 31.03.2017, Company has amended the accounting policy for accounting of derivative contracts in order to align it with the ₹Guidance Note on Accounting for Derivative Contracts' issued by The Institute of Chartered Accountants of India which has become applicable from 01.04.2016. The said Guidance Note require derivative contracts to be accounted either on fair value basis or as per hedge accounting and the Company has opted for accounting on fair value basis.

Accordingly, Derivative contracts not covered by AS-11 but covered under Guidance Note are measured at fair value with changes in fair value being recognized in the Statement of Profit & Loss. In accordance with the transitional provisions mentioned in the Guidance Note, an amount of ₹74.35 crore (net of Deferred Tax Liability of ₹39.35 crore) has been adjusted in the opening balance of reserves, representing the cumulative impact of change in the fair value (gain) of the interest rate swaps till 31.03.2016 net of amount accrued. Thereafter, further fair value gain (net) on interest rate swaps has been booked to the Statement of Profit & Loss. Due to this change in the accounting policy, profit before tax for the year has increased by ₹178.15 crore.

## 7. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

## (A) Key managerial personnel (KMP):

Description	Period
<b>Power Finance Corporation Limited</b>	
Shri Rajeev Sharma, CMD and CEO <sup>(i)</sup>	with effect from 01.10.2016
Shri M. K. Goel, CMD and CEO <sup>(ii)</sup>	with effect from 22.01.2015 till 30.09.2016
Shri R Nagarajan, Director (Finance) and CFO <sup>(iii)</sup>	with effect from 31.07.2009
Shri C. Gangopadhyay, Director (Projects) <sup>(iv)</sup>	with effect from 01.01.2017
Shri A K Agarwal, Director (Projects) <sup>(v)</sup>	with effect from 13.07.2012 till 31.12.2016
Shri D. Ravi, Director (Commercial) <sup>(vi)</sup>	With effect from 16.11.2015
Shri Manohar Balwani, CS <sup>(vii)</sup>	With effect from 01.04.2014

Description	Period
<b>Subsidiary Companies</b>	
Shri C Gangopadhyay, CEO, PFCCL	With effect from 03.12.2013 till 05.07.2016.
Shri PP Srivastava, CEO, PFCCL	With effect from 06.07.2016 till 31.08.2016.
Shri Subir Mulchandani, CEO, PFCCL	With effect from 01.09.2016
Shri. Dinesh Vij, CEO, PFCGEL	With effect from 18.05.2015
Shri. Alok Sud, CFO, PFCGEL	With effect from 18.05.2015
Smt Rachna Singh, CS, PFCGEL	With effect from 01.04.2014
Shri Arunava Chakravati, Director (PECAP)	With effect from 11.10.2011 till 23.09.2016
Shri Avkash Saxena, Director (PECAP)	With effect from 23.09.2016.
<b>Joint Venture Entities</b>	
Shri Saurabh Kumar, Managing Director, EESL	with effect from 07.05.2013
Shri Rajeev Sharma, Chairman, EESL	with effect from 21.10.2015 to 21.10.2016
Shri Anil Kumar Gupta, Director (Finance)	with effect from 05.02.2016 to 26.12.2016
Shri S N Gaikwad, Director (Projects)	with effect from 05.02.2016 to 03.11.2016

<sup>(i)</sup>Chairman in PFCCL, PFCGEL and PFC CAS also w.e.f 01.10.2016.

<sup>(ii)</sup>Chairman in PFCCL, PFCGEL and PFC CAS also w.e.f 13.09.2013 till 30.09.2016.

<sup>(iii)</sup>Director in PFCCL (w.e.f 21.10.2008), PFCGEL (w.e.f 30.03.2011), and PFC CAS (w.e.f 18.07.2011)also

<sup>(iv)</sup>Director in PFCCL (w.e.f 25.01.2017), PECAP (w.e.f. 13.10.2009) and Additional Director in PFCCL (w.e.f 24.01.2017) and PFCGEL (w.e.f 25.01.2017),

<sup>(v)</sup>Director in PFCCL (w.e.f 23.09.2013 till 31.12.2016), PFCCL (w.e.f. 19.09.2013 till 24.01.2017) and PFCGEL (w.e.f 03.08.2012 till 31.12.2016).

<sup>(vi)</sup>Director in PFCCL (w.e.f. 01.12.2015), PFCGEL (w.e.f. 01.12.2015), PECAP (w.e.f. 29.03.2010) and PFCCL (w.e.f 30.03.2016)

<sup>(vii)</sup>Joined the Company on 11.04.2013, KMP from 01.04.2014 as per Companies Act 2013.

(B) Transactions with KMP:

Managerial remuneration of KMP for the year ended 31.03.2017 is ₹3.86 crore (Previous year ₹3.44 crore). Loans & Advances given to KMP is ₹0.51 crore (Previous year ₹0.47 crore) as on 31.03.2017.

8. A. Loans and Advances in the nature of Loans:

(i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ In crore)

Name of the Subsidiary Companies	As at 31.03.2017*	As at 31.03.2016*	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
Coastal Maharashtra Mega Power Limited	11.10	9.99	11.10	10.14
Orissa Integrated Power Limited	138.93	89.04	138.93	132.11
Coastal Karnataka Power Limited	4.95	4.35	4.95	4.35
Coastal Tamil Nadu Power Limited	113.60	96.85	113.60	96.85
Chhattisgarh Surguja Power Limited	89.07	82.13	89.07	82.13
Sakhigopal Integrated Power Company Limited	7.12	6.41	7.12	6.58
Ghogarpalli Integrated Power Company Limited	6.08	5.46	6.11	5.72
Tatiya Andhra Mega Power Limited	9.36	9.26	9.36	9.26
Deoghar Mega Power Limited	10.69	8.70	10.69	8.70
Cheyur Infra Limited	0.04	0.02	0.04	0.02
Odisha Infra Power Limited	0.20	0.16	0.22	0.16
Bihar Infra Power Limited	0.02	0.01	0.18	0.01
Bihar Mega Power Limited	4.28	0.95	5.73	0.95
Deoghar Infra Limited	0.15	0.01	0.15	0.01
Jharkhand Infrapower Limited	0.03	0.00	0.03	0.00
Subsidiaries of PFCCL	2.79	3.68	3.68	5.44
<b>Total</b>	<b>398.41</b>	<b>317.02</b>	<b>400.96</b>	<b>362.43</b>

\* Amount is in the nature of advances, does not include any loan.

- (ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ In crore)

Name of the Subsidiary Companies	As at 31.03.2017	As at 31.03.2016	Maximum during the year ended 31.03.2017	Maximum during the year ended 31.03.2016
Coastal Maharashtra Mega Power Limited	65.50	62.81	65.50	62.81
Orissa Integrated Power Limited	87.66	83.06	87.66	83.06
Coastal Tamil Nadu Power Limited	78.26	73.56	78.26	73.56
Chhattisgarh Surguja Power Limited	75.70	71.00	75.70	71.00
Sakhigopal Integrated Power Company Limited	26.30	25.05	26.30	25.05
Ghogarpalli Integrated Power Company Limited	24.88	23.72	24.88	23.71
Tatiya Andhra Mega Power Limited	26.36	25.73	26.36	25.73
Bihar Mega Power Limited	42.64	16.20	42.64	16.20
Deoghar Mega Power Limited	14.02	0.00	14.02	0.00
<b>Total</b>	<b>441.32</b>	<b>381.13</b>	<b>441.32</b>	<b>381.12</b>

- B. None of the related party loanee is holding any equity investment in the Company as on 31.03.2017 (Previous year Nil).

**9. A. Major Investments made during the year:**

- i) During the year, the Company has subscribed to 26,05,42,051 fully paid equity shares of NHPC Limited of face value of ₹10/- per share under Offer for Sale by GoI. The shares have been subscribed at a cost of ₹21.78/- per share including brokerage and other statutory charges aggregating to ₹567.50 crore.

**B. Conversion of Debt into Equity:**

- i) In case of a borrower which was classified as a doubtful loan asset, the Company invoked the pledge of equity shares. Accordingly, 6,57,46,779 number of equity shares of ₹10/- each pledged by the promoters have been transferred to the Company on 01.06.2016. These equity shares have been recognised at a value of ₹1/-.

Further, 6,61,00,000 number of equity shares of ₹10/- each have been allotted to the Company on 01.06.2016 on partial conversion of sub-debt loan given earlier to the extent of ₹66.10 crore. A provision for diminution in value of these shares has been made. The impact of provision after netting the provision earlier made is ₹46.27 crore. Carrying value of these equity shares as on 31.03.2017 amounts to ₹1.

As on 31.03.2017, the Company holds 23.32% of paid-up equity share capital of the borrower company.

- ii) In case of another borrower, the Company has converted its debt into equity under approved Strategic Debt Restructuring (SDR) package and 27,50,00,000 number of equity shares of ₹10/- each have been allotted to the Company on 23.02.2017. As at 31.03.2017, provision for diminution in value of investment works out to ₹81.95 crore. Company has opted to distribute the provision over four quarters in accordance with RBI's SDR norms. Accordingly, a provision for diminution in value of investment of ₹20.49 crore has been provided in the last quarter of the current year. As at 31.03.2017, Company holds 4.81% of paid-up equity share capital of the borrower.

**10. Interest Differential Fund (IDF) – KFW**

The agreement between KFW and the Company provides that IDF belongs to the borrowers solely and will be used to cover exchange risk variations under this loan and any excess will be used in accordance with the agreement. Balance in IDF has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. Total fund accumulated as on 31.03.2017 is ₹63.88 crore (Previous year ₹60.71 crore), after transferring exchange difference of ₹12.56 crore (Previous year ₹13.48 crore).

**II. As required under AS-19, disclosure with respect to various leases are given below:**

- (A) Asset under finance lease after 01.04.2001:

- (i) Gross investment in leased assets and present value of minimum value receivable at the balance sheet date and value of unearned financial income are given in table below:

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total of future minimum lease payments recoverable (Gross Investments)	335.79	364.78
Present value of lease payments recoverable	194.32	204.09
<b>Unearned finance income</b>	<b>141.47</b>	<b>160.69</b>
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	27.11	27.11
Later than one year and not later than 5 years	107.10	107.54
Later than five years	201.58	230.13
<b>Total</b>	<b>335.79</b>	<b>364.78</b>
Break up of present value of lease payments recoverable:-		
Not later than one year	8.62	7.89
Later than one year and not later than 5 years	43.17	39.52
Later than five years	142.53	156.68
<b>Total</b>	<b>194.32</b>	<b>204.09</b>

- (ii) The Company had sanctioned an amount of ₹88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹88.85 crore in December 2006. Gross investment stood at the level of ₹0.89 crore as on 31.03.2017 (Previous year ₹1.33 crore). Lease rent is to be recovered within a period of 15 years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.
- (iii) The Company had sanctioned an amount of ₹98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at ₹3.45 crore as on 31.03.2017 (Previous year ₹3.94 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period is in force with effect from 01.04.2014.
- (iv) The Company had sanctioned an amount of ₹93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at ₹3.74 crore as on 31.03.2017 (Previous year ₹4.21 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period is in force with effect from 01.04.2015.
- (v) The Company had sanctioned an amount of ₹228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹327.71 crore as on 31.03.2017 (Previous year ₹355.30 crore). Lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as primary period and a maximum of 7 years as secondary period.
- (B) The Company's operating leases consist of:

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable (non-cancellable in case of one of Company's joint venture EESL and one of Company's subsidiary PFCCL). Rent for residential accommodation of employees include ₹6.10 crore (Previous year ₹5.28 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices amounting to ₹4.99 crore (Previous year ₹1.00 crore) are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are given below:

(₹ In crore)

Future minimum lease rent payments	Year ended 31.03.2017	Year ended 31.03.2016
Not later than one year	8.49	3.69
Later than one year and not later than 5 years	5.31	3.11
Later than 5 years	5.74	4.03
<b>Total</b>	<b>19.54</b>	<b>10.83</b>

## 12. Implementation of GoI Schemes

(A) Subsidy under Accelerated Generation & Supply Programme (AG&SP):

(i) The Company claimed subsidy from GoI at net present value calculated at indicative interest rates in accordance with GoI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of actual repayment schedule, moratorium period and duration of repayment. Amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. Impact of difference between indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after end of respective schemes. However, on the basis of projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated net excess amount of ₹8.67 crore and ₹93.56 crore as on 31.03.2017 (Previous year ₹7.80 crore and ₹87.47 crore) for IX and X Plan, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of respective scheme.

(ii) Balance under the head Interest Subsidy Fund shown as liability, represents amount of subsidy received from MoP, GoI which is to be passed on to borrowers against their interest liability arising in future under AG&SP, comprises of the following : -

(₹ In crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016
Opening Balance	107.47	111.35
Add : Received during the period	-	-
: Interest credited during the period	9.06	8.87
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	6.84	12.74
: Refunded to MoP:-		
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
<b>Closing Blance</b>	<b>109.69</b>	<b>107.47</b>

(B) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

(i) The Company is Nodal Agency for operationalization and associated service for implementation of R – APDRP.

Amounts received from the GoI under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. The amount on-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers.

Details are furnished below:

(₹ In crore)

Description	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
<b>A. GoI Loan under R-APDRP (Principal)</b>						
Opening Balance	8,230.45	7,687.84	-	-	-	-
Additions during the period	1,349.56	6,678.2	1,349.56	6,678.2	-	-
Recoveries / refunds / changes during the period	(357.78)	(125.21)	(1,349.56)	(6,678.2)	-	-
<b>Closing Balance (A)</b>	<b>9,222.23</b>	<b>8,230.45</b>	-	-	-	-
<b>B. Interest Accrued but not due (Int. earned on FD)</b>			NA		-	-
<b>C. Interest on loan under R-APDRP</b>					NA	
(i) Accrued but not due						
Opening Balance	2,136.83	2,563.89				
Additions during the period	852.49	650.36				
Transfers to / from Accumulated Moratorium Interest	(19.24)	(986.16)				
Transfer to Interest Accrued and Due	(64.98)	(91.26)				
Closing Balance (i)	2,905.10	2,136.83				
(ii) Accrued and due						
Opening Balance	142.05	3.68				
(+) Additions/(-) Reversal due to extension of project completion period	(19.25)	182.27				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	(21.20)	(43.90)				
Closing Balance (ii)	101.60	142.05				
<b>Interest on loan under R-APDRP (C) = (i + ii)</b>	<b>3,006.70</b>	<b>2,278.88</b>				
<b>D. Accumulated Moratorium Interest</b>					NA	
Opening Balance	999.68	38.85				
(+) Additions/(-) Reversal due to extension of project completion period	(540.98)	994.90				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	28.78	(34.07)				
<b>Closing Balance (D)</b>	<b>487.48</b>	<b>999.68</b>				
<b>E. Interest on Accumulated Moratorium Interest</b>					NA	
(i) Accrued but not due						
Opening Balance	7.26	0.15				
(+) Additions/(-) Reversal due to extension of project completion period	(18.93)	34.99				
(-) Transfer to Accrued and due/ (+) Reversal due to extension of project completion period	13.77	(27.88)				
Closing Balance (i)	2.10	7.26				
(ii) Accrued and due						
Opening Balance	55.22	1.18				
(+) Additions/(-) Reversal due to extension of project completion period	(35.77)	71.92				
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	4.88	(17.88)				
Closing Balance (ii)	24.33	55.22				
<b>Interest on Accumulated Moratorium Int. (E) = (i + ii)</b>	<b>26.43</b>	<b>62.48</b>				
<b>F. Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest</b>					NA	
(i) Interest on Interest						
Opening Balance	4.63	0.05				
Additions During the period	14.86	4.64				
Recoveries / refunds / changes during the period	(16.31)	(0.06)				
Closing Balance (i)	3.18	4.63				
(ii) Interest on "Interest on Accumulated Moratorium Interest"						
Opening Balance	1.80	0.02				
(+) Additions/(-) Reversal due to extension of project completion period	(0.43)	1.80				

Description	Amount recoverable from borrowers & payable to GOI		R - APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
(-) Recovery & refund to GOI/ (+) Reversal due to extension of project completion period	0.01	(0.02)				
Closing Balance (ii)	1.38	1.80				
(iii) Penal Interest						
Opening Balance	5.18	0.05				
Additions During the period	7.65	5.21				
Recoveries / refunds / changes on account of extension of project completion period during the year	(11.03)	(0.08)				
Closing Balance (iii)	1.80	5.18				
<b>Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest (F) = (i + ii + iii)</b>	<b>6.36</b>	<b>11.61</b>				
<b>Closing Balance (A+B+C+D+E+F)</b>	<b>12,749.20</b>	<b>11,583.10</b>			-	-

- (ii) Nodal Agency Fee under R – APDRP scheme for XIth plan is being accounted for @ 1% of sanctioned project cost in three stages - 0.40% on sanction of project, 0.30% on disbursement of funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). In addition, actual expenditure including expenditure allocable on account of Company's manpower, incurred for operationalizing the R- APDRP is reimbursable by MoP, GoI. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

From XIIth plan onwards, in accordance with Company's claim, approved by MoP vide its letter dated 31.03.2015 and subsequent clarification issued by MoP vide letter dated 20.05.2015, the Company continues to restrict its claims only to reimbursement of actual expenditure excluding Company's own manpower and administrative charges.

As at 31.03.2017, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company is given below:

(₹ In crore)

Description	Year ended 31.03.2017	Year ended 31.03.2016	Accumulated up-to year ended	
			31.03.2017	31.03.2016
Nodal agency fee <sup>(i)</sup>	2.24	0.66	130.31	128.07
Reimbursement of expenditure	22.74	22.99	150.41	127.67
<b>Total</b>	<b>24.98</b>	<b>23.65</b>	<b>280.72</b>	<b>255.74</b>

<sup>(i)</sup>Exclusive of Service Tax

(C) Integrated Power Development Scheme (IPDS)

Ministry of Power on 03.12.2015 has launched IPDS for (i) strengthening of sub-transmission and distribution network in urban areas, (ii) metering of feeders / distribution transformers / consumers in urban areas and (iii) IT enablement of distribution sector and strengthening of distribution network by subsuming R-APDRP and carrying forward the approved outlay for R-APDRP to IPDS.

The scope of works under IPDS includes work relating to strengthening of sub-transmission and distribution system, including provisioning of solar panels, metering of distribution transformers / feeders / consumers in the urban areas and IT enablement of distribution sector.

The Company has been designated as Nodal Agency for operationalization and implementation of scheme under overall guidance of the MoP, GoI. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS guidelines.

The Company will be eligible for 0.5% of total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:



- i. 1<sup>st</sup> installment: 40% of nodal agency fee in financial years in which projects are approved by the Monitoring Committee under IPDS.
- ii. 2<sup>nd</sup> installment: 30% of nodal agency fee on award of approved projects.
- iii. 3<sup>rd</sup> installment: 20% of nodal agency fee after one year of claiming 2<sup>nd</sup> installment.
- iv. 4<sup>th</sup> installment: 10% of nodal agency fee after completion of works.

The details are furnished below :

(₹ In crore)

Description	Amount of GoI grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
Opening Balance	358.70	-	-	50.00	-	0.01
Additions during the period	2,202.31	358.70	2,202.31	308.70	-	2.14
Recoveries / refunds / changes during the period	-	-	(2,202.31)	358.70	-	(2.15)
<b>Closing Balance</b>	<b>2,561.01</b>	<b>358.70</b>	-	-	-	-

### 13. Government of India Fully Serviced Bonds

For meeting GOI's funding requirement of central sector schemes, during the year, the Company has raised an aggregate amount of ₹5,000 crore through unsecured, redeemable, non-convertible, taxable bonds in the nature of debentures of face value of ₹10 lacs at par on private placement basis. As per O.M. dated 20.10.2016 of Ministry of Finance, these bonds will be fully serviced by GoI. Accordingly, the amount of such bonds along-with interest is also appearing as recoverable by the Company from GoI.

### 14. A. Asset classification and Provisioning:

- (i) The Company has aligned with RBI Prudential norms during the year, contained in RBI's "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time read with specific directions mentioned below:

1. Assets classification norms in line with RBI's letter dated 03.10.2016:

- a) loan assets (excluding lease asset) outstanding as at 31.03.2017 and overdue for 4 months or more is classified as Non-Performing Asset (NPA) and classification during the year is based on prevailing norm of overdue for 5 months or more,
- b) NPA as at 31.03.2017 for a period not exceeding 14 months is classified as Sub-standard asset and classification during the year is based on prevailing norm of NPA for a period not exceeding 16 months, and
- c) NPA as at 31.03.2017 for a period exceeding 14 months is classified as Doubtful asset and classification during the year is based on prevailing norm of NPA for a period exceeding 16 months.

2. Restructuring Norms:

- (i) In line with RBI's letter dated 11.06.2014, Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters are regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms will be applied for any future restructuring undertaken in these loans.

Further, RBI vide letter dated 11.06.2014 has directed that for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018.

- (ii) As regard implementation of RBI restructuring norms (shifting from MoP, GoI approved restructuring norms), based on the various correspondence exchanged, RBI in letter dated 11.04.2017 has stated that in case of a Govt. Sector

account, if the project has not commenced commercial operation within DCCO envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for Restructured Advances), the classification is to be done project-wise instead of borrower-wise till 31.03.2022.

- (ii) a) The Company has been applying RBI restructuring norms on new generation loans sanctioned w.e.f. 01.04.2015 (Before 01.04.2015, MoP, GoI approved restructuring norms were applicable).
- b) After receipt of RBI letter dated 11.04.2017, Company has adopted RBI restructuring norms on remaining loans (other than loans as stated at 14A(i)(2)(i) above). In generation loans sanctioned before 31.03.2015 and where restructuring has been done w.e.f. 01.04.2015, the asset classification has been given effect on 31.03.2017 as per RBI norms with consequent provisioning.

#### B. Credit Concentration Norms

For credit concentration norms, RBI vide its letter dated 16.06.2016, has extended exemption in respect of exposure to Central / State Government entities till 31.03.2022. Thus, the Company continues to follow MoP approved credit concentration norms for Central / State Government entities.

#### 15. Pursuant to adoption of RBI's restructuring norms during the year (shifting from MoP, GoI approved restructuring norms), in respect of loans to state sector, regular in servicing, having no overdues and as on 31.03.2017:

- a) Company has categorised standard assets amounting to ₹35,994.70 crore as restructured standard assets. The provision on such loans has been increased from 0.35% to 4.25%. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹1,403.79 crore.
- b) Company has classified two loan assets as NPA having amount outstanding of ₹8,284.47 crore as on 31.03.2017, which achieved DCCO on or before 31.03.2017 after 2/3/4 years from original DCCO (as permitted under norms). During the year, un-realised income on these loans amounting to ₹163.71 crore has been reversed and additional provision of ₹799.45 crore has been made on such loans. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹963.16 crore.
- c) Company has classified three loan assets as NPA having amount outstanding of ₹4,157.28 crore as on 31.03.2017, which by year ended 31.03.2017 could not achieve date of commencement of commercial operation (DCCO) within 2/3/4 years from original DCCO (as permitted under norms). During the year, un-realised income on these loans amounting to ₹103.04 crore has been reversed and additional provision of ₹401.18 crore has been made on such loans. Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹504.22 crore.
- d) Company has classified one loan asset as NPA having amount outstanding of ₹5,793.83 crore as on 31.03.2017, which was restructured after achievement of DCCO. During the year, un-realised income on this loans amounting to ₹142.03 crore has been reversed and additional provision of ₹333.14 crore has been made on this loan.

Further, in accordance with borrower-wise asset classification norms, other loans to the same borrower have also been classified as NPA. Hence, un-realised income on such other loans amounting to ₹118.59 crore has been reversed and additional provision of ₹489.62 crore has been made on such other loans having amount outstanding of ₹5,073.73 crore as on 31.03.2017.

Thus, profit before tax for the year ended 31.03.2017 has decreased by ₹1,083.38 crore.

The profit before tax for the year has decreased by ₹3,954.55 crore on account of para a to d above.

## 16. Loan Assets, Other assets, Trade Receivables and provisions thereon:

(₹ In crore)

S. No.	Asset Classification	As at 31.03.2017			As at 31.03.2016		
		Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2016	Accumulated Provision
<b>(A)</b>	<b>Classification of Loan Assets and provision thereon</b>						
(i)	Standard Assets	159,726.85	(38.55)	559.93	199,483.49	111.68	598.48
(ii)	Restructured Standard Assets <sup>(1)</sup>	55,473.12	1,228.65	2,357.85	32,262.98	564.77	1,129.20
(iii)	Sub-standard Assets	23,751.56 <sup>(2)</sup>	1,887.40	2,375.16	4,877.61	366.83	487.76
(iv)	Doubtful Assets	6,677.81	1,986.27	2,708.26	2,393.15	327.48	721.99
(v)	Loss Assets	272.84	24.56	272.84	248.28	239.36	248.28
<b>(B)</b>	<b>Other Assets, Trade Receivables and provision thereon</b>						
(i)	Other Assets	17.29	16.26	17.27	1.17	0.04	1.01
(ii)	Trade Receivables <sup>(3)</sup>	7.74	7.74	7.74	-	-	-
	<b>Grand Total</b>	<b>2,45,927.21</b>	<b>5,112.33</b>	<b>8,299.05</b>	<b>2,39,266.68</b>	<b>1,610.16</b>	<b>3,186.72</b>

<sup>(1)</sup>R/R/R loans on which restructuring provisioning as per RBI norms is applicable, outstanding as at 31.03.2017 amount to ₹19,445.92 crore in private sector and ₹36,027.19 crore in Govt. sector as explained at Note Part C-15 (a) above (Previous year ₹21,479.20 crore in private sector and ₹10,783.78 crore in Govt. sector).

<sup>(2)</sup>Includes loans amounting to ₹23,309.30 crore pertaining to Govt. Sector which became NPA on adoption of RBI RRR Norms during current year as explained at Note Part C-15 (b,c&d) above.

<sup>(3)</sup>Pertains to PFCCL (One of Company's Subsidiary).

## 17. Basis of secured / un-secured categorization of loan assets:

- In cases where Company is a lead or sole lender, it considers the loan asset as secured if hypothecation of movable project assets has been completed and mortgage of more than 50% of the project land for loan assets has been achieved. Further, wherever valuation is required as per applicable norms, the security status is updated on the basis of valuation report.
- In all other cases, secured / un-secured classification is done on the basis of security status obtained from the lead lender.

## 18. Details of Restructured Accounts on which restructuring provisioning as per RBI norms is applicable, along-with provisions thereon, are given below:

(₹ In crore)

S. N.	Type of Restructuring		Under CDR / SME Mechanism					Others					Total				
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April,01 2016	No. of borrowers	Nil					15	3	4	-	22	15	3	4	-	22
		Amount outstanding (Restructured facility)	Nil					32,262.98	3,111.05	1,414.67	-	36,788.70	32,262.98	3,111.05	1,414.67	-	36,788.70
		Amount outstanding (Other facility)	Nil					-	-	232.11	-	232.11	-	-	232.11	-	232.11
		Provision Thereon	Nil					1,129.20	311.11	520.57	-	1,960.88	1,129.20	311.11	520.57	-	1,960.88
2	Movement of balance in account appearing in opening balance (including Pre-payment of loan)	No. of borrowers	Nil					2	-	2	-	4	2	-	2	-	4
		Amount outstanding (Restructured facility)	Nil					(1,867.82)	-	(63.58)	-	(1,931.40)	(1,867.82)	-	(63.58)	-	(1,931.40)
		Amount outstanding (Other facility)	Nil					-	-	73.99	-	73.99	-	-	73.99	-	73.99
		Provision Thereon	Nil					(65.37)	-	362.53	-	297.15	(65.37)	-	362.53	-	297.15

S. N.	Type of Restructuring		Under CDR / SME Mechanism					Others					Total									
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total					
3	Categorised as restructured during the year	No. of borrowers	Nil								12	-	-	-	12	12	-	-	-	12		
		Amount outstanding (Restructured facility)		36,478.10	-	-	-	36,478.10	36,478.10	-	-	-	36,478.10	-	-	-	36,478.10					
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon		1,550.56	-	-	-	1,550.56	1,550.56	-	-	-	1,550.56	-	-	-	1,550.56					
4	Up gradations to restructured standard category during the year	No. of borrowers	Nil								-	-	-	-	-	-	-	-	-	-		
		Amount outstanding (Restructured facility)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	Nil								(2)	-	-	-	(2)	(2)	-	-	-	(2)		
		Amount outstanding (Restructured facility)		(2,857.41)	-	-	-	(2,857.41)	(2,857.41)	-	-	-	(2,857.41)	-	-	-	(2,857.41)					
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon		(100.01)	-	-	-	(100.01)	(100.01)	-	-	-	(100.01)	-	-	-	(100.01)					
6	Down gradation of restructured accounts during the year	No. of borrowers	Nil								(1)	(2)	3	-	-	(1)	(2)	3	-	-		
		Amount outstanding (Restructured facility)		(8,542.74)	4,779.09	3,111.05	-	-	(8,542.74)	4,779.09	3,111.05	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon		(299.00)	477.91	745.56	-	989.73	(299.00)	477.91	745.56	-	989.73									
7	Write-offs restructured accounts during the year	No. of borrowers	Nil								-	-	-	-	-	-	-	-	-	-		
		Amount outstanding (Restructured facility)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding (Other facility)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

S. N.	Type of Restructuring		Under CDR / SME Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
8	Restructured accounts as on March 31, 2017	No. of borrowers	Nil					22	1	7	-	30	22	1	7	-	30
		Amount outstanding (Restructured facility)	Nil					55,473.11	7,890.14	4,462.14	-	68,477.99	55,473.11	7,890.14	4,462.14	-	68,477.99
		Amount outstanding (Other facility)	Nil					-	-	306.10	-	306.10	-	-	306.10	-	306.10
		Provision Thereon	Nil					2,357.85	789.02	1,662.61	-	4,874.74	2,357.85	789.02	1,662.61	-	4,874.74

19. In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015.

The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset was re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹339.99 crore made till the date of reclassification was reversed during the previous year.

The matter is sub-judice and ad-interim stay is continuing. Based on the subsequent legal opinion sought, the Company maintained asset classification as standard as on 31.03.2016 and continues the same in the current year also amid further progress in the project.

On 30.06.2016, the Company has moved petition for vacating the order of ad-interim stay. The said petition is pending for hearing.

Subsequent to reclassification of the said account in the previous year,

- interest / income of ₹413.03 crore accrued and remaining unrealised as on 31.03.2017 has been reversed;
- provision, as applicable based on the existing asset classification as restructured standard asset, has been made which stands at ₹163.17 crore as on 31.03.2017 (as on 31.03.2016 ₹148.82 crore);
- provision treating the account as doubtful, on the loan balance of ₹4,893.39 crore as on 31.03.2017 (as at 31.03.2016 ₹4,251.91 crore), after considering the provision as stated at (ii) above, has not been recognized amounting to ₹815.50 crore (previous year ₹276.37 crore).

## 20. Disclosures as per Accounting Standard-15 :-

### A. Provident fund

The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss. The trust has to ensure, a minimum rate of return to the members as specified by GoI. However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

### B. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹10 lakh per employee.

### C. Pension

The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employee and Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

D. Post-Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

This scheme is managed by a separate trust. Trust was registered during the FY. 2014-15 in the name of PFC Superannuation Medical Fund and started operations from the FY 2016-17. Provision on this account as on 31.03.2016 amounting to ₹17.83 crore was transferred by the Company to the trust on 11.07.2016. The provision for the same has been made on actuarial valuation. The trust has to ensure, adequate corpus for meeting the medical expenditure incurred by the retired employees. However, any short fall has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. Leave

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis @ 15 days and 10 days, respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. Earned leave is en-cashable during the service; while half pay leave is not en-cashable during the service or on separation / superannuation before 10 years. On separation after 10 years of service or on superannuation, earned leave plus half pay leave together can be en-cashed subject to a maximum of 300 days. However, there is no restriction in the number of years of service for earned leave encashment on separation from the service.

G. The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

H. The summarised position of various defined benefits recognized for the year 31.03.2017 in the statement of profit and loss account, balance sheet are given below {Figures in brackets ( ) are for Previous year}:

i) Expenses recognised in Statement of Profit and Loss Account

(₹in crore)

Description	Gratuity	PRMS	Leave
Current service cost	1.91	0.78	3.22
	(1.55)	(0.62)	(2.34)
Interest cost on benefit obligation	1.67	1.43	2.17
	(1.55)	(1.17)	(1.87)
Expected return on plan assets	-1.84	-1.01	0.00
	(-1.72)	(0.00)	(0.00)
Net actuarial (gain) / loss recognised in the year	-0.21	2.87	2.44
	(-1.09)	(2.36)	(2.18)
Expenses recognised in Statement of Profit & Loss Account*	1.53	4.04	7.83
	( 0.29)	(4.15)	(6.39)

\*During the year, the expenses include ₹0.09 crore (previous year ₹0.03 crore), ₹0.43 crore (previous year ₹0.55 crore) and ₹0.29 crore (previous year ₹0.44 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.



## ii) Amount recognized in the Balance Sheet

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2017 (i)	23.15	21.82	31.23
	(20.83)	(17.83)	(27.11)
Fair value of plan assets as at 31.03.2017 (ii)	21.74	18.15	0.00
	(20.47)	(0.00)	(0.00)
Difference (ii) – (i)	-1.41	-3.67	-31.23
	(-0.36)	(-17.83)	(-27.11)
Net asset / (liability) recognized in the Balance Sheet	-1.41	-3.67	-31.23
	(-0.36)	(-17.83)	(-27.11)

## iii) Changes in present value of defined benefit obligations

(₹ In crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2016	20.83	17.83	27.11
	(19.36)	(14.58)	(23.42)
Acquisition adjustment	0.00	0.00	0.01
	(0.00)	(0.00)	(0.00)
Interest cost	1.67	1.43	2.17
	(1.55)	(1.17)	(1.87)
Current service cost	1.91	0.78	3.22
	(1.55)	(0.62)	(2.34)
Benefits paid	-0.99	-1.09	-3.72
	(-0.63)	(-0.90)	(-2.93)
Net actuarial (gain)/loss on obligation	-0.27	2.87	2.44
	(-1.09)	(2.36)	(2.18)
Present value of the defined benefit obligation as at 31.03.2017	23.15	21.82	31.23
	(20.83)	(17.83)	(27.11)

## iv) Changes in fair value of plan assets

(₹ In crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2016	20.47	0.00	0.00
	(19.14)	(0.00)	(0.00)
Expected return on plan assets	1.84	1.01	0.00
	(1.72)	(0.00)	(0.00)
Contributions by employer	0.47	17.93	0.00
	(0.21)	(0.00)	(0.00)
Benefit paid	-0.98	-0.83	0.00
	(-0.63)	(0.00)	(0.00)
Actuarial gain / (loss)	-0.06	0.04	0.00
	(0.02)	(0.00)	(0.00)
Fair value of plan assets as at 31.03.2017	21.74	18.15	0.00
	(20.47)	(0.00)	(0.00)

- v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

(₹ In crore)

Particulars	PRMS	Service and Interest Cost
Cost increase by 1%	3.53	0.36
Cost decrease by 1%	3.44	0.44

- vi) During the year, Company has provided liability of ₹1.41 crore, ₹4.04 crore, ₹7.49 crore and Nil (Previous year ₹0.27 crore, ₹4.15 crore, ₹6.39 crore and Nil) towards contribution to the Gratuity Trust, PRMS, leave and towards Pension respectively. Above amount includes ₹0.09 crore, ₹0.43 crore and ₹0.29 crore (Previous year ₹0.03 crore, ₹0.55 crore and ₹0.44 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹0.21 crore (Previous year ₹0.33 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹0.59 crore (Previous year ₹0.48 crore) has been made for Long Service Award (LSA) for employees on the basis of actuarial valuation made at end of the year by charging / crediting statement of profit and loss. LSA includes ₹0.05 crore (Previous year ₹0.06 crore) allocated to subsidiary companies.

J. (I) Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2017 are given below:

(₹ in crore)

S.No.	Description	As at 31.03.2017	As at 31.03.2016
i)	Government Securities	12.95	11.75
ii)	Corporate bonds / debentures <sup>(i)</sup>	7.86	8.07
iii)	Mutual Funds	0.31	0.15
	<b>Total</b>	<b>21.12</b>	<b>19.97</b>

<sup>(i)</sup>As at 31.03.2017, Bonds of the Company amounting to ₹0.60 crore (previous year ₹0.50 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method (For the Company) Gratuity	For EESL (one of the JVs of the Company) For Gratuity & Leave Encashment
Discount rate	7.50%	7.35%
Expected rate of return on assets	7.50%	0.00%
Future salary increase*	6.00%	6.00%

\*Estimate of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(II) Details of Plan Asset:- PRMS

The details of the plan assets at cost, as on 31.03.2017 are as follows:-

( in crore)

S. No.	Description	As at 31.03.2017	As at 31.03.2016
i)	Government Securities	8.0	0.00
ii)	Corporate bonds / debentures <sup>1</sup>	8.54	0.00
iii)	Mutual Fixed Deposits	0.97	0.00
	<b>Total</b>	<b>17.58</b>	<b>0.00</b>

<sup>(i)</sup>As at 31.03.2017, Bonds of the Company amounting to Nil (previous year Nil) are held by PFC Limited PRMS Trust.



Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.50%
Expected rate of return on assets – PRMS	8.39%
Future salary increase*	6.00%

\*Estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

- K. Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFGGEL and PFCCL (subsidiaries of the Company) on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

L. Other disclosures

(₹ In crore)

Gratuity*	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	23.15	20.74	19.36	17.98	16.16
Fair value of plan assets as at	21.74	20.47	19.14	17.12	14.67
Surplus/(Deficit)	(1.41)	(0.27)	(0.21)	(0.86)	(1.48)
Experience adjustment on plan liabilities (loss)/gain	1.38	1.09	1.10	0.31	0.31
Experience adjustment on plan assets (loss)/gain	(0.06)	0.02	0.09	0.26	0.02

\*The Company's best estimate of contribution towards gratuity for financial year 2017-18 is ₹1.16 crore (Previous year 0.74). Actual return on plan assets during the year ended 31.03.2017 is ₹1.79 crore (Previous year ₹1.74 crore). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ In crore)

PRMS*	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	21.82	17.83	14.58	11.75	9.50
Fair value of plan assets as at	18.15	-	-	-	-
Surplus/(Deficit)	(3.67)	(17.83)	(14.58)	(11.75)	(9.50)
Experience adjustment on plan liabilities (loss)/gain	(1.34)	(2.36)	(2.11)	(1.54)	(0.16)
Experience adjustment on plan assets (loss)/gain	0.03	-	-	-	-

\*The Company's best estimate of contribution towards PRMS for financial year 2017-18 is ₹4.97 crore (Previous year 2.73). Actual return on plan assets during the year ended 31.03.2017 is ₹1.04 crore (Previous year Nil). Further, expected return on plan assets has been determined considering several applicable factors, mainly, composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

(₹ In crore)

Leave	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	31.23	26.89	23.42	20.66	20.39
Experience adjustment on plan liabilities (loss)/gain	(1.04)	(2.18)	(1.18)	(2.63)	(1.50)

(₹ In crore)

LSA	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	4.99	4.74	4.49	4.04	3.71
Experience adjustment on plan liabilities (loss)/gain	1.18	1.10	0.67	0.46	0.80

(₹ In crore)

ERS	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	1.63	1.50	1.24	1.24	1.31
Experience adjustment on plan liabilities (loss)/gain	0.52	0.02	0.38	0.46	0.43

(₹ In crore)

Baggage Allowance	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation as at	0.13	0.11	0.10	0.09	0.08
Experience adjustment on plan liabilities (loss)/gain	0.00	0.02	0.02	0.01	0.01

21. Disclosure of provision as required under Accounting Standard - 29, {Figures in brackets ( ) are for previous year}, are given below:

Provision for	Opening Balance (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance 5 = (1+2-3-4)
Post-Retirement Medical Scheme	17.83	4.04	18.09	0.00	3.78
	(14.58)	(4.15)	(0.90)	(-)	(17.83)
Pay revision	-	9.94	-	-	9.94
	(-)	(-)	(-)	(-)	(-)
Gratuity	0.21	1.53	0.33	-	1.41
	(0.08)	(0.35)	(0.22)	(-)	(0.21)
Provision for superannuation benefit (Pension)	0.07	-	-	-	0.07
	(0.07)	(-)	(-)	(-)	(0.07)
Leave Encashment	27.09	7.84	3.70	-	31.23
	(23.56)	(6.46)	(2.93)	(-)	(27.09)
Economic Rehabilitation Scheme for employee	1.50	0.21	0.08	0.00	1.63
	(1.24)	(0.33)	(0.07)	(-)	(1.50)
Bonus / Incentives	11.14	5.91	10.49	-0.07	6.63
	(12.45)	(10.49)	(10.91)	(-0.89)	(11.14)
Baggage Allowances	0.11	0.02	0.00	0.00	0.13
	(0.10)	(0.01)	(0.00)	(-)	(0.11)
Service Award	4.74	0.59	0.34	0.00	4.99
	(4.49)	(0.48)	(0.23)	(-)	(4.74)
Provision on loan assets etc. <sup>(1)</sup>	3,186.72	5,112.33	-	-	8,299.05
	(1,576.56)	(1,610.16)	(0.00)	(-)	(3,186.72)
Provision for diminution in value of investment	97.32	86.69	-	94.10	89.91
	(1.06)	(96.26)	(0.00)	(-)	(97.32)
Provision for Doubtful Debts	0.00	8.61	0.00	0.00	8.61
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
CSR	102.98	167.64	170.40	-	100.22
	(114.46)	(146.81)	(158.29)	(-)	(102.98)
Income Tax	7,530.75	3,122.40	2,101.24	-0.03	8,551.89
	(6,222.89)	(2,857.89)	(1,550.52)	(0.49)	(7,530.75)
Proposed Final Dividend	79.20	0.00	79.20	0.00	0.00
	(79.20)	(79.20)	(79.20)	(-)	(79.20)

Provision for	Opening Balance (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance 5 = (1+2-3-4)
Proposed Corporate Dividend Tax	16.12	0.00	16.12	0.00	0.00
	(16.12)	(16.12)	(16.12)	(-)	(16.12)
Interim Dividend	-	1,320.04	-	-	1,320.04
	(-)	(1,755.66)	(1,755.66)	(-)	(-)
Corporate Dividend Tax on Interim dividend	-	268.73	201.55	-	67.18
	(-)	(356.74)	(356.74)	(-)	(-)

<sup>(i)</sup> As detailed at Note Part-C 16.

22. (a) Details of gross amount required to be spent on CSR activities by the Company during the year

(₹ In crore)

Particulars	FY 2016-17	FY 2015-16
CSR provision made at the rate of 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years	167.64	146.81
Carry forward from previous year	102.98	114.46
Gross amount required to be spent	<u>270.62</u>	<u>261.27</u>

(b) Amount spent during the year on CSR activities:

(₹ In crore)

S. No.	Particulars	FY 2016-17			FY 2015-16		
		Paid or settled	Yet to be paid	Total	Paid or settled	Yet to be paid	Total
(i)	Construction / acquisition of any assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
(iia)	Sanitation / Waste Management / Drinking water	112.52	0.20	112.72	133.85	-	133.85
(iib)	Education / Vocational Skill development	30.32	-	30.32	16.06	-	16.06
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	20.93	0.76	21.69	4.10	0.50	4.60
(iid)	Sports	0.10	-	0.10	-	-	-
(iie)	Others	1.02	-	1.02	-	-	-
(iie)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	2.02	0.24	2.26	3.16	0.26	3.42
(iii)	Amount spent by Subsidiaries / JVs	2.29	0.01	2.30	0.36	-	0.36
	<b>Total (ii)</b>	<b>169.20</b>	<b>1.21</b>	<b>170.41</b>	<b>157.53</b>	<b>0.76</b>	<b>158.29</b>
	<b>Grand Total (i) and (ii)</b>			<b>170.41</b>			<b>158.29</b>

c) Details of related party transactions w.r.t. CSR activities as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).

d) Movements in the CSR provision during the year as per AS-29 shown separately at Note no. 19 above.

e) During the year ended 31.03.2017, an amount of ₹121.53 crore (Previous year ₹192.90 crore) has been disbursed against CSR activities.

## 23. During the year ended 31.03.2017, following modifications in Significant Accounting Policies (Part – B of Notes) have been made:

(₹ In crore)

S. No.	Significant Accounting Policy		Modifications	Impact on PBT [(+) increase / (-) decrease]
	No.	Title		
1.	1	Basis of Preparation of Financial Statements	Reworded to bring in more clarity and augmented to include reference of RBI norms <sup>1</sup> as well.	Nil
2.	2.1.1	Recognition of Income	Modified indicating applicability of RBI prudential norms. <sup>1</sup>	Nil
3.	2.1.3	Income from dividend	Added to replace earlier policy no 2.5 enabling recognition of dividend in line with RBI prudential norms. <sup>1</sup>	Nil
4.	2.5	Income from bond & Debentures	Substituted to include recognition of income from bonds etc. in line with RBI prudential norms. <sup>1</sup>	Nil
5.	2.7	Prior period expenses / Income <sup>4</sup>	Portion related to Prior period expenses / Income deleted to align the existing practice with practice envisaged under upcoming Ind AS regime w.e.f. FY 2018-19.	Nil
6.	6.1	Quoted Current Investments	Modified to align with the RBI prudential norms <sup>1</sup> requiring category-wise valuation of Quoted Current Investments against the earlier policy of scrip-wise valuation.	92.06
7.	6.2	Un-Quoted Current Investments	Substituted to include policy on valuation of equity shares converted from debt in line with RBI prudential norms. <sup>1</sup>	(46.27)
8.	6.3	Long term Investment	Earlier policy no. 5.2 renumbered.	Nil
9.	7.1 & 7.4	Asset Classification	7.1.2 (i) Modified to align with the RBI prudential norms <sup>1</sup>	Nil
			7.1.2 (ii) & 7.4 Modified to align with RBI Restructuring Norms / Directions <sup>3</sup>	(2,550.76)
10.	7.2	Provisioning against Standard Loans and NPAs	Modified to align with the RBI prudential norms <sup>1</sup> resulting in –	
			i) additional pro-rata provision on standard assets ii) Change in rate of provision from 100% to 50% on doubtful assets exceeding 3 years.	(79.69) 707.80
11.	7.3	Provisioning against Restructured Loans	Apart from reordering of sub paras, modified to align with the RBI Restructuring Norms / Directions resulting in additional / pro-rata provision on restructured standard assets including an amount of ₹1,403.79 crore as explained at Note Part C-15 (a). <sup>3</sup>	(1549.64)
12.	7.6 <sup>5</sup>	Provisioning of Doubtful Debts and Advances	Modified to include basis of provision.	(8.61)
13.	9	Derivative Transactions	Augmented to align with the provisions of Guidance Note on Accounting for Derivative Contracts issued by ICAI applicable w.e.f. 01.04.2016. <sup>2</sup>	178.15
<b>Total</b>				<b>(3,256.95)</b>

<sup>1</sup> W.e.f. 01.04.2016, Company has adopted RBI Prudential norms (Refer Note Part C-14).

<sup>2</sup> Reference may be made to Note Part-C 5(E) for impact on opening reserves.

<sup>3</sup> Reference may be made to Note Part-C-15.

<sup>4</sup> Deleted by PFCGEL (one of Company's Subsidiary) as well.

<sup>5</sup> Pertains to PFCCL (one of Company's Subsidiary).

Besides above, PFCGEL reworded accounting policies of Basis for Preparation of Financial Statements, Recognition of Income, Tangible assets / Depreciation and Employee Benefits to bring in more clarity having nil financial impact. Further, PFCCAS changed its accounting policy on depreciation / amortisation by reducing useful life of cellphone from 5 years to 2 years having a financial impact of ₹1,768.

**24. A. Depreciation on assets is provided over the useful lives of assets as mentioned below:**

S. No.	Category of Assets	Useful Life in Years	Residual value as a % of original Cost
1.	Building	60	5%
2	EDP Equipment		
2A	Servers and networks	6	5%
2B	End user devices i.e. desktops, laptops etc. <sup>(1)</sup>	3	5%
3.	Office and other Equipment <sup>(1)</sup>	5	5%
3A	Cell Phone <sup>(2)</sup>	2	5%
4.	Furniture & Fixture <sup>(1)</sup>	10	5%
5.	Vehicle (Car )	8	5%
6.	Intangible Assets	5	0%
7.	ESCO Projects <sup>(3)</sup>	Project Period	-
8.	Leasehold improvements <sup>(4)</sup>	Lease Period	-

<sup>(1)</sup>Useful life taken by the Company and PFCGEL (one of Company's Subsidiary).

<sup>(2)</sup>Useful life has been taken by the Company, PFCCL, PFCAS, PFCGEL (Company's Subsidiaries) and EESL (one of Company's Joint Ven-ture).

<sup>(3)</sup>As disclosed by EESL.

<sup>(4)</sup>Useful life taken by EESL and Lease Period or their useful lives whichever is shorter in case of PFCCL (one of Company's Subsidiary).

All assets as mentioned above are depreciated using written down value method, while Intangible Assets are amortized using straight-line method over the useful life estimated by the Company. Further, Company's estimate of useful life for Cell Phone is shorter than life prescribed in Schedule II of the Companies Act, 2013, and for all other items useful life is in line with Schedule II of the Companies Act, 2013.

- B.** EESL, one of the JV of the Company follows different accounting policy in respect to depreciation. Depreciation is charged by EESL as per straight line method in accordance with Schedule II of Companies Act 2013 whereas the Company provides depreciation as per written down value method over the useful life of the assets in accordance with Companies Act 2013. It is not practicable for the Company to make adjustment for the purposes of applying the proportionate consolidation method. As on 31.03.2017, proportion of net block of fixed assets pertaining to EESL where different accounting policy is applied, is 83.56% of the consolidated net block of fixed assets (73.66% as on 31.03.2016).

**25. The Company has no outstanding liability towards Micro, Small and Medium enterprises except one of the subsidiary, PFCCL where principal amount due is ₹0.002 crore (as on 31.03.2016 ₹0.001 crore).**

**26. Leasehold land is not amortized, as it is a perpetual lease.**

**27. As required under Section 125 of the Companies Act, 2013, ₹4.58 crore, (Previous Year ₹0.21 crore), became due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2017 and was deposited. Further, an amount of ₹2.03 crore (Previous Year ₹0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.**

**28. During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2016 to the borrowers. Confirmation for 99.38% of the said balances have been received and confirmation for ₹1,482.46 crore is awaited.**

**29. Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below:**

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
<b>(A) Deferred Tax Asset (+)</b>		
(i) Provision for expenses not deductible under Income Tax Act	20.45	18.84
(ii) Preliminary Expenses	-	0.16
(iii) Employee related provisions	0.45	0.13

Description	As at 31.03.2017	As at 31.03.2016
<b>(B) Deferred Tax Liabilities (-)</b>		
(i) Depreciation	(0.45)	(0.83)
(ii) Lease income	(66.00)	(68.73)
(iii) Amortization	(0.24)	(0.47)
(iv) Unamortized Exchange Loss (Net)	(100.76)	(251.08)
(v) Net MTM Receivable from bank against derivative	(101.00)	-
<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(247.55)</b>	<b>(301.96)</b>

30. During the year, Government of India (GoI) has transferred 3,82,17,338 equity shares held in the Company to CPSE ETF (Central Public Sector Enterprises Exchange Traded Fund) account under DIPAM (Department of Investment and Public Asset Management) in connection with Further Fund Offer (FFO) of CPSE ETF Mutual Fund scheme. Shareholding of GoI in the Company has come down from 67.80% to 66.35% of the paid up equity share capital.

31. Shareholders in their Annual General Meeting held on 19<sup>th</sup> August 2016 have accorded approval:

- to increase the authorized share capital of the Company from ₹2,000 crore divided into 2,00,00,00,000 equity shares of ₹10/- each to ₹10,000 crore divided into 10,00,00,00,000 equity shares of ₹10/- each, and
- for issuance of Bonus Shares in the ratio of 1:1 by capitalizing the Securities Premium Account.

Consequently, the Board of Directors of the Company in its meeting held on 1<sup>st</sup> September 2016 has accorded approval for allotment of 132,00,40,704 bonus equity shares (in the ratio of 1:1) to the existing shareholders as on 29.08.2016 (record date). As a result of this, paid up equity share capital of Company has increased from ₹1,320.04 crore (132,00,40,704 equity shares of ₹10 each) to ₹2,640.08 crore (264,00,81,408 no of equity shares of ₹10 each).

32. In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earnings Per Share (basic and diluted) is given below:

Description	During year ended 31.03.2017	During year ended 31.03.2016 <sup>(1)</sup>
Net Profit after tax used as numerator (₹in crore)	2,236.10	6,184.00
Weighted average number of equity shares used as denominator (basic)	264,00,81,408	132,00,40,704
Diluted effect of outstanding Stock Options	-	-
Weighted average number of equity shares used as denominator (diluted)	264,00,81,408	132,00,40,704
Earning per equity share, face value ₹10 each (basic) (₹) <sup>(1)</sup>	8.47	23.43
Effect of outstanding Stock Options (₹)	-	-
Earning per equity share, face value ₹10 each (diluted) (₹) <sup>(1)</sup>	8.47	23.43

<sup>(1)</sup>Earnings Per Share (basic and diluted) for FY 2015-16 has been adjusted on account of bonus shares.

33. A) The status of dividend on equity shares of face value of ₹10 each, for the year ended 31.03.2017 is as under:

Particulars	Year ended 31.03.2017			Year ended 31.03.2016		
	% of share capital	Per equity share (₹)	Amount (₹in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	50% <sup>(1)</sup>	5.00	1,320.04	88%	8.80	1,161.64
Second Interim dividend	-	-	-	45%	4.50	594.02
Final Dividend	-	-	-	6%	0.60	79.20 <sup>(2)</sup>
<b>Total Dividend</b>	<b>50%</b>	<b>5.00</b>	<b>1,320.04</b>	<b>139%</b>	<b>13.90</b>	<b>1,834.86</b>

<sup>(1)</sup> Declared by Board of Directors in their 359<sup>th</sup> meeting held on 24.03.2017 and paid on 07.04.2017.

<sup>(2)</sup> Paid on 01.09.2016.

## B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Number of non-resident shareholders	3,343	2,507	NA	2,654	NA	2,740
Number of shares held by them of Face Value of ₹10 each	41,32,25,284	17,37,41,847	NA	17,00,05,752	NA	17,55,45,216
Gross amount of Dividend (₹in crore)	206.61	152.88	NA	76.50	NA	10.52

## 34. Other key financial parameters:

Description	As at 31.03.2017	As at 31.03.2016
Debt Equity Ratio	5.51	5.57
Net worth (₹in crore)	36,844.93	36,028.30

## 35. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

Items	As at 31.03.2017	As at 31.03.2016
(i) Capital Fund - a. Tier I (₹in crore)	33,837.70	33,569.76
b. Tier II (₹in crore)	6,373.62	6,225.97
(ii) Risk weighted assets along-with adjusted value of off balance sheet items. (₹in crore)	207,212.06	194,945.24
(iii) CRAR	19.41%	20.41%
(iv) CRAR - Tier I Capital	16.33%	17.22%
(v) CRAR - Tier II Capital	3.08%	3.19%
	During the year ended 31.03.2017	During the year ended 31.03.2016
(vi) Amount of subordinated debt raised as Tier-II capital (₹in crore)	-	-
(vii) Amount raised by issue of Perpetual Debt Instruments (₹in crore)	-	-

36. In the opinion of the management the value of current assets, loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at March 31, 2017.

37. The value of invoices raised pursuant to the contract agreement/ letter of award in respect of which no income has been recognised as per accounting policy of the Company and also no amount has been received from client i.e. unaccrued income (liability) amounting to ₹0.18 crore (previous year ₹3.31 crore) has been netted off from amount Receivable from clients (asset) amounting to ₹0.21 crore (previous year ₹3.63) respectively. During the year the company has adjusted an amount of ₹3.13 crore from unaccrued income and ₹3.42 crore from amount receivable from clients (asset) by making provision for the amount receivable from various clients for services to be provided which were not paid by the clients and were outstanding since long.

38. In respect of subsidiary companies, disclosures have been appropriately consolidated from their audited accounts and similarly in case of EESL (joint venture), from its unaudited accounts.

39. The Company does not transact in physical cash. Accordingly, no cash in Specified Bank Notes (SBN) was held or transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.

40 (I) Additional disclosures in accordance with RBI directions on Corporate Governance

(A) Reference may be made to Note Part - B for Significant Accounting Policies.

(B) Capital

Reference may be made to Note Part C - 35 for CRAR.

(C) Investments

(₹ In crore)

Sl. No.	Description	As at 31.03.2017	As at 31.03.2016
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	3,234.93	2,326.23
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	89.81	96.26
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	3,145.12	2,229.97
	(b) Outside India.		-
(2)	Movement of provisions held towards depreciation on investments.		
	(i) Opening balance	96.26	-
	(ii) Add : Provisions made during the year	86.59	96.26
	(iii) Less : Write-off / write-back of excess provisions during the year	93.04	-
	(iv) Closing balance	89.81	96.26

(D) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ In crore)

Sl. No.	Description	As at 31.03.2017	As at 31.03.2016
(i)	Notional principal of swap agreements	6,813.10	7,164.60
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	299.87	121.72
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book (obtained from counterparty banks)	299.87	121.72

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

- Company has put in place a Board approved Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.
- Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks and are managed through various derivative instruments.



c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

d. Reference may be made to Note Part B-8 for relevant accounting policy on derivative transactions.

IV. Quantitative Disclosures on Risk Exposure in Derivatives in respect of Loan Liabilities:

(₹ In crore)

Sl. No.	Particular	As at 31.03.2017		As at 31.03.2016	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging <sup>(1)</sup>	2,107.63	6,813.10	939.65	7,164.60
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	0.00	299.87	6.54	125.42
	b) Liability (-MTM)	68.41	0.00	181.39	3.70
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures <sup>(2)</sup>	6,405.68	6,296.24	10,070.22	8,587.86

<sup>(1)</sup>Interest rate derivatives include derivatives on Rupee liabilities of ₹6,164.60 crore (Previous year ₹7,164.60 crore).

<sup>(2)</sup>Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹291.83 crore (Previous year covering USD / JPY ₹701.09 crore).

**(E) Disclosures related to Securitization**

- I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitization as at 31.03.2017 (Previous year Nil).
- II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2017 (Previous Year Nil).
- III. Company has not undertaken any assignment transaction during the year ended 31.03.2017 (Previous Year Nil).
- IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2017 (Previous Year Nil).

**(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

(₹ In crore)

Description	Up to 30 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances <sup>(1)</sup>	3,659.65	614.22	615.82	8,245.75	19,288.09	39,150.62	38,370.57	135,697.34	245,642.05
Investments <sup>(2)</sup>	0.00	0.00	0.00	0.00	1,325.53	0.00	0.00	1,819.64	3,145.17
Borrowings <sup>(3)</sup>	5,890.79	3,820.00	1,036.40	7,101.00	9,131.58	58,350.85	48,153.21	60,930.73	194,414.56
Foreign Currency assets	5.03	0.00	0.00	0.00	0.00	0.00	0.00	255.09	260.12
Foreign Currency Liabilities	4.64	0.00	5.08	1,167.30	9.73	1,660.15	4,645.72	951.26	8,443.89

<sup>(1)</sup>Rupee Loan Assets

<sup>(2)</sup>Net of provision

<sup>(3)</sup>Rupee Liabilities

**(G) Exposures**

- I. Company does not have any exposure to real estate sector.
- II. Exposure to Capital Market:

(₹ In crore)

Sl. No.	Description	Amount as at 31.03.2017	Amount as at 31.03.2016
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);	1,428.78	519
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances (excluding loans where security creation is under process);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,772.39	1,744.13
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	6.15
	<b>Total Exposure to Capital Market</b>	<b>4,653.33</b>	<b>2,619.92</b>

## III. Details of financing of parent company products:

Company does not have a parent company.

## IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2016-17 and FY 2015-16.

## V. Unsecured Advances:

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil as at 31.03.2017 (Previous year Nil).

**(H) Registration obtained from other financial sector regulators:**

Nil.

**(I) Disclosure of Penalties imposed by RBI and other regulators**

During the year ended 31.03.2017, no penalty has been imposed on the Company by RBI and other regulators (Previous Year Nil).

**(J) Credit rating**

a. Ratings assigned by credit rating agencies and migration of ratings during the year:

Sl. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL AI+
2.	ICRA	ICRA AAA	ICRA AI+
3.	CARE	CARE AAA	CARE AI+
4.	SMERA (of PFCGEL)	SMERA AAA (Stable Outlook)	

No rating migration has taken place during the year.

b. Long term foreign currency issuer rating assigned to the Company as at 31.03.2017:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable
3.	Moody's	Baa3	Positive

**(K) Net Profit or Loss for the period, prior period items and changes in accounting policies**

Reference may be made to Part A-18 and C-23 of notes to accounts regarding prior period items and changes in accounting policies respectively.

**(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties**

Nil.

**(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard - 21 and 27. Reference may be made to Part C - 2 and Part C - 2.1 of notes to accounts in this regard.****(N) Provisions and Contingencies**

Reference may be made to Note Part C-21 for provisions and contingencies.

**(O) Draw Down from Reserves**

Reference may be made to Note Part C - 31 and Note - Part A - 2.

**(P) Concentration of Deposits, Advances, Exposures and NPAs**

a. **Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.**

b. **Concentration of Advances:**

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Advances to 20 largest borrowers	1,53,506.95	1,49,625.35
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	62.44%	62.60%

c. **Concentration of Exposures:**

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Exposure to twenty largest borrowers / customers	2,40,892.19	2,10,983.79
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	56.13%	56.20%

**d. Concentration of NPAs:**

(₹ In crore)

Description	As at 31.03.2017	As at 31.03.2016
Total Outstanding to top four NPA accounts	22,667.83	4,461.48

**e. Sector-wise NPAs:**

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2017, the percentage of Gross NPAs to total loan assets stands at 12.50% (Previous year 3.15%).

**(Q) Movement of NPAs in respect of Loan Assets**

(₹ In crore)

Sl. No.	Description	Year ended 31.03.2017	Year ended 31.03.2016
(i)	Net NPAs to Net Advances (%)	10.55	2.54
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	7,519.04	2,533.31
	(b) Additions during the year	24,573.14	8,385.58
	(c) Reductions during the year	1,389.97	3,399.85
	(d) Closing balance	30,702.21	7,519.04
(iii)	Movement of Net NPAs		
	(a) Opening balance	6,061.02	2,008.96
	(b) Additions during the year	20,536.65	7,111.93
	(c) Reductions during the year	1,251.70	3,059.87
	(d) Closing balance	24,345.97	6,061.02
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1458.02	524.35
	(b) Provisions made during the year	4,036.50	1,273.66
	(c) Write-off / write-back of excess provisions	138.27	339.99
	(d) Closing balance	5,356.25	1,458.02

**(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.****(S) Reference may be made to Note Part C-2.1 for list of Off-balance Sheet SPVs sponsored by the Company.****(T) Customer Complaints for FY 2016-17**

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

41. Disclosure so far as applicable in line with Paragraph 18 of RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016:

(₹ In crore)

Particulars		Amount as on 31.03.2017		Amount as on 31.03.2016			
		outstanding	overdue	outstanding	overdue		
<b>(1) Liabilities Side</b>							
<b>(1) Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:</b>							
(a)	Debentures : Secured	20,109.87	0.00	21,786.66	0.00		
	: Unsecured	170,800.80	0.00	150,552.50	0.00		
(b)	(i) Rupee Term Loans	2,000.00	0.00	11,000.00	0.00		
	(ii) Foreign Currency Loans	7,276.58	0.00	9,573.71	0.00		
(c)	Commercial Paper	0.00	0.00	5,286.37	0.00		
(d)	Short Term Borrowings	2,400.79	0.00	2,285.20	0.00		
<b>(2) Assets Side</b>							
<b>(2) Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :</b>		Principal Amount Outstanding as on 31.03.2017		Principal Amount Outstanding as on 31.03.2016			
(a)	Secured		168,881.39		148,095.16		
(b)	Unsecured		71,786.70		89,771.53		
<b>(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :</b>							
(i)	Lease assets including lease rentals under sundry debtors:						
(a)	Financial lease		194.32		204.09		
<b>(4) Break-up of Investments (Net of Provisions)</b>							
<b>Current Investments</b>							
1.	Quoted						
(i)	Shares						
	(a) Equity		1,071.02		410.74		
2.	Unquoted						
(i)	Shares						
	(a) Equity		254.51		0.00		
<b>Long Term Investments</b>							
1.	Quoted						
(i)	Shares						
	(a) Equity		12.00		12.00		
	(ii) Debentures and Bonds		1,800.00		1,800.00		
2.	Unquoted						
(i)	Shares						
	(a) Equity*		0.75		0.75		
	(b) Preference		-		-		
	(ii) Units of SIB Fund		6.15		6.15		
<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above: (as per applicable provisioning norms)</b>							
Category		Amount Net of Provisions (as on 31.03.2017)			Amount Net of Provisions (as on 31.03.2016)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1.	Related Parties						
(a)	Subsidiaries	0.00	243.49	243.49	0.00	190.46	190.46
(b)	Other related parties	0.04	0.46	0.50	0.03	0.36	0.39
2.	Other than related parties	169,075.67	71,542.75	240,618.42	148,299.22	89,580.71	237,879.93
	<b>Total</b>	<b>169,075.71</b>	<b>71,786.70</b>	<b>240,862.41</b>	<b>148,299.25</b>	<b>89,771.53</b>	<b>238,070.78</b>
<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>							
Category		As on 31.03.2017		As on 31.03.2016			
		Market value / Break up <sup>§</sup> or fair value or NAV	Book Value (Net of Provisions)	Market value / Break up <sup>§</sup> or fair value or NAV	Book Value (Net of Provisions)		
1.	Related Parties						
(a)	Subsidiaries	0.70	0.75	0.70	0.75		
(b)	Companies in the same group*	0.00	0.00	0.00	0.00		
2.	Other than Related Parties						
(i)	Quoted	3,170.10	2,883.02	2,292.10	2,222.74		
(ii)	Unquoted	331.47	707.36	6.30	6.15		
	<b>Total</b>	<b>3,502.27</b>	<b>3,591.13</b>	<b>2,299.10</b>	<b>2,229.64</b>		
<b>(7) Other Information</b>							
Particulars		Amount (as on 31.03.2017)		Amount (as on 31.03.2016)			
(i)	Gross Non-performing Assets						
(a)	Other than related parties		30,718.61		7,520.19		
(ii)	Net Non-performing Assets						
(a)	Other than related parties		25,345.95		6,061.17		
(iii)	Assets acquired in satisfaction of debt		341.10		0.00		

\*Book value as on 31.03.2016 excludes investment of ₹99.00 crore to subscribe 9,90,00,000 equity shares of face value of ₹10 of EESL (a JV Company).

§In case of negative break-up value, Nil value has been considered.

**42. Additional disclosure flowing from RBI schemes for dealing with stressed assets:****A. Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)**

{Figures in brackets ( ) are for previous year}

(Amount in ₹Crore)

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
1	928.06 (-)	- (-)	- (-)	- (-)	928.06 (-)	- (-)

**B. Disclosures on Change in Ownership outside SDR Scheme.**

{Figures in brackets ( ) are for previous year}

(Amount in ₹Crore)

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
1	- (-)	924.48 (-)	- (-)	- (-)	- (-)	924.48 (-)	- (-)	- (-)

**43. The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company's primary business is to provide finance for power sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.**

**44. Figures have been rounded off to the nearest crore of rupees with two decimals.**

**45. Figures for the previous period have been regrouped/reclassified wherever necessary, to confirm to current period classification.**

**Sd/-**  
**(MANOHAR BALWANI)**  
Company Secretary

For and on behalf of the Board of Directors

**Sd/-**  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892  
Signed in terms of our report of even date attached  
For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

**Sd/-**  
**(M. K. AGGARWAL)**  
PARTNER  
Membership No - 014956

**Sd/-**  
**RAJEEV SHARMA**  
Chairman & Managing Director  
DIN - 00973413

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

**Sd/-**  
**(SANJEEV CHANDNA)**  
PARTNER  
Membership No - 087354

Place : New Delhi  
Date : 29.05.2017





## POWER FINANCE CORPORATION LTD.

(A Government of India Undertaking)

Regd. Office : "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001

Tel. : 011-23456000, Fax : 011-23412545, Website : [www.pfcindia.com](http://www.pfcindia.com)

CIN : L65910DL1986GOI024862

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