पावर फाइनेंस कॉर्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)
(आई.एस.ओ. 9001:2015 प्रमाणित) (ISO 9001:2015 Certified)

No:1:05:138:II:CS
Dated: 17.08.2018

National Stock Exchange of India Limited, **Listing Department,** **Exchange Plaza,** **Bandra – Kurla Complex,** **Bandra (E)** **MUMBAI – 400 051.** नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड लिस्टिंग विभाग, एक्सचेंज प्लाजा, बांद्रा-कुर्ला कॉम्प्लेक्स, वांद्रे) पू(, मुंबई-400 051	**Bombay Stock Exchange Limited,** **Department of Corporate Services,** **Floor – 25,** **PJ Towers,** **Dalal Street,** **MUMBAI – 400 001.** बंबई स्टॉक एक्सचैंज लिमिटेड, कॉर्पोरेट सेवाएं विभाग, मंजिल-25, पी .जे .टावर्स, दलाल स्ट्रीट, मुंबई-400 001
Kind Attn.: Ms. Rehana Dsouza, **Asstt. Vice President**	**Kind Attn.: Mr. Iyer Gopalkrishnan,** **GM, Corporate Services.**
Fax No.: 022-26598237/38, **022-66418125/26/24**	**Fax No.: 022-22723121,** **022-22722037/39/41/61**

Sub: Annual Report of 32nd AGM of Power Finance Corporation Limited for the FY 2017-18.

Dear Sir/Madam,

Please find enclosed herewith soft copy of the Annual Report of Annual General Meeting of the Company for the financial year 2017-18, sent to shareholders.

Thanking you,

Yours faithfully,

For **Power Finance Corporation Ltd.**

(Manohar Balwani)
Company Secretary
mb@pfcindia.com

32nd ANNUAL REPORT 2017-18

Exploring Excellence Through Diversification



MAIDEN ISSUE OF US $ GREEN BONDS

54 EC BONDS

HIGHEST EVER FOREIGN BORROWINGS

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.

Table of Contents

02 Reference Information

03 Performance at a Glance

08 Letter to Shareholders

14 Notice

78 Directors' Profile

81 Report of the Board of Directors 2017-2018

138 Management Discussion and Analysis Report

145 Integrated Reporting

150 Report on Corporate Governance

172 Certificate on Corporate Governance

173 Business Responsibility Report

187 Secretarial Audit Report

193 Independent Auditors Report on the Standalone Financial Statement

201 Non Banking-Financial Companies Auditors Report

202 Comments of the C&AG

203 Balance Sheet

204 Profit & Loss Statement

205 Cash Flow Statement

267 Auditor's Report on the Consolidated Financial Statements

272 Comment of the C&AG on Consolidated Financial Statements

273 Consolidated Balance Sheet

275 Consolidated Profit & Loss Statement

276 Consolidated Cash Flow Statement

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*
Ballabhgarh-GN Transmission Company Limited*
Mohindergarh-Bhiwani Transmission Limited*
South-Central East Delhi Power Transmission Limited*
Bijawar- Vidarbha Transmission Limited*
Shongtong Karcham-Wangtoo Transmission 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. K. Aggarwal & Co., Chartered Accountants
Gandhi Minocha & 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
Website: www.karvycomputershare.com

Bankers

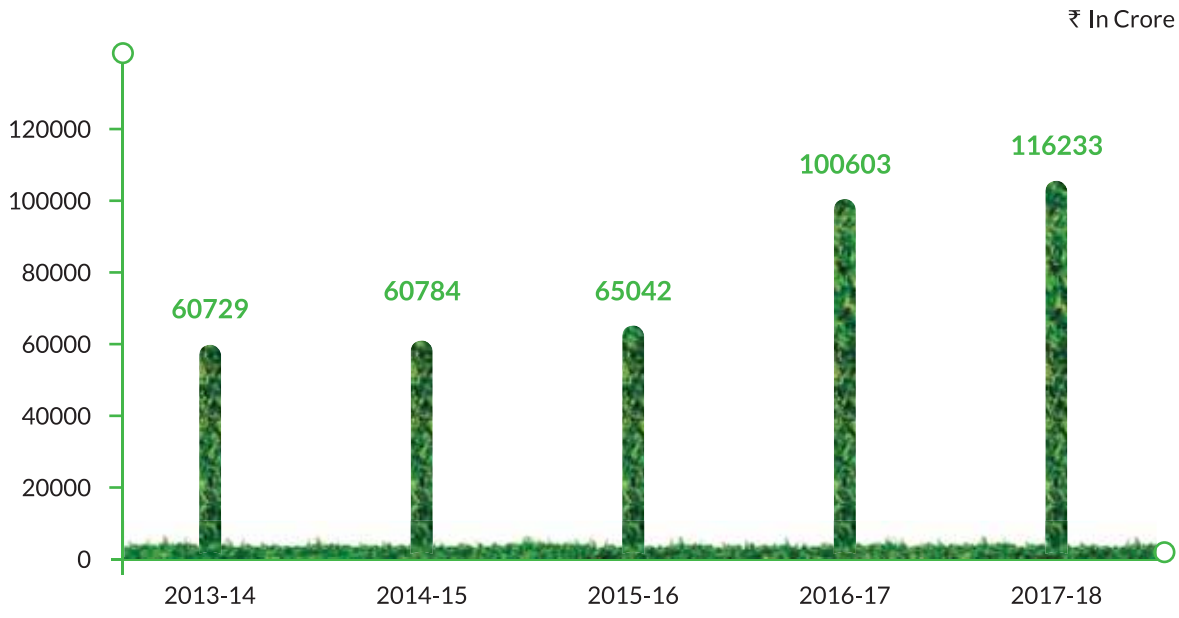
Reserve Bank of India
State Bank of India
Punjab National Bank
Bank of India
ICICI Bank
HDFC Bank

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

PERFORMANCE AT A GLANCE

	PARTICULARS	2013-14	2014-15	2015-16	2016-17	2017-18
I	**RESOURCES** (At the end of the Year) (₹ in Crore)					
	Equity Capital	1320	1320	1320	2640	**2640**
	Interest Subsidy Fund from GoI	124	111	107	110	**116**
	Reserves and Surplus	26055	30899	34446	33830	**37221**
	Borrowings:					
(i)	Foreign Currency Loans (incl. Foreign Currency Notes)	8926	9731	10776	8444	**18260**
(ii)	Bonds	126505	159393	171137	189743	**193829**
(iii)	Long Term Rupee Loans	22470	14585	11000	2000	**10525**
(iv)	Short Term Rupee Loans	1314	4064	7572	2401	**6925**
II	**FINANCING OPERATIONS** (During the Year) (₹ in Crore)					
	Loans Sanctioned	60729	60784	65042	100603	**116233**
	Loans Disbursed	47162	44691	46588	62798	**64414**
	Repayment by Borrowers to PFC	18822	16284	25826	19592	**25135**
	Repayment by PFC to Lenders	22231	34188	52735	65007	**49214**
III	**WORKING RESULTS** (For the Year) (₹ in Crore)					
	Total Income	21538	24907	27564	27019	**26738**
	Total Expenses	13979	16529	18504	21909	**18411**
	Profit Before Tax	7558	8378	9060	5110	**8327**
	Tax Expense	2141	2419	2947	2983	**2472**
	Profit After Tax	5418	5959	6113	2126	**5855**
IV	**NO. OF EMPLOYEES**	**446**	**450**	**467**	**499**	**498**

LOANS SANCTIONED

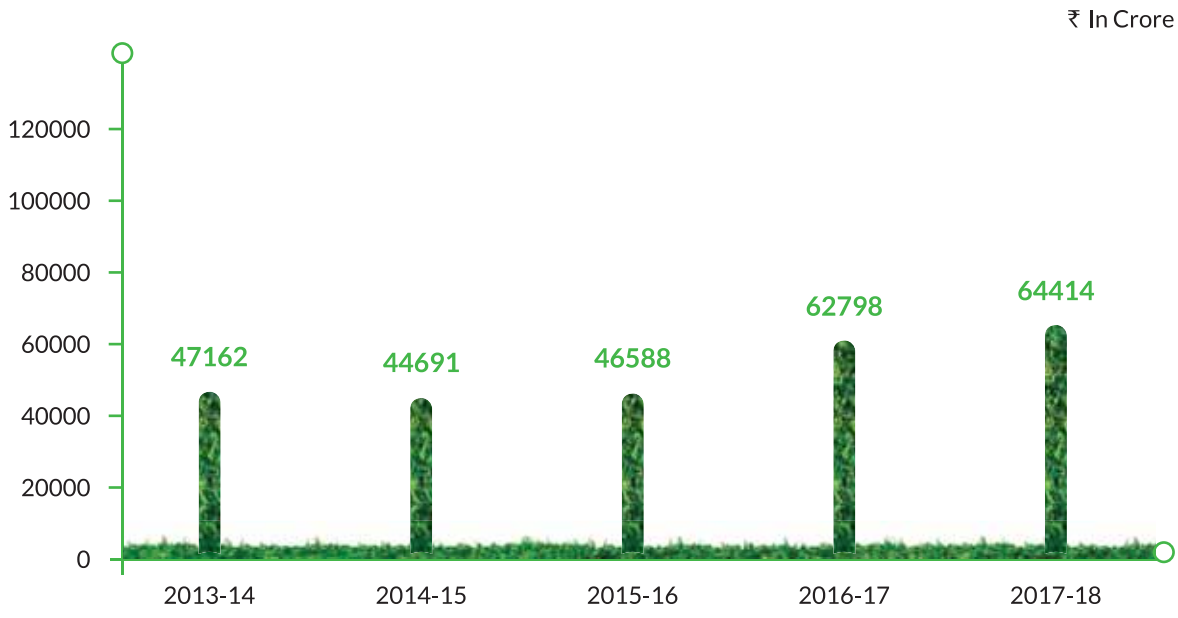


CUMULATIVE DISBURSEMENT

Sector-Wise

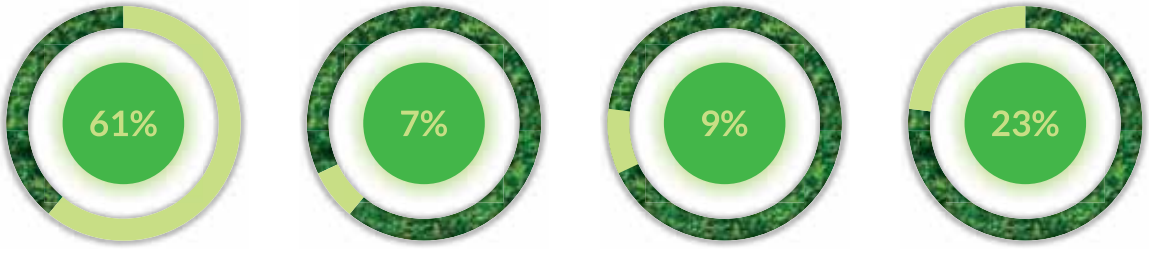


LOANS DISBURSED



CUMULATIVE DISBURSEMENT

Discipline-Wise

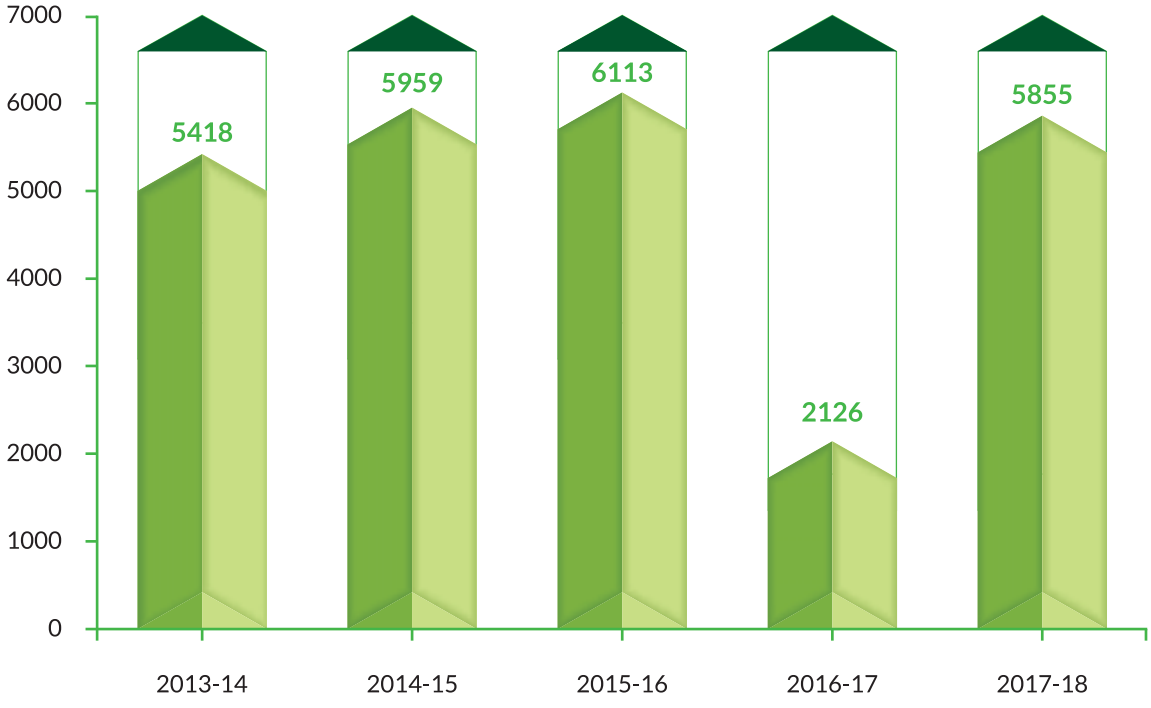


Generation | Transmission | Distribution | Others*

*Includes Transitional Finance, STL, BLC etc.

PROFIT AFTER TAX

₹ In Crore



COMPARISON OF KEY INDICATORS FY 18 VS. FY 17

₹ 2,78,915 cr.

14%

₹ 2,45,525cr.

Loan Assets (Gross)

23 bps

8.41%

8.18%

Cost of Funds

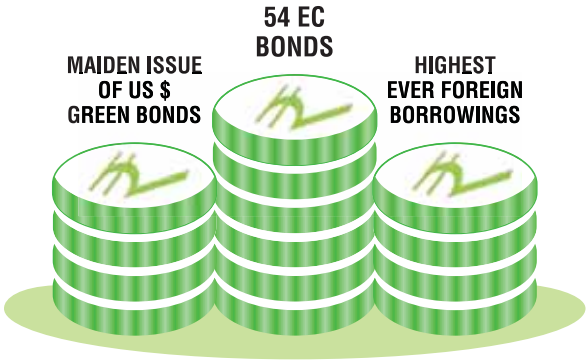
₹ 5,855 cr.

2.75 times

₹ 2,126 cr.

PAT

FINANCIAL YEAR HIGHLIGHTS



1

Total Loan Assets of ₹ 2,78,915 cr. as on 31.03.2018 – out of which 89% of the Loan Assets are regular in servicing of dues & no stress is envisaged

2

13% drop in Gross NPA – ₹ 30,702 cr. in FY 16-17 to ₹ 26,703 cr. in FY 17-18

3

PFC gets Government approval for issue of 54 EC Bonds – Captial Gain Tax Free Bonds in F Y 17-18

4

115% increase in outstanding foreign currency raisings - USD 1,302 million in FY 16-17 to USD 2,803 million in FY 17-18

5

USD 1,659 million equivalent (₹ 10,686cr.) of Foreign raisings made during FY17 - 18

- Green Bonds- USD 400 million
- Syndicated Loans - USD 800 million
- FCNR (B) Loans - USD 459 million

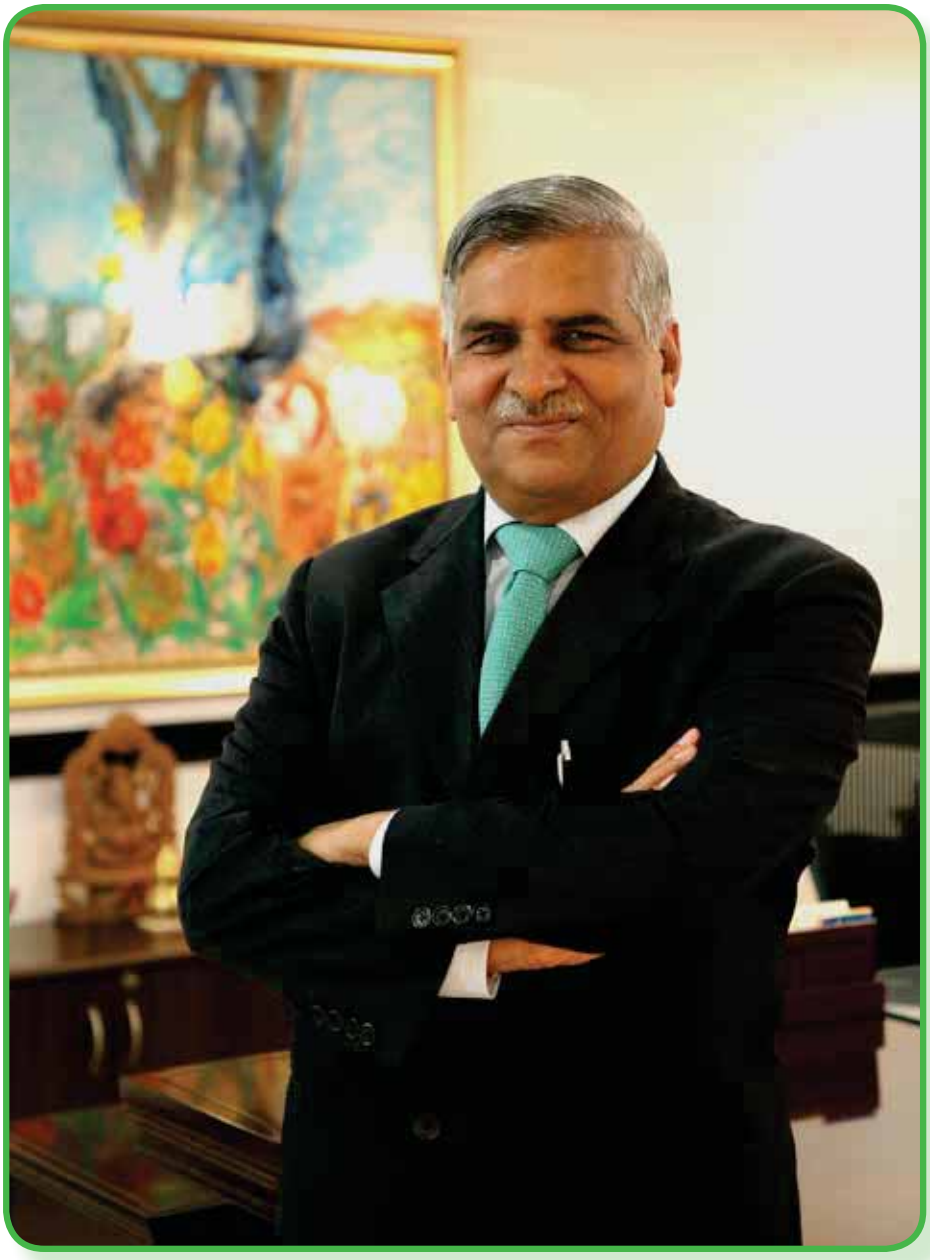
6

Refinancing/Re-pricing of Foreign Currency Loans to reduce borrowing cost

- USD 450 mn loan with average residual maturity of 3 years was refinanced during FY17 - 18
- For loans worth USD equivalent 650 million (approx.) possibility for refinancing/ re-pricing is being explored in FY18-19



LETTER TO SHAREHOLDERS



"This was a landmark year for PFC with our business witnessing highest ever sanctions & disbursements with quantum jump in renewables and refinancing business. Also there was a significant diversification in borrowings with maiden USD Green Bond listed on London Stock Exchange, significant increase in Foreign Currency Loans & launch of 54 EC Capital Gain Tax Bonds"

Rajeev Sharma
Chairman & Managing Director

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to the 32nd Annual General Meeting of your Company. It is indeed a privilege to share that your Company has completed 30 successful and glorious years of business operations. I thank the previous CMDs and Directors for making PFC as one of the prominent lenders in the financing sector. I would also like to take this opportunity to thank Ministry of Finance and Ministry of Power, Government of India to have granted the permission to your Company to raise funds through capital gains tax bonds under section 54 EC of Income Tax Act.

Last year was an important year for the Indian Economy. Indian Economy is already roaring back to recovery as landmark reforms like Goods and Services Tax (GST), Insolvency and Bankruptcy Code (IBC) and Real Estate Regulation Act (RERA) are yielding results. International rating agency Moody's upgraded India's rating by a notch in 2017-18, for the first time in 14 years, and changed the outlook from stable to positive. During the year, India also made impressive gains in the World Bank's global rankings on "Ease of Doing Business" as it moved up 30 notches, entering the league of top 100 performers. World Bank Group's latest report, "Doing Business 2018: Reforming to Create Jobs", recognized India as one of the top 10 improvers, having implemented 8 out of the 10 Doing Business Indicators. Successful implementation of the Government of India's flagship schemes like Mudra and Housing for All by 2022 has also added to the growth in GDP. Reserve Bank of India (RBI) has projected GDP growth rate at 7.4% in 2018-19. Meanwhile, the World Bank has pegged its growth forecast for India at 7.3% in 2018-19 and at 7.5% for next two years.

Along with the Indian Economy, India's electricity sector is going through a transformational phase, with growing emphasis on meeting power requirements from clean energy sources like solar and wind in order to contain the country's carbon footprint and support global community's fight against the climate change. India became a net exporter of electricity for the first time and 7,203 million units were supplied to Nepal, Bangladesh and Myanmar in the last financial year. India's rank improved to 29 in 2018 from 105 in 2013 on World Bank's 'Ease of Getting Electricity' Ranking. All un-electrified villages have been electrified and the government is gearing up to take electricity to every household and fulfill its promise of universal electricity access in the country by 31st December, 2018. India also emerged as the third largest solar market in the world in 2017 behind China and the US.

However, the conventional projects have faced rough weather over the last two years and this has posed quite a few challenges to your Company. However, we are happy to share that PFC continues to maintain its position as the lead financier in Indian Power Sector in spite of the vexing sector related issues and 'stressed assets' issue, which have been haunting the Banks and Financial Institutions for quite some time now. With the changing business paradigm, your company has realigned its strategy to maintain its dominant position in the power financing space. Your company made maiden venture into financing of the power components in irrigation projects of Telangana and funding of a Waste to Energy Project. Alongside, the Company has made significant jump of 260% in disbursements to renewable projects and almost 100% increase in refinancing business.



Senior PFC officials at the 'Listing Ceremony' of PFC's maiden USD 400 million Green Bond Issue. The Issue was listed on London Stock Exchange and Singapore Stock Exchange.

During the FY 2017-18, your Company posted a net profit of ₹ 5,855 crore with the loan assets registering a healthy double digit growth of 14% along with highest ever sanctions of ₹ 1,16,233 crore and highest ever disbursement of ₹ 64,414 crore. On the borrowing front, your Company borrowed ₹ 78,000 crore during the year and made significant headway in diversifying its borrowing portfolio by raising almost USD 1.7 billion in Foreign Currency Loans, which is 14% of borrowing in FY18. These loans included PFC's first ever Green Bond issue for USD 400 million, which was priced very competitively, FCNR(B) loans and syndicated loans. Your Company also managed to refinance its existing Foreign Currency Loans to reduce the cost of borrowing. The domestic borrowings portfolio was also diversified by raising funds through private placement of bonds and capital gain tax bonds under section 54 EC of the Income Tax Act. The domestic borrowings were at a competitive marginal cost of 7.37%, which were below the Reuters' benchmark rates. As a result of all these combined initiatives, Average Cost of Funds reduced by 23 basis points from 8.41% to 8.18%.

Your Company is a socially responsible corporate entity which is committed to improving the quality of life of the society at large by undertaking projects for Sustainable Developments, mainly focusing on fulfillment of power and energy needs of the society. Your Company has actively implemented wide range of CSR schemes in the field of solar energy, skill development, sanitation, health, environment sustainability and also contributed towards the cause of the differently abled section of the society. Out of the total CSR budget of about ₹ 150 crore for FY 2017-18, PFC has disbursed ₹ 118 crore. Your Company is already participating in Swachh Bharat Mission and contributing in the Swachh Bharat Kosh. Going forward, PFC's emphasis will also be on the social schemes of national interest.

Government of India has launched various initiatives for resolving issues confronting the sector. Ujwal DISCOM Assurance Yojana (UDAY) has led to improvement in operational and financial performance of DISCOMs with accrued savings of ₹ 20,000 crore by March 2018 on account of interest benefits due to takeover & restructuring of loans. Government aims to achieve the target to bring down the AT&C losses to the level of 15% by March 2019 from the current level of 18.75%.



The Ministry of Power, in association with PFC, organized an "Investor Interaction Meet" in Mumbai. Sitting on the dais were: (L to R) Shri Deepak Amitabh, CMD, PTC, Dr. P. V. Ramesh, CMD, REC, Shri Gurdeep Singh, CMD, NTPC, Shri Aniruddha Kumar, Jt. Secretary (Power), Shri Ajay Kumar Bhalla, Secretary (Power), Dr. Arun Kumar Verma, Jt. Secretary (Power), Shri Rajeev Sharma, CMD, PFC, Shri I. S. Jha, CMD, POWERGRID, Shri Balraj Joshi, CMD, NHPC, & Shri N. L. Sharma, CMD, SJVN.

Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) was launched for taking electricity to every household in the country. Over ₹ 16,000 crore has been allocated for the scheme, which envisages providing electricity connections to 4 crore families in rural and urban areas by December 2018, with free of cost electricity connections to Below Poverty Line (BPL) families. Demand is expected to be increased to the tune of 28,000 MW post implementation of this scheme. Also, under Deen Dayal Upadhyaya Gram Jyoti Yojana, 100% village electrification of all census villages has been achieved and it has translated into higher demand for power.

Integrated Power Development Scheme (IPDS), for which PFC is the Nodal Agency, has greatly helped improve billing and collection efficiency of the power utilities and we are able to do Energy Audit and instantly know the AT&C loss level of a particular town. There is a common complaint number '1912' which is operational in almost all the utilities of the country today. Your Company has sanctioned projects of ₹ 2,637 crore during FY 2017-18 and ₹ 28,671 crore cumulatively under IPDS. Disbursements were to the tune of ₹ 2,479 crore during FY 2017-18 and ₹ 5,139 crore cumulatively to the State Utilities for projects sanctioned under IPDS. Under R-APDRP, your Company has sanctioned projects of ₹ 37,523 crore cumulatively for 1,405 towns under Part-A IT, 59 towns under Part-A (SCADA) and 1,227 towns under Part-B of R-APDRP. Disbursements were ₹ 962 crore during FY 2017-18 and ₹ 11,150 crore cumulatively to the State Utilities for projects sanctioned under R-APDRP.

To tackle the issue of stressed assets in Power Sector, GoI had launched the SHAKTI scheme to provide coal to the stressed power projects. SHAKTI covers projects which have PPAs but do not have Fuel Supply Agreements in place and also those which do not have PPAs. The objective of this scheme is to eliminate the stress in generation utilities. Also, a Pilot Scheme for mid-term PPA for stressed projects has been launched by the Ministry of Power for which PFCCL, our subsidiary Company is the Nodal Agency and PTC is the aggregator to purchase power for three years from commissioned projects with no PPA. Bids for 1900 MW were received from eligible bidders at a tariff of ₹ 4.24 per unit. These initiatives will help the projects to sell power on consistent basis and resolve the stress going forward.

Other initiatives have also been taken in the sector to tackle stress like introduction of 'SAMADHAN', 'PARIWARTAN' and SASHAKT schemes. Further, Govt. of India has also formed a High Level Empowered Committee to resolve Power Sector issues which is headed by the Cabinet Secretary to the Government of India along with other key officials. Also, Inter-Creditor Agreement has been signed between lenders, which will expedite the decision making process in the consortium and therefore help in expeditious resolution of stress.



Shri D. Ravi, Director (Commercial), Shri C. Gangopadhyay, Director (Projects), Shri Rajeev Sharma, CMD, and Shri N. B. Gupta, Director (Finance) at the "Investor Interaction Meet" held at BSE, Mumbai.

Government of India aims to add 175 GW of renewable capacity by 2022 involving an estimated investment of ₹ 6 lakh crore. PFC targets to tap significant market share of this business opportunity. Additionally, your Company intends to diversify its loan portfolio, which includes sewage treatment plants, coal mining, railways electrification, funding smart cities infrastructure, electric charging infrastructure for promoting e-vehicles, battery manufacturing units for solar projects, mini and micro grid for distributed generation and schemes for energy efficiency improvements etc. Your Company is also targeting refinancing business of commissioned assets.

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.

I am extremely thankful to the shareholders, who have reposed faith in us. My sincere and heartfelt thanks go out to the Hon'ble Union 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 & Managing Director
DIN: 00973413



Shri Rajeev Sharma, CMD, PFC receiving the prestigious Amar Ujala "CSR Award" from Shri Piyush Goyal, Union Minister of Railways & Coal and Shri Vijay Goel, Union Minister of State of Parliamentary Affairs, Statistics & Programme Implementation.



Shri R. K. Singh, Union Minister of State (I/c) for Power and New & Renewable Energy handing over the keys of the Electric Car to Shri Rajeev Sharma, CMD, PFC in presence of Secretary (Power), Shri Ajay Kumar Bhalla and other senior officials of the Ministry of Power and EESL.

POWER FINANCE CORPORATION LIMITED

CIN : L65910DL1986GOI024862
Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi - 110001, India
Tel: +91 11 23456000, Fax: +91 11 23412545, Email id: investorsgrievance@pfcindia.com
Website: www.pfcindia.com

NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the members of Power Finance Corporation Limited will be held on **Tuesday, the September 11, 2018 at 10:30 AM** at Talkatora Indoor Stadium, Talkatora Garden, New Delhi 110004 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements including consolidated financial statements of the Company for the financial year ended March 31, 2018, the Reports of the Board of Directors and Auditors thereon.
2. To confirm interim dividend as total dividend for the financial year 2017-18.
3. To appoint a Director in place of Shri Chinmoy Gangopadhyay (DIN:02271398), who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS

5. To appoint Smt. Gouri Chaudhury, 76 years (DIN: 07970522), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Smt. Gouri Chaudhury, 76 years (DIN: 07970522), who was appointed as Independent Director, by the President of India through Ministry of Power vide letter no.20/8/2016-Coord.(Vol-II) dated September 22, 2017 and subsequently appointed as an Additional Director by the Board of Directors with effect from November 3, 2017 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and the Company has received a notice in writing from Smt. Gouri Chaudhury, specifying her candidature for the office of a director of the Company, be and is hereby appointed as Independent Director of the Company, on terms & conditions determined by the Govt. of India."

6. To raise funds upto ₹ 65,000 crore through issue of Bonds/Debentures/notes/debt securities on Private Placement basis in India and/or outside India and in this regard to consider and if thought fit, to pass, with or without modification(s), following resolutions as **Special Resolutions:**

   "**RESOLVED THAT** pursuant to provisions of section 42 of Companies Act 2013, read with rule 14(2) of Companies (Prospectus and Allotment of Securities), Rule 2014 approval be and is hereby accorded for raising of funds by way of private placement of secured/unsecured, redeemable, non-convertible, taxable/tax free, senior/subordinated bonds/debentures/notes/debt securities in India and/or outside India to the extent of ₹ 65,000 crore during the period of one year from the date of current AGM."

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized, to make offer(s) or invitation(s) to subscribe to private placement of secured/unsecured, redeemable, non-convertible, taxable/tax free, senior/subordinated bonds/debentures/notes/debt securities ("Bonds") in India and/or outside India to the extent of ₹ 65,000 crore during the period of one year from the date of current AGM and to do all such acts, deeds and things as may be deemed necessary in respect of issue of bonds

including but not limited to the face value, issue price, issue size, timing, amount, security, coupon/interest rate, yield, listing, allotment and other terms and conditions of issue bonds as they may, in their absolute discretion deem necessary."

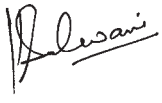
"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolutions."

7. To approve scheme of arrangement for Amalgamation of PFC Green Energy Limited (Transferor Company) with Power Finance Corporation Limited (Transferee Company) and their respective shareholders and creditors under sections 230-232 of Companies Act, 2013, read along with Rules made there under and Notification No. G.S.R. 582 (E), Dated 13th June, 2017 of Ministry of Corporate Affairs and in this regard to consider and if thought fit, to pass, with or without modification(s), following resolutions as **Special Resolutions:**

"**RESOLVED THAT** pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made there under (including any statutory modification or re-enactment thereof) read with Notification no. G.S.R. 582 (E) dated 13th June, 2017 issued by Ministry of Corporate Affairs as may be applicable and subject to the provisions of the Memorandum of Association and Article of Association of the Company and subject to such other approvals, permissions and sanctions of Ministry of Corporate Affairs as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by Ministry of Corporate Affairs or other authorities while granting consents, approvals and permissions which may be agreed to by the Board of Directors of the Company ("Board") which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution, the arrangement embodied in the Scheme of Arrangement for Amalgamation of PFC Green Energy Limited (Transferor Company) with Power Finance Corporation Limited (Transferee Company) and their respective shareholders and creditors ("Scheme"), placed before this meeting and initialed by the Competent Authority for the purpose of identification, be and is hereby approved."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to above resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Ministry of Corporate Affairs while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

By order of the Board of Directors



Manohar Balwani
Company Secretary

Registered office:
Urjanidhi, 1, Barakhamba Lane,
Connaught Place, New Delhi- 110001
CIN: L65910DL1986GOI024862
Date: 03.08.2018

NOTES:-

1. A Member entitled to attend and vote at the Annual General Meeting ("Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a Member of the Company. The instrument appointing a proxy duly completed, stamped and signed should, however, be deposited at the registered office of the Company, not less than forty eight hours before the commencement of the Meeting. Blank proxy form is enclosed and can also be obtained free of charge from the registered office of the company. Proxy so appointed shall not have any right to speak at the meeting.

2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

3. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Meeting.

4. Every member entitled to vote at the meeting or on any resolution to be moved there at, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention to inspect is given to the company.

5. In compliance with provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is offering Remote E- voting facility to all the Shareholders of the Company in respect of items to be transacted at this Meeting. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for AGM. The user-id & password is mentioned at the bottom of the Attendance Slip/email forwarded through the electronic notice. Procedure and Instructions for Remote e-voting are given hereunder. All members are requested to read those instructions carefully before casting their e-vote.

Further, the facility for voting through electronic voting system/ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by Remote E-voting shall be able to exercise their right at the meeting.

The Company has appointed Shri Sachin Agarwal, Practicing Company Secretary (FCS No. : 5774, C.P No. : 5910) to act as the Scrutinizer, to scrutinize the remote e-voting process and electronic voting system/ballot or polling paper voting process at the meeting in a fair and transparent manner.

Procedure and Instructions for remote e-voting

I. Launch an internet browser and open https://evoting.karvy.com.

II. Initial Password is provided, as follows, at the bottom of the Attendance Slip/E-mail.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
4019	For Members holding shares in Demat Form:- Event no. followed by: For NSDL :- 8 Character DP ID followed by 8 Digits Client ID For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the Company	Your Unique password is printed on the Attendance Slip sent via email forwarded through the electronic notice.

(a) In case of Members receiving an e-mail from Karvy [applicable to members whose email IDs are registered with the Company / Depository Participant(s)]:

(i) Enter the login credentials (i.e. User ID and password). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

(ii) After entering the above details Click on - Login.

(iii) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.

(iv) On successful login, the system will prompt you to select the E-Voting Event of Power Finance Corporation Limited.

(v) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

(vi) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

(vii) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

(viii) You may then cast your vote by selecting an appropriate option and click on "Submit".

(ix) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

(x) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID: sachinag1981@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

(b) In case of Members receiving physical copy of the Notice of AGM and Attendance Slip (applicable to members whose email IDs are not registered with the Company/Depository Participant(s) or are requesting physical copy)

(i) Enter the login credential (please refer to the USER ID and initial password mentioned in the attendance slip of the AGM).

(ii) Please follow all steps from Sr. No. (ii) to Sr. No. (x) above, to cast vote.

III. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website https://evoting.karvy.com or contact Mr. B. Srinivas , Manager (Unit: POWER FINANCE CORPORATION LIMITED) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at /einward.ris@karvy.com and evoting@karvy.com or Phone no. 040–6716 2222 or call Karvy's toll free No. 1-800-3454-001 for any further clarifications.

IV. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.

V. The voting rights shall be as per the number of equity share held by the Member(s) as on cut-off date i.e September 03, 2018. Members are eligible to cast vote only if they are holding shares as on that date.

VI. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at 10.00 a.m. on September 08, 2018 and will end at 5.00 p.m. on September 10, 2018. The e-voting module shall be disabled by Karvy at 5.00 p.m. on the same day.

VII. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

VIII. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

IX. Members who have not voted through remote e-voting can cast their vote at the venue.

X. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

XI. Members who have acquired shares after the dispatch of the Annual Report and before the cut-off date i.e. September 03, 2018, may obtain the User ID and Password for exercising their right to vote by electronic means as follows:

a. If the e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID:

The member may send SMS: MYEPWD <space> Event number+Folio No. or DP ID Client ID to **9212993399**

Example for NSDL : MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXX1234567890

OR

The member may go to the home page of https://evoting.karvy.com, and click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

b. Member may call Karvy's toll free number 1-800-3454-001

c. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

XII. The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.

XIII. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.pfcindia.com) and on Karvy's website (https://evoting.karvy.com) and shall also be communicated to BSE Limited and National Stock Exchange of India Limited.

XIV. Kindly note that a person who is not a member of the Company as on the Cut-off date should treat this Notice for Information Purposes Only.

XV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

6. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

7. As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile of Shri Chinmoy Gangopadhyay, Director retiring by rotation and seeking re-appointment under item no. 3 and of Smt. Gouri Chaudhury seeking appointment under Item no. 5 of the notice in accordance with applicable provisions of the Companies Act, 2013 is forming part of the notice.

8. Members are requested to:-
   i. note that copies of Annual Report will not be distributed at the Annual General Meeting.
   ii. deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Auditorium will be strictly on the basis of the Entry Slip available at the counters at the venue to be exchanged with the Attendance Slip.
   iii. quote their Folio/Client ID & DP ID Nos. in all correspondence.
   iv. note that due to strict security reasons brief cases, eatables and other belongings are not allowed inside the auditorium.
   v. note that no gifts/coupons will be distributed at the Annual General Meeting.
   vi. note that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Board of Directors in its meeting held on November 3, 2017 and February 26, 2018 had declared 1st interim dividend @ 60% (₹ 6.00 per share) and 2nd interim dividend @ 18% (₹ 1.80 per share) on the paid-up equity share capital of the company, which was paid on November 23, 2017 and March 19, 2018 respectively. Members who have not received or not encashed their dividend warrants may approach Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company (RTA), for revalidating the warrants or for obtaining duplicate warrants.
10. The Register of Members and Share Transfer Books of the Company will remain closed from September 01, 2018 to September 11, 2018 (both days inclusive).
11. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. Therefore, Members are advised to encash their Dividend warrants immediately on receipt. The details of investors' (whose payment is due) are available on MCA website (Form 5 INV) as well as Company's website so as to enable the investors to claim the same.
12. The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including annual report can be sent by e-mail to the members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their email id, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold the shares in physical form are requested to get their e-mail id registered with Karvy, RTA of the Company.
13. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may obtain and send the ECS Mandate Form to Karvy, RTA of the Company. Those holding shares in Electronic Form may obtain and send the ECS Mandate Form directly to their Depository Participant (DP). Those who have already furnished the ECS Mandate Form to the Company/RTA/DP with complete details need not send it again.
14. The shareholders holding shares in physical form and do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy, RTA of the Company to enable them to print these details on the dividend warrants.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. It has also made mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of transfers and for securities market transactions and off-market/private transactions involving transfer of shares of listed companies in physical form. Accordingly, members holding shares in physical form can submit their PAN to the Company/Karvy, RTA of the Company.
16. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or Karvy, RTA of the Company alongwith relevant Share Certificates.

17. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and/or change in address and bank account, to Karvy, RTA of the Company.
18. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or reappointed by the Comptroller and Auditor General of India (C&AG) and in pursuant to Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. The Comptroller and Auditor General of India has appointed M. K. Aggarwal & Co., Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants as Joint Statutory Auditors of the Company for the FY 2018-19 under section 139 of the Companies Act, 2013. The members may authorize the Board of Directors to fix an appropriate remuneration of Auditors for the FY 2018-19 as may be deemed fit by the Board.
19. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to Karvy, RTA of the Company in the prescribed form. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
20. Member who hold shares in physical form are requested to notify immediately any change in their addresses to the Karvy, RTA of the Company and to their respective depository participants, in case shares are held in electronic mode.
21. Members desirous of getting any information on financial statements and any other business of this Meeting are requested to address their queries to Company Secretary of the Company at the registered office of the Company at least fifteen days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
22. All relevant documents referred to in the accompanying notice and Statutory Registers are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.
23. The entire Annual Report is also available on the Company's website www.pfcindia.com.
24. The Route Map to Talkatora Indoor Stadium is enclosed herewith.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE.

Item No. 5

The following statement sets out the material facts relating to the special business mentioned in item No.5 of the accompanying Notice:

Smt. Gouri Chaudhury, 76 years was appointed as Independent Director of the Company by the President of India through Ministry of Power vide Letter no.20/8/2016-Coord. (Vol-II) dated September 22, 2017 issued by Ministry of Power for a period of three years w.e.f. date of notification of her appointment or until further orders whichever is earlier, and was appointed as an Additional Director by the Board of Directors with effect from November 3, 2017 to hold office upto this Annual General Meeting. The Company has received a notice in writing from Smt. Gouri Chaudhury pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying her candidature for the office of Independent Director. The terms and conditions regulating the appointment of Smt. Gouri Chaudhury would be as determined by the Government of India.

Further, under the newly inserted Regulation 17(1A) under SEBI (Listing Obligatios and Disclosure Requirements) (Amendment) Regulations, 2018, a listed company shall continue the directorship of a person as a non-executive director who has attained the age of 75 years by passing a special resolution. PFC being a Government Company, pursuant to the articles of association of the Company the directors on the board of PFC are appointed by President of India, through Ministry of Power, Government of India. It may be noted that Smt. Gouri Chaudhury was appointed by the President of India through Ministry of Power, Government of India at the age of 75 years for a period of three years. Accordingly, a special resolution is proposed.

Her brief resume, inter-alia, giving nature of expertise in specific functional area is being provided which forms part of this notice.

Smt. Gouri Chaudhury, is concerned and interested, in the resolution.

Further, no other Directors or Key Managerial Personnel or their relatives have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

The Board recommends the resolution given at Sr. No. 5 of this notice for your approval as Special Resolution.

Item No. 6

The following statement sets out the material facts relating to the special business mentioned in item No. 6 of the accompanying Notice:

The Company is a notified public financial institution under the provisions of the Companies Act, 2013 and a systemically important non-deposit taking Non-Banking Financial Company classified as an Infrastructure Finance Company by the Reserve Bank of India. The Company is engaged in providing financial assistance to Power Utilities for meeting financing and development requirements of the Power Sector. To meet its fund requirement, PFC has been raising the funds by way of issuance of bonds, term loans from Banks/FIs and ECBs etc.

The main constituents of the Company's borrowings are generally in the form of Public/Private Placement of Long/ Short Term Taxable bond/Tax free bond/Infrastructure Bonds/Zero Coupon Bonds/ Subordinated bond/other bonds, ECB by way of Syndicated Loan/Line of Credit, Long-term, Medium term and Short term loans (including commercial paper). The provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 mandate the Company to seek approval of shareholders by means of a Special Resolution for raising funds through private placement of non-convertible debentures.

In terms of above applicable provisions, the shareholders had accorded approval in last AGM held on September 20, 2017 for raising of funds through non-convertible debentures to the extent of ₹ 65,000 crore during the period of one year from the date of AGM (i.e. September 20, 2017 to September 19, 2018).

The Board of Directors in their Meeting held on July 24, 2018 has subject to the approval of shareholders, accorded approval for raising of funds by way of private placement of bonds/debentures/notes/debt securities in India and/or outside India to the extent of ₹ 65,000 crore during the period of one year from the date of current AGM.

The Board of Directors has also sought approval from the shareholders that the Board (including any committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be authorized for raising of funds by way of private placement of bonds/debentures/notes/debt securities in India and/or outside India to the extent of ₹ 65,000 crore during the period of one year from the date of current AGM.

Further, the Board of Directors has also sought approval from the shareholders that the Board (including any committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be authorized, to make offer(s) or invitation(s) to subscribe to private placement of secured/unsecured, redeemable, nonconvertible, taxable/tax free, senior/subordinated bonds/debentures/notes/debt securities ("Bonds") in India and/or outside India to the extent of ₹ 65,000 crore during the period of one year from the date of current AGM and to do all such acts, deeds and things as may be deemed necessary in respect of issue of bonds including but not limited to the face value, issue price, issue size, timing, amount, security, coupon/interest rate, yield, listing, allotment and other terms and conditions of issue bonds as they may, in their absolute discretion deem necessary.

The Board further recommends the Resolution given at Sr. No.6 of this notice for your approval as Special Resolution.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

Item No. 7

The following statement sets out the material facts under sections 230(3), 231(1) and (2) of the Companies Act, 2013 read with rule 6 of the companies (compromises, arrangements and amalgamations) rules, 2016 relating to the special business mentioned in item No. 7 of the accompanying Notice:

The Board of Directors of PFC Green Energy Limited (PFCGEL) and Power Finance Corporation Limited (PFC) accorded its in-principle approval for merger of PFCGEL with PFC in its 35th and 350th meeting held on 18.07.2016 and 09.08.2016 respectively. Thereafter, a scheme setting out in detail the terms and conditions of the arrangement for the proposed Amalgamation between "PFC Green Energy Limited (Transferor Company) with Power Finance Corporation Limited (Transferee Company)" and their respective shareholders was approved by the Board of Directors

of the respective Companies at its meeting held on 25.08.2017 and 29.09.2017 respectively and is attached to this explanatory statement as Annexure-1 and forms part of this statement.

This Annual General Meeting of the Equity Shareholders of Power Finance Corporation Limited (hereinafter referred to as the "Transferee Company" as the context may admit), is being convened also for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation among PFC Green Energy Limited (Transferor Company) with Power Finance Corporation Limited (Transferee Company) and their respective shareholders ("Scheme"), under Sections 230 to 232 of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment or amendment thereof) read with the rules issued there under and Notification No. G.S.R. 582 (E), Dated 13th June, 2017 of Ministry of Corporate Affairs.

Further, an application along with the scheme was filed with Ministry of Corporate Affairs (MCA) with respect to aforesaid merger on 09.05.2018 and approval of equity shareholders is being sought subject to direction of MCA in this regard.

OVERVIEW

i. The Scheme envisages the Arrangement between the Applicant Companies under Sections 230-232 of the Companies Act 2013, with effect from 01.04.2017.

ii. The Transferor Company is wholly owned subsidiary of the Power Finance Corporation Limited (Transferee Company) a 'Navratna' Central Public Sector Enterprise, under the Ministry of Power, Government of India. Hence, in terms of section 2(45) of the Companies Act, both Transferor and Transferee Companies are 'Government Companies'. The Ministry of Corporate Affairs vide Notification No. G.S.R. 582 (E), Dated 13th June, 2017 provided that for Government Companies the word "Tribunal", wherever it occurs, shall be substituted with "Central Government" in Chapter XV, sections 230 to 232 of the Companies Act, 2013. Hence, this scheme is subject to the approval of the Central Government.

iii. BACKGROUND

Details of PFC GREEN ENERGY LIMITED (Transferor Company)

a) **"PFC GREEN ENERGY LIMITED"** (Transferor Company) is a Public limited company incorporated on 30.03.2011, under the provisions of Companies Act, 1956.

b) Corporate Identification Number (CIN): U65923DL2011GOI216796.

c) Details about name change: Power Finance Corporation Green Energy Limited to PFC Green Energy Limited.

d) Permanent Account Number (PAN) : AAGCP1323C

e) Registered office of the Transferor Company is situated at 'URJANIDHI', 1, Barakhamba Lane, Connaught Place, New Delhi -110001.

f) The objects of the Transferor Company:

The Transferor Company is registered as a Non–banking Finance Company (NBFC) and received its NBFC certificate from Reserve Bank of India (RBI) on October 1, 2012. The Transferor Company provides financial assistance to all types of renewable energy and energy efficiency projects.

The Transferor Company was incorporated as wholly owned subsidiary of Power Finance Corporation Limited (Transferee Company) as extended arm of Power Finance Corporation Limited (Transferee Company) to provide financial services to promote green (renewable and non-conventional) sources of energy. The main objects are as under:

(i) Financial Support for Generating green (Renewable and Non-conventional sources of) Energy.

(ii) Financial Support for Energy Efficiency and Conservation.

(iii) Financial Support to Equipment Manufacturers in the area of green (Renewable and Non-conventional sources of) Energy.

(iv) To promote green (Renewable and Non-conventional sources of) Energy.

(v) To give financial assistance through lease finance for green (Renewable and Non-conventional sources of) Energy.

(vi) To finance Renovation and Modernization of projects in the area of green (Renewable and Non-conventional sources of) Energy.

(vii) To finance schemes for revival/betterment of green (Renewable and Non-conventional sources of) Energy.

(viii) To undertake Evaluation.

(ix) To finance for surveys, studies & research activities with various aspects of Technology in Energy Development & Supply through Renewable and Non-conventional sources of Energy.

(x) To assist pilot projects.

(xi) To assist CDM projects.

(xii) To promote, organize and carry on consultancy services in the related activities of the company.

The copy of Memorandum of Association (MoA) and Article of Association (AoA) are open for inspection.

g) The authorized, issued, subscribed and paid up share capital of the Transferor Company, as on 31st March, 2017 is as follows:

Authorized Capital:	
100,00,00,000 Equity Shares of ₹ 10/- each	10,00,00,00,000
20,00,00,000 Preference Shares of ₹ 10/- each	2,00,00,00,000
Issued, Subscribed and Paid up Share Capital:	
10,00,00,000 Equity Shares of ₹. 10/- each	100,00,00,000
20,00,00,000 Preference Shares of ₹ 10/- each	200,00,00,000
Total	**300,00,00,000**

Details of POWER FINANCE CORPORATION LIMITED (Transferee Company):

a) **"POWER FINANCE CORPORATION LIMITED"** (Transferee Company) is Listed Public Limited Company incorporated on 16.07.1986 under the provisions of the Companies Act, 1956.

b) Details about name change : Not Applicable

c) Corporate Identification Number (CIN): L65910DL1986GOI024862

d) Permanent Account Number (PAN): AAACP1570H

e) Registered office of the Company is situated at 'URJANIDHI', 1, Barakhamba Lane, Connaught Place, New Delhi -110001.

f) The objects of the Transferee Company:

The Transferee Company is registered as a Non–banking Finance Company (NBFC) and received its NBFC certificate from Reserve Bank of India (RBI) on 10.02.1998 and was classified as an Infrastructure Finance Company by the RBI on 28th July, 2010. Power Finance Corporation Limited 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. The Company is engaged in Power Sector financing and the integrated development of the power and associated sectors. The main objects are as under:

(i) To finance power projects.

(ii) To finance power transmission and distribution works.

(iii) To finance renovation and modernisation of power plants.

(iv) To finance system improvement and energy conservation.

(v) To finance maintenance and repair of capital equipment etc.

(vi) To finance survey and investigation.

(vii) To finance studies, schemes and experiments.

(viii) To finance other energy sources.

(ix) To promote and organise consultancy services.

(x) To finance manufacturing of Capital equipments.

(xi) To finance activities having forward and backward linkage to Power Projects.

The copy of Memorandum of Association (MoA) and Article of Association (AoA) are open for inspection.

g) The authorized, issued, subscribed and paid up share capital of the Transferee Company as on 31st March, 2017 is as follows:-

Authorized Capital:	
1000,00,00,000 Equity Shares of ₹ 10/- each	10000,00,00,000
Issued, Subscribed and Paid up Share Capital:	
264,00,81,408 Equity Shares of ₹ 10/- each	2640,08,14,080
Total	**2640,08,14,080**

iv. OBJECTS AND RATIONALE FOR THE SCHEME

The Transferor Company is wholly owned subsidiary of Transferee Company and engaged in similar nature of business. In order to consolidate the similar nature of business at one place and effectively manage the Transferor Company and Transferee Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Transferor Company be amalgamated with Transferee Company.

The independent operations of the Transferor Company and Transferee Company leads to incurrence of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.

The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Company and Transferee Company.

The synergies created by scheme of arrangement would increase operational efficiency and integrate business functions.

The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues, product and service range.

The other benefits of the proposed amalgamation include:

- Optimum and efficient utilization and rationalization of capital, resources, assets and facilities;
- Enhancement of competitive strengths including financial resources;
- Obtaining synergy benefits;
- Better management and focus on growing the businesses;
- Reduction of overheads, administrative, managerial and other expenditure;
- Simplify shareholding structure and reduce shareholding tiers.

The members are requested to read the entire text of the Scheme attached herewith to get fully acquainted with the provisions thereof. What is stated hereinabove, are brief salient features of the said Scheme.

v. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificate issued by the Statutory Auditors of the Transferor Company and Transferee Company, are open for inspection.

vi. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the PFC Green Energy Limited (Transferor Company) and Power Finance Corporation Limited (Transferee Company) have adopted the requisite report and is enclosed as Annexure-2 and Annexure-3 respectively.

vii. No investigation proceedings have been instituted or are pending in relation to the Companies under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the Companies.

viii. To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.

ix. The audited Financial Statements as on 31.03.2018 of PFC Green Energy Limited (Transferor Company) are enclosed as Annexure-4 and audited Financial Statements as on 31.03.2018 of Power Finance Corporation Limited (Transferee Company) are available in the annual report for the financial year 2017-18.

x. As per the books of accounts (as on 09.05.2018) of PFC Green Energy Limited (Transferor Company) and Power Finance Corporation Limited (Transferee Company), the amount due to the unsecured creditors is ₹ 205.28 crores and ₹ 2,06,573 crores respectively.

xi. As per the books of accounts (as on 09.05.2018) of PFC Green Energy Limited (Transferor Company) and Power Finance Corporation Limited (Transferee Company), the amount due to the secured creditors is ₹ NIL and ₹ 20,407.12 crores respectively.

xii. The paid up share capital of the Transferor Company (as on 04.05.2018) is ₹ 300 crores comprising of ₹ 10 crores equity shares of ₹ 10 each and ₹ 20 crores Fully Convertible Preference Shares of ₹ 10 each. PFC Green Energy Limited (Transferor Company) is a wholly owned subsidiary of Power Finance Corporation Limited (Transferee Company) and entire shareholding of the Transferor Company is held in the name of Transferee Company directly or through its nominees.

xiii. The paid up share capital of the Transferee Company (as on 04.05.2018) is ₹ 2640,08,14,080 comprising of 264,00,81,408 equity shares of ₹ 10/- each, out of which 174,02,16,107 shares is held by President of India amounting to 65.91% of the total paid up share capital of the transferee company.

xiv. The details of Director and KMP of the Transferor Company (as on 20.07.2018) are as follows:-

Sl. No.	Name of Director and KMP	Address	Total Number of Equity Shares	% of total number of shares
1.	Shri Rajeev Sharma	Q-8, Hauz Khas Enclave, New Delhi	NIL	N.A.
2.	Shri Chinmoy Gangopadhyay	12, Medha Apartments, Mayur Vihar Phase-I Extn. Delhi - 110091	100	0
3.	Shri Naveen Bhushan Gupta	110, Madhur Jeewan Apartment, Plot no.34, Sector-10, Dwarka, New Delhi - 110075	NIL	N.A.
4.	Shri Dinesh Vij	Flat No. 42, Sector-9, PKT-1, Dwarka, Phase-1, New Delhi-110075	NIL	N.A.
5.	Shri Alok Sud	D-55, Anand Niketan, New Delhi-110021	NIL	N.A.
6.	Smt. Rachna Singh	B-1004 Exotica Elegance Ahinsa Khand Indirapuram Ghaziabad - 201010	NIL	N.A.

xv. The details of Director and KMP of the Transferee Company (as on 20.07.2018) are as follows:-

Sl. No.	Name of Director and KMP	Address	Total Number of Equity Shares	% of total number of shares
1.	Shri Rajeev Sharma	Q-8, Hauz Khas Enclave, New Delhi	32574	0
2.	Shri Chinmoy Gangopadhyay	12, Medha Apartments, Mayur Vihar Phase-I Extn. Delhi - 110091	21488	0
3.	Shri Naveen Bhushan Gupta	110, Madhur Jeewan Apartment, Plot no.34, Sector-10, Dwarka, New Delhi - 110075	24584	0
4.	Dr. Arun Kumar Verma	E-203, Deen Dayal Upadhyay Marg, New Delhi - 110002	NIL	N.A.
5.	Shri Sitaram Pareek	501, Satyaprasad CHSL, Dixit Cross Road No.1, Vile Parle (E) Mumbai	NIL	N.A.
6.	Smt. Gouri Chaudhury	1/62 Dover Place, Ballygunge, Circus Avenue Kolkata West Bengal - 700019	NIL	N.A.
7.	Shri Manohar Balwani	Flat no- 20, PKT- D/10, Sector -7, Rohini Delhi - 110085	NIL	N.A.

xvi. Transferor Company is wholly owned subsidiary of Transferee Company, hence in consideration of amalgamation, Transferee Company will not issue its share accordingly there will be no impact of shareholding pattern of Transferee Company.

xvii. INSPECTION OF DOCUMENTS

Following documents are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.

i. Copies of Memorandum and Article of Association of Transferor Company and Transferee Company;

ii. Copies of Annual Reports of Transferor Company and Transferee Company for the financial year ended on 31st March, 2018;

iii. Register of Director's Shareholding of Transferor Company and Transferee Company;

iv. Copy of the Statutory Auditors' certificate of the Transferor Company and Transferee Company dated 18.06.2018 and 19.06.2018 respectively confirming scheme is in compliance with the Accounting Standard prescribed under section 133 of the Companies Act, 2013;

v. Copy of the Board Resolution approving scheme by the Board of Transferor Company and Transferee Company dated 25.08.2017 and 29.09.2017 respectively.

The Board further recommends the Resolution given at Sr. No.7 of this notice for your approval as Special Resolution.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT 32nd AGM UNDER ITEM NO. 3 and 5

Name	Shri Chinmoy Gangopadhyay	Smt. Gouri Chaudhury
Date of Birth and Age	03.04.1959/59	19.02.1942/76
Qualification	Graduate in Electrical Engineering from IIT Kharagpur and MBA from FMS, Delhi University.	Masters in English
Date of Appointment	01.01.2017	03.11.2017
Terms and Conditions of Appointment	Appointed as Director (Projects) by President of India through Ministry of Power for a period of 5 years with effect from January 1, 2017 or till the date of his superannuation or until further orders, whichever is the earliest.	Appointed as Independent Director by President of India through Ministry of Power for a period of 3 years with effect from date of notification of her appointment or until further orders, whichever is the earliest.
Remuneration	As per Terms of appointment issued by President of India through Ministry of Power.	Nil
Expertise in Functional Areas	He has more than 37 years of experience in Power Sector, serving organizations like NTPC, PFC (including PFCCL). He has been with PFC for more than 29 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, a wholly owned subsidiary of PFC.	She is M.A. in English and Sangeet Prabhakar (Sitar). She is a Social Worker and has been a member of the Telephone Advisory Board (TAC) and Member of Film Censor Board.
Number of Meetings of the Board held during the year and number of Board Meetings attended	12/12	6/6
Relationship with any other Director, Manager and other KMP of the Company	Nil	Nil
Number of shares held in the Company	21488	Nil

Name	Shri Chinmoy Gangopadhyay	Smt. Gouri Chaudhury
Directorship in other companies	• PFC Consulting Limited – Director • Orissa Integrated Power Limited – Chairman • Chhattisgarh Surguja Power Limited – Chairman • Tatiya Andhra Mega Power Limited – Chairman • Power Equity Capital Advisors Private Limited – Director • PFC Capital Advisory Services Limited – Additional Director • PTC India Limited – Director • PFC Green Energy Limited – Additional Director • PTC India Financial Services Limited- Director	Nil
Chairman/ Membership of committees* across all public companies	• Power Finance Corporation Limited- Member, Audit Committee & Stakeholders Relationship and Shareholder'/ Investor' Grievance Committee • PFC Green Energy Limited – Member, Audit Committee	Power Finance Corporation Limited- Member, Audit Committee & Stakeholders Relationship and Shareholder'/Investor' Grievance Committee

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

ITEM NO. 7 (Annexure 1)

SCHEME OF ARRANGEMENT FOR AMALGAMATION BETWEEN PFC GREEN ENERGY LIMITED (TRANSFEROR COMPANY) AND POWER FINANCE CORPORATION LIMITED (TRANSFEREE COMPANY) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS FOR AMALGAMATION OF PFC GREEN ENERGY LIMITED (TRANSFEROR COMPANY) WITH POWER FINANCE CORPORATION LIMITED (TRANSFEREE COMPANY) UNDER SECTION 230 - 232 OF THE COMPANIES ACT, 2013

Parts of the Scheme:

1. **Part I –** This part of Scheme contains Definitions, Capital Structure of the Transferor Company and Transferee Company.
2. **Part II –** This part of Scheme deals with Amalgamation of the Transferor Company with the Transferee Company in accordance with Section 230 - 232 of the Companies Act, 2013.
3. **Part III -** This part of Scheme deals with the Accounting Methodology adopted for the Amalgamation.
4. **Part IV -** This part of Scheme contains other terms and conditions applicable to the Scheme.

SCHEME OF ARRANGEMENT BETWEEN PFC GREEN ENERGY LIMITED (TRANSFEROR COMPANY) AND POWER FINANCE CORPORATION LIMITED (TRANSFEREE COMPANY) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS PREAMBLE

A. An overview of Scheme of Arrangement

- This Scheme of Arrangement is presented under the provisions of Section 230-232 of the Companies Act, 2013 and applicable Rules of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for amalgamation of PFC Green Energy Limited ('Transferor Company') with Power Finance Corporation Limited ('Transferee Company').
- The Transferor Company is wholly owned subsidiary of Transferee Company hence, in consideration Transferee Company will not issue any shares under the scheme of Arrangement. The existing shareholding of Transferee Company in Transferor Company will get cancelled pursuant to the scheme of Arrangement.
- In addition, this Scheme of Arrangement also provides for various others matter consequential or otherwise integrally connected herewith.

B. Background and Description of Companies

1. **PFC Green Energy Limited or PFCGEL or Transferor Company** bearing CIN U65923DL2011GOI216796 was originally incorporated on March 30, 2011 in accordance with the provisions of the Companies Act, 1956 as Power Finance Corporation Green Energy Limited, subsequently the Company has changed its name to its existing name i.e. PFC Green Energy Limited on July 21, 2011. The registered office of the Transferor Company is situated at Urjanidhi, 1 Barakhamba Lane, Connaught Place, New Delhi -110001. The Transferor Company is registered as a Non–banking Finance Company (NBFC) and received its NBFC certificate from Reserve Bank of India (RBI) on October 1, 2012. The Transferor Company provides financial assistance to all types of renewable energy and energy efficiency projects.

   The Transferor Company was incorporated as wholly owned subsidiary of Power Finance Corporation Limited (Transferee Company) as extended arm of Power Finance Corporation Limited (Transferee Company) to provide financial services to promote green (renewable and non-conventional) sources of energy.

2. **Power Finance Corporation Limited or PFCL or Transferee Company** bearing CIN L65910DL1986GOI024862 was incorporated on July 16, 1986 in accordance with the provisions of Companies Act, 1956. The registered office of the Transferee Company is situated at Urjanidhi, 1

Barakhamba Lane, Connaught Place, New Delhi -110001. The Transferee Company is registered as a Non–banking Finance Company (NBFC) and received its NBFC certificate from Reserve Bank of India (RBI) on 10.02.1998 and was classified as an Infrastructure Finance Company by the RBI on 28th July,2010.

Power Finance Corporation Ltd. 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. The company is engaged in Power Sector financing and the integrated development of the power and associated sectors.

C. OBJECTS AND RATIONALE FOR THE SCHEME

- The Transferor Company is wholly owned subsidiary of Transferee Company and engaged in similar nature of business. In order to consolidate the similar nature of business at one place and effectively manage the Transferor Company and Transferee Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Transferor Company be amalgamated with Transferee Company.

- The independent operations of the Transferor Company and Transferee Company leads to incurrence of significant costs and the amalgamation would enable economies of scale by attaining critical mass and achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.

- The amalgamation will contribute in furthering and fulfilling the objectives and business strategies of both the companies thereby accelerating growth, expansion and development of the respective businesses through the Transferee Company. The amalgamation will thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this arrangement would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Companies and Transferee Company.

- The synergies created by scheme of arrangement would increase operational efficiency and integrate business functions.

- The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the asset base, revenues, product and service range.

- The other benefits of proposed amalgamation includes:

  (a) Optimum and efficient utilization and rationalization of capital, resources, assets and facilities;

  (b) Enhancement of competitive strengths including financial resources;

  (c) Obtaining synergy benefits;

  (d) Better management and focus on growing the businesses;

  (e) Reduction of overheads, administrative, managerial and other expenditure;

  (f) Simplify shareholding structure and reduce shareholding tiers.

D. Due to the aforesaid reasons, it is considered desirable and expedient to amalgamate Transferor Company with Transferee Company in accordance with this Scheme, pursuant to Section 230 read with section 232 and other relevant provisions of the Companies Act, 2013 and applicable Rules of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

E. The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, under Sections 230–232 and other relevant provisions of the Companies Act, 2013, shall take place with effect from the Appointed Date and shall be in compliance with Section 2(1B) of the Income Tax Act, 1961.

F. The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, under Section 230-232 and other relevant provisions of the Companies Act, 2013, shall take place with effect from the Appointed Date and shall be in compliance with Section 2(1B) of the Income Tax Act, 1961.

PART-I
GENERAL PROVISIONS

1. Definitions

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the same meanings as set out herein below:

1.1. **"Act":** means the Companies Act, 2013, or the Companies Act, 1956 (to the extent applicable) and will include any statutory modifications, re-enactments or amendments thereof.

1.2. **"Appointed Date":** means April 1, 2017, the date with effect from which this scheme shall come into effect or such other date(s) as may be fixed or approved by the Central Government or Tribunal or any other competent authority.

1.3. **"Board" or "Board of Directors":** in relation to the Transferor Company and Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee of directors, if any constituted or appointed and authorized to take any decision for the implementation of this scheme on behalf of such Board of Directors.

1.4. **"BSE"** shall mean BSE Limited.

1.5. **"Effective Date":** means the date on which the certified copy of the order(s) of the Ministry of Corporate Affairs under Sections 230 - 232 of the Act sanctioning the Scheme, is filed with the Registrar of Companies.

Any references in this Scheme to the words *"upon the Scheme becoming effective"* or *"effectiveness of this Scheme"* or *"date of coming into effect of the Scheme"* or *"Scheme coming into effect"* shall mean the Effective Date.

1.6. **"Equity Share(s)"** means the equity shares of the Transferor Company or Transferee Company, as the case may be.

1.7. **"Government Company"** has the meaning ascribed to such term in the Companies Act, 2013.

1.8. **"IT Act"** means the Income Tax Act, 1961 and any other statutory modifications, amendments, restatements or re-enactments thereof, from time to time and to the extent in force.

1.9. **"Law" or "Applicable Law"** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, Tribunal, Board, Court of India or any other country or jurisdiction as applicable.

1.10. **"Listing Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modification or any enactment thereof.

1.11. "MCA" means the Ministry of Corporate Affairs, Government of India.

1.12. "MCA Notification" means Ministry of Corporate Affairs Notification No. G.S.R. 582 (E), Dated 13th June, 2017 in which the word "Tribunal", wherever it occurs, the words "Central Government" shall be substituted in Chapter XV, sections 230 to 232 of the Companies Act, 2013.

1.13. NSE shall mean National Stock Exchange of India Limited.

1.14. "Official Liquidator" or "OL": means Official Liquidator having jurisdiction over the Transferor Company and Transferee Company.

1.15. "Record Date": means date fixed by the Board of Directors or a committee thereof of the Transferee Company for the purpose of determining the members of Transferor Company and the Transferee Company approving the scheme of Amalgamation.

1.16. Regional Director: means the Regional Director (Northern Region), Ministry of Corporate Affairs at New Delhi.

1.17. "Registrar of Companies" or "RoC": means the Registrar of Companies at NCT of Delhi and Haryana at New Delhi.

1.18. "Rules": means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

1.19. "Scheme" or "Scheme of Amalgamation": means this Scheme of Arrangement for Amalgamation of PFC Green Energy Limited ('Transferor Company') with Power Finance Corporation Limited ('Transferee Company') under Sections 230 -232 of the Companies Act, 2013 as approved by the Board of Directors of both the Companies in its present form and with any modifications and amendment as may be made from time to time and with appropriate approvals and sanction of the Ministry of Corporate Affairs and other relevant regulatory authorities as may be required under Companies Act, 2013 as applicable and all other applicable laws.

1.20. "SEBI" means Securities and Exchange Board of India.

1.21. "SEBI Notification" means Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15th February, 2017 which provide no prior approval from SEBI / Stock exchange in case of merger between holding and wholly owned subsidiary Company, such draft schemes shall be filed with the stock exchanges for the purpose of disclosures.

1.22. "Stock Exchanges" shall mean BSE Limited (BSE) , NSE Limited (NSE) or any other stock exchange, where equity shares of Power Finance Corporation Limited are currently listed/may be listed.

2. Date of Effect and Operative Date

The Scheme setout herein in its present form or with any modification(s), if any made as per Clause 5 of Part –IV of this Scheme shall be effective from the Appointed Date but shall come into force from the Effective Date.

3. CAPITAL STRUCTURE:

The Capital Structure of Transferee Company and Transferor Company as on appointed date i.e. 1st April, 2017 and immediately before implementation of the scheme are as under:

3.1. Power Finance Corporation Limited : As on the Appointed Date i.e. April 1, 2017, the share capital of the Transferee Company was as under:

Authorized Capital:	
1000,00,00,000 Equity Shares of ₹ 10/- each	10000,00,00,000
Issued, Subscribed and Paid up Share Capital:	
264,00,81,408 Equity Shares of ₹ 10/- each	2640,08,14,080
Total	**2640,08,14,080**

There is no change in the capital structure of the Transferee Company after the Appointed Date.

3.2. PFC Green Energy Limited : As on the Appointed Date i.e. April 1, 2017, the share capital of the Transferor Company was as under:

Authorized Capital:	
100,00,00,000 Equity Shares of ₹ 10/- each	10,00,00,00,000
20,00,00,000 Preference Shares of ₹ 10/- each	2,00,00,00,000
Issued, Subscribed and Paid up Share Capital:	
10,00,00,000 Equity Shares of ₹ 10/- each	100,00,00,000
20,00,00,000 Preference Shares of ₹ 10/- each	200,00,00,000
Total	**300,00,00,000**

There is no change in the capital structure of the Transferee Company after the Appointed Date.

PART-II

AMALGAMATION, TRANSFER & VESTING OF UNDERTAKING

1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of Transferor Company shall, in terms of Section 230 and 232 of Companies Act, 2013 and other applicable Rules, and pursuant to the orders of the Ministry of Corporate Affairs (Central Government) or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, stand transferred and vested in and/or deemed to be transferred to and vested in Transferee Company as a going concern so as to become the undertaking(s), properties and liabilities of Transferee Company.

2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of Transferor Company shall stand transferred to and be vested in Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be, in the following manner:

3. TRANSFER OF ASSETS

3.1 With effect from the Appointed Date and upon the Scheme becoming effective all memberships, licenses, franchises, rights, privileges, permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, trade mark licenses including application for registration of trade mark, patents, copyrights and their right to use available to Transferor Company as on appointed date or any which may be taken after the appointed date but till the effective date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

3.2 With effect from the Appointed Date and upon the Scheme becoming effective all Certificate of Registrations as available with Transferor Company as on Appointed Date or any which may be taken by Transferor Company after the Appointed Date but till the Effective Date shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

3.3 With effect from the Appointed Date and upon the Scheme becoming effective all the assets of Transferor Company as are movable in nature including, sundry debtors, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, pre-paid taxes, levies/liabilities, CENVAT/ VAT credits if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all others assets would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

3.4 With effect from the Appointed Date and upon the Scheme becoming effective all incorporeal properties of Transferor Company as on Appointed Date or any which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

3.5 With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Company or Transferee Company.

3.6 With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Ministry of Corporate Affairs (Central Government) and the Scheme becoming effective in accordance with the terms hereof.

3.7 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Company to which the Transferor Company are the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.

3.8 With effect from the appointed date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Company to which Transferor Company is the party or to the benefit of which Transferor Company may be eligible and which are subsisting or having effect immediately before the effective date, shall be enforceable as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto.

3.9 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Company or granted to Transferor Company shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of Transferee Company upon the vesting of Transferor Company Businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Company shall vest in and become available to Transferee Company pursuant to this scheme.

3.10 With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Company shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Company, without any further instrument, deed or act or any further payment of fee, charge or securities.

4. TRANSFER OF LIABILITIES

4.1 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of Transferor Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company.

4.2 Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by Transferor Company after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.

4.3 The transfer and vesting of the entire business and undertaking of Transferor Company as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of Transferor Company, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Company vested in Transferee Company pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Company which shall vest in Transferee Company by virtue of the amalgamation of Transferor Company with Transferee Company and Transferee Company shall not be obliged to create any further or additional security there for after the amalgamation has become operative.

4.4 Transferee Company will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Company to which Transferor Company are parties, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of Transferor Company.

4.5 Loans or other obligations, if any, due either between Transferee Company and Transferor Company shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.

5. LEGAL PROCEEDINGS

5.1 With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Company.

Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor Company pending in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to Transferor Company or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Company; and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company.

5.2 If any suit, appeal or other proceedings of whatever nature by or against Transferor Company be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Company businesses and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company as if this Scheme had not been made.

6. EMPLOYEE MATTERS

On occurrence of the Effective Date, all persons that were employed by Transferor Company immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Company immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Company with any union/employee thereof. With regard to Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund or obligation created or existing for the benefit of such employees of Transferor Company upon occurrence of the Effective Date, Transferee Company shall stand substituted for Transferor Company, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by Transferor Company for their employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, Transferee Company will make the necessary contributions for such transferred employees of Transferor Company and deposit the same in Provident Fund, Gratuity Fund or Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Company in relation to such schemes or funds shall become those of Transferee Company.

7. TAXATION AND OTHER MATTERS

7.1 With effect from the Appointed Date, all the profits or income accruing or arising to Transferor Company, and all expenditure or losses arising or incurred by Transferor Company shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/service tax/excise, etc. and to claim refund/credits and/or set off all amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Company which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the sales tax returns and to claim refunds/credits are expressly reserved in favour of Transferee Company.

7.2 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credit for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and/or set off of all amounts paid by the Transferor Company or the Transferee Company under the relevant laws relating to Income Tax, Value Added Tax, Service Tax, Central Sales Tax, Goods and service Tax or any other tax, as may be required consequent to the implementation of the Scheme.

7.3 Transferee Company shall be entitled to revise its all Statutory returns relating to Direct taxes like Income Tax and Wealth Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of Transferor Company under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.

7.4 It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Company including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/ claims/TDS Certificates as the case may be of Transferee Company.

7.5 From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Company in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/ demat accounts of Transferor Company in their existing names.

7.6 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of Transferor Company shall stand transferred by the order of the Ministry of Corporate Affairs to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning Ministry of Corporate Affairs.

8. Conduct of Business

I. With effect from the Appointed Date and till the Scheme come into effect:

a. Transferor Company shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for Transferee Company; and all the profits accruing to Transferor Company and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company.

b. Transferor Company shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto, and Transferor Company shall not alter or substantially expand their businesses except with the concurrence of Transferee Company.

c. Transferor Company shall not, without the written concurrence of Transferee Company, alienate charge or encumber any of their properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company, as the case may be.

d. Transferor Company shall not vary or alter, except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of Transferee Company.

e. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Company as on the close of business on the date preceding the Appointed Date, whether or not provided in their books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company.

II. Upon the Scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by Transferor Company.

III. For the purpose of giving effect to the vesting order passed under Sections 230 - 232 of the Companies Act, 2013 in respect of this Scheme by the Ministry of Corporate Affairs, Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon the vesting of the Transferor Company businesses and undertakings in accordance with the provisions of Section 230 - 232 of the Companies Act, 2013. Transferee Company shall be authorized to execute any pleadings; applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

PART-III

CONSIDERATION & ACCOUNTING TREATMENT

1. CONSIDERATION

I. Upon the Scheme coming into effect, all equity shares and preference shares of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Company.

II. Upon coming into effect of this Scheme, the shares or the share certificates of the Transferor Company in relation to the shares held by the Transferee Company, as the case may be shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered.

2. INCREASE IN AUTHORIZED SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF THE TRANSFEREE COMPANY

2.1 Upon the Scheme becoming effective, the Authorized Share Capital of the Transferor Company shall be deemed to be added to the Authorized Share Capital of the Transferee Company without any further act, deed or procedure, formalities or payment of any stamp duty and registration fees. The Face Value of equity shares shall remain same as of the Transferee Company after increase of the Authorized Capital.

2.2 Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

The equity share capital of the company is ₹ 112,000,000,000 (Rupees Eleven Thousand Two Hundred Crores) divided into 11,000,000,000 (One Thousand One Hundred Crores) equity shares of ₹ 10/-(Rupees Ten) each and 200,000,000 (Twenty Crores) Preference Shares ₹ 10/-(Rupees Ten) each.

2.3 On approval of the Scheme by the members of Transferee Company pursuant to Section 230-232 of the Companies Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 14, 61 and other applicable provisions of Companies Act, 2013 as may be applicable for the purpose of amendment of the Memorandum of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Sections 13, 14 and 61 of the Companies Act, 2013 for amendment of the Memorandum of Association of the Transferee Company.

3. ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per the "Accounting Standard 14: Accounting for Amalgamations" as prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Ministry of Corporate Affairs or the "Indian Accounting Standard (Ind AS) 103 for Business Combination" prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015, (if applicable), as may be amended from time to time such that:

3.1 The Transferee Company shall, record all the assets and liabilities, including Reserves of the Transferor Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Company on the Appointed Date.

3.2 If at the time of amalgamation, the Transferor Company and the Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Transferee Company following the amalgamation. The effect on the financial statements of any change in accounting policies shall be reported in accordance with applicable Accounting Standard 5, 'Prior Period and Extraordinary Items and changes in accounting policies'.

3.3 Investment, if any, in the equity share capital of the Transferor Company as appearing in the books of accounts of the Transferee Company, if not transferred before the Effective Date, shall stand cancelled and there shall be no further obligation/outstanding in that behalf.

3.4 The loans and advance or payables or receivables of any kind, held inter-se, if any between the Transferor Company and the Transferee Company, as appearing in its respective books of accounts shall stand discharged prior to Effective Date.

4. Saving of Concluded Transactions

The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Company as envisaged in above shall not affect any transaction or proceedings already concluded by Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Transferor Company accept and adopts all acts, deeds and things done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on behalf of itself.

5. Dissolution of Transferor Company

On occurrence of the Effective Date, Transferor Company shall, without any further act or deed, shall stand dissolved without winding up.

PART - IV
OTHER PROVISIONS

1. Application to Ministry of Corporate Affairs :

1.1 In terms of Ministry of Corporate Affairs Notification No. G.S.R. 582 (E), Dated 13th June, 2017 issued in term of Section 462 of the Companies Act, 2013 read with Rule 3(1) of the Government of India (Allocation of Business) Rules, 1961 Ministry of Corporate Affairs ('MCA') has exclusive jurisdiction under the provisions of Companies Act, 2013 with respect of "Government Companies". Since both the Transferor Company and Transferee Company are government companies, MCA has the jurisdiction to hear, consider and sanction this scheme.

1.2 Upon this scheme being approved by the requisite majority of the shareholders and creditors of the Transferor Company and Transferee Company, the Transferor Company and Transferee Company shall with all reasonable dispatch, file application before the MCA for sanction of this scheme under section 230 - 232 and other applicable provisions of the Companies Act, 2013, and for such other order or orders, as the MCA may deem fit for sanctioning the/giving effect to this scheme. Upon this scheme becoming effective, the shareholders and creditors of both the Transferor Company and Transferee Company, shall be deemed to have also accorded their approval under all the relevant provisions of the Companies Act, 2013, for giving effect to the provisions contained in this Scheme.

2. Listing Agreement and SEBI Compliances

2.1. Since the Transferee Company is a listed company, this Scheme is subject to the compliances of all the requirements under the Listing Regulations and other statutory directives of the Securities Exchange Board of India insofar as they relate to sanction and implementation of the Scheme.

2.2. SEBI vide Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15th February, 2017 has amended the Listing Regulations and relaxed the requirement of obtaining prior approval or No objection letter/ observation letter of the Stock Exchanges and SEBI in case of merger of wholly owned subsidiary with its holding Company. The schemes shall be filed with the BSE Limited and NSE Limited for disclosure purpose in compliance with the above notification.

3. Conditionality of Scheme:

The Scheme is conditional upon and subject to:

(a) The Scheme is in compliance with the applicable provisions of the Companies Act, 2013, The SEBI Regulations, so far as it relates to scheme involving listed company, the regulations of Reserve Bank of India in as much as applicable to the Non-banking Finance Companies and such other laws as may be applicable to the Companies or the scheme of arrangement;

(b) The Scheme being agreed to by the respective requisite majority of members and creditors of Transferor Company and Transferee Company;

(c) The Scheme being approved by the Central Government through MCA;

(d) All certified copies of the order(s) of the MCA sanctioning this Scheme being filed with the Registrar of Companies of relevant jurisdiction;

(e) This Scheme although to come into operation from the Appointed Date shall not become effective until the necessary certified copies of the order(s) under Sections 230 to 232 of the Act shall be duly filed with the Registrar of Companies of relevant jurisdiction.

4. Modification or Amendment of the Scheme and Revocation of the Scheme

a. The Transferee Company, Transferor Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Ministry of Corporate Affairs or other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable. The Transferee Company and the Transferor Companies, by their respective Board of Directors, or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of the Ministry of Corporate Affairs or of any directive or order(s) of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

b. Transferor Company and Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Ministry of Corporate Affairs or any other authority is not on terms acceptable to them.

c. In the event of any of the said sanctions/approvals/conditions referred hereinabove not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Ministry of Corporate Affairs and/or order or orders not being passed as aforesaid and/or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn-up orders with any authority could have adverse implication on all/any of the companies.

5. Costs

All costs, charges, fees, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by Transferee Company.

ITEM NO. 7 (Annexure 2)

ADOPTION OF REPORT BY BOARD OF DIRECTORS OF PFC GREEN ENERGY LIMITED IN ITS MEETING HELD ON 25.08.2017; EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS OF THE COMPANY PURSUANT TO THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013.

1. Background

1.1. The proposed Scheme of Arrangement between PFC Green Energy Limited (Transferor Company) and Power Finance Corporation Limited (Transferee Company) and their respective shareholders and creditors **("the Scheme")** was approved by the Board of Directors of Transferor Company vide resolution dated 25.08.2017. The Provisions of Section 232(2) (c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement and amalgamation on shareholders, key managerial personnel, promoters and non-promoter shareholders of the Transferor Company laying out in particular the share exchange ratio and the same is required to be circulated to for the meeting of Shareholders/ Members of the Transferor Company.

1.2. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2) (c) of the Companies Act, 2013.

1.3. The draft Scheme duly initialed for the purpose of identification was placed before the Board of Directors. Further, PFC Green Energy Limited (Transferor Company) is a wholly owned subsidiary of the Power Finance Corporation Limited (Transferee Company). Therefore, in consideration there will be no shares issued by the Transferee Company.

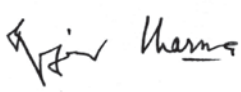
2. Effect of the Scheme of Arrangement as summarized below on Equity Shareholders (Promoter and Non-Promoter) and KMPs of PFC Green Energy Limited (Transferor Company).

2.1. Upon the Scheme coming into effect, all equity shares and preference shares of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Company. Hence, there will be no impact on the shareholding of the Transferee Company after the effectuation of the scheme of Arrangement.

2.2. Under Clause 6 of Part II of the Scheme, on and from the Effective Date, Transferee Company undertakes that all persons that were employed by the Transferor Company immediately before such date shall become employees of the Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Company immediately prior to such transfer and without any break or interruption of service and in the manner provided under Clause 6 of Part II of the Scheme. In the circumstances, the rights of the Employees of the Transferor Company would in no way be affected by the Scheme.

2.3. The scheme is not expected to have any effect on the Directors and Key Managerial Personnel of the Transferee/Transferor Company.

For PFC Green Energy Limited



(Rajeev Sharma)
Chairman
DIN: 00973413

ITEM NO. 7 (Annexure 3)

ADOPTION OF REPORT BY BOARD OF DIRECTORS OF POWER FINANCE CORPORATION LIMITED IN ITS MEETING HELD ON 29.09.2017; EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS OF THE COMPANY PURSUANT TO THE PROVISIONS OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013.

1. Background

1.1. The proposed Scheme of Arrangement between PFC Green Energy Limited (Transferor Company) and Power Finance Corporation Limited (Transferee Company) and their respective shareholders and creditors **("the Scheme")** was approved by the Board of Directors of Transferee Company vide resolution dated 29.09.2017. The Provisions of Section 232(2) (c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement and amalgamation on shareholders, key managerial personnel, promoters and non-promoter shareholders of the Transferee Company laying out in particular the share exchange ratio and the same is required to be circulated to for the meeting of Shareholders/ Members of the Transferee Company.

1.2. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2) (c) of the Companies Act, 2013.

1.3. The draft Scheme duly initialed for the purpose of identification was placed before the Board of Directors. Further, PFC Green Energy Limited (Transferor Company) is a wholly owned subsidiary of the Power Finance Corporation Limited (Transferee Company). Therefore, in consideration there will be no shares issued by the Transferee Company.

2. Effect of the Scheme of Arrangement as summarized below on Equity Shareholders (Promoter and Non-Promoter) and KMPs of Power Finance Corporation Limited (Transferee Company).

2.1. Upon the Scheme coming into effect, all equity shares and preference shares of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Company. Hence, there will be no impact on the shareholding of the Transferee Company after the effectuation of the scheme of Arrangement.

2.2. Under Clause 6 of Part II of the Scheme, on and from the Effective Date, Transferee Company undertakes that all persons that were employed by the Transferor Company immediately before such date shall become employees of the Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Company immediately prior to such transfer and without any break or interruption of service and in the manner provided under Clause 6 of Part II of the Scheme. In the circumstances, the rights of the Employees of the Transferor Company would in no way be affected by the Scheme.

2.3. The scheme is not expected to have any effect on the Directors and Key Managerial Personnel of the Transferee/Transferor Company.

For Power Finance Corporation Limited



(Rajeev Sharma)
Chairman
DIN: 00973413

ITEM NO. 7 (Annexure 4)

Independent Auditor's Report

To the Members of PFC Green Energy Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PFC Green Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit and its Cash Flows for the year ended on that date.

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 & Auditor General of India, the action taken thereon and its impact on 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 ofSection 143(11) of the Act, we give in the **Annexure B** a statement on the matters specified in the paragraphs 3 and 4 of the Order.

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

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

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

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

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

   e. Being a Government company, pursuant to the Notification No. GSR 463(E) dated 05th June 2015 issued by Government of India, provision of Section 164(2) of the Companies Act, 2013, are not applicable to the Company.

   f. For internal financial controls with reference to financial statementsof 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigation which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K B D S & Co.
(Chartered Accountants)
Firm Regn. No. 323288E

Sd/-
(BHAWESH KUMAR GUPTA)
Partner
M. No. 096587

Place: New Delhi
Date: 17.05.2018

Annexure A to the Independent Auditor's Report on the Financial Statements

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

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.	Directions	Action Taken	Impact on financial statement
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.	Not Applicable	Nil
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.	There are no cases of waiver/ write off of debts/loans/interest etc.	Nil
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Government or other authorities.	There are no cases of inventories lying with third parties & assets received as gift from Govt. or other authorities.	Nil

For K B D S & Co.
(Chartered Accountants)
Firm Regn. No. 323288E

Sd/-
(BHAWESH KUMAR GUPTA)
Partner
M. No. 096587

Place: New Delhi
Date: 17.05.2018

Annexure B to the Independent Auditor's Report on the 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) The management carries out physical verification of its fixed assets at the year end in a phased manner. 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.

(c) The Company does not have any immovable property 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 Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is 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 Act.

(v) The Company has not accepted any deposit from public during the year.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been regularin depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Goods and Service Tax, Value added Tax, Cess and any other statutory dues as applicable to the appropriate authorities and no undisputed amount payable in respect of the aforesaid dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of Income Tax, Service Tax, Goods and Service Tax, Value Added Tax outstanding on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institution, bank, government or dues to debenture holders.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.

(x) Based upon the audit procedures performed and the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) Being a Government Company, Section 197 of the Act does not apply to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.

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

(xiv) Based upon the audit procedures performed and the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) Based upon the audit procedures performed and the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them which are covered under Section 192 of the Act. Accordingly, clause 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is a Non-Banking Finance Company and has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934.

For K B D S & Co.
(Chartered Accountants)
Firm Regn. No. 323288E

Sd/-
(BHAWESH KUMAR GUPTA)
Partner
M. No. 096587

Place: New Delhi
Date: 17.05.2018

Annexure C to the Independent Auditor's Report on the Financial Statements

(Referred to in paragraph 3(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statementsof PFC Green Energy Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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

with reference to financial statements 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 authorizations of 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statementsto future periods are subject to the risk that the internal financial control with reference to financial statementsmay 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K B D S & Co.
(Chartered Accountants)
Firm Regn. No. 323288E

Sd/-
(BHAWESH KUMAR GUPTA)
Partner
M. No. 096587

Place: New Delhi
Date: 17.05.2018

PFC GREEN ENERGY LIMITED
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
CIN U65923DL2011GOI216796
BALANCE SHEET AS AT 31st MARCH, 2018

(Amount in ₹)

	Description			Note No. Part	As at 31.03.2018		As at 31.03.2017	
A	**EQUITY AND LIABILITIES**							
	(1)	**Shareholders' Funds**						
		(i)	Share Capital	A-1	3,000,000,000		3,000,000,000	
		(ii)	Reserves & Surplus	A-2	1,147,311,237	4,147,311,237	829,040,004	3,829,040,004
	(2)	**Non-Current Liabilities**						
		(i)	Long Term Provisions	A-5		53,200,417		36,293,560
	(3)	**Current Liabilities**						
		(i)	Short Term Borrowing	A-3				
			Secured		-		-	
			Un-secured		2,684,102,427		2,526,938,318	
		(ii)	Other Current Liabilities	A-4	58,711,339		51,439,052	
		(iii)	Short Term Provisions	A-5	2,017,027	2,744,830,793	3,804,755	2,582,182,125
			Total			**6,945,342,447**		**6,447,515,689**
B	**ASSETS**							
	(1)	**Non-Current Assets**						
		(i)	Fixed Assets	A-6				
			a) Tangible Assets		314,333		464,333	
			Less: Accumulated Depreciation		282,246	32,087	414,073	50,260
		(ii)	Deferred Tax Assets (Net)	C-19		28,461		378,670
		(iii)	Long-Term Loans	A-7				
			Secured		6,411,453,826		6,052,355,730	
			Un-secured		-	6,411,453,826	-	6,052,355,730
		(iv)	Other Non-Current Assets	A-8		10,496,735		5,670,960
	(2)	**Current Assets**						
		(i)	Cash and Bank Balances	A-9	4,600		97,973	
		(ii)	Other Current Assets					
		a)	Current Maturity of Long Term Loans	A-7				
			Secured		382,474,824		243,641,822	
			Un-secured		-		-	
		b)	Others	A-8	140,851,914	523,331,338	145,320,274	389,060,069
			TOTAL			**6,945,342,447**		**6,447,515,689**

SIGNIFICANT ACCOUNTING POLICIES **Part B**

OTHER NOTES ON ACCOUNTS **Part C**

Notes from Part A to Part C form integral part of Financial Statements

For and on Behalf of the Board of Directors

Signed in terms of our report of even date attached
For KBDS & Co.
Chartered Accountants
Firm Regn. No. 323288E

Sd/-
BHAWESH KUMAR GUPTA
Partner
Membership No. 096587

Place: New Delhi
Date: 17.05.2018

Sd/-
(RACHNA SINGH)
Company Secretary

Sd/-
(N. B. GUPTA)
Director
DIN - 00530741

Sd/-
(ALOK SUD)
CFO

Sd/-
(RAJEEV SHARMA)
Chairman
DIN - 00973413

PFC GREEN ENERGY LIMITED
(A Wholly Owned Subsidiary of Power Finance Corporation Limited)
CIN U65923DL2011GOI216796
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(Amount in ₹)

	Description	Note No. Part	Year Ended 31.03.2018		Year Ended 31.03.2017	
I.	**Revenue from Operations**					
	Interest	A-10	738,780,805		630,223,569	
	Other Operating Income	A-10	-		27,790	
	Other Financial Services	A-10	600,959	739,381,764	17,630,183	647,881,542
II.	**Other Income**					
	Other Income	A-11		106,526		10,855
III.	**Total Income (I+II)**			**739,488,290**		**647,892,397**
IV.	**Expenses**					
	Finance Costs	A-12		247,257,570		169,358,783
	Employee Benefits Expenses	A-13		-		11,256,031
	Provision for contingencies	C-11		43,540,120		26,439,784
	Depreciation and Amortization expenses	A-6		10,673		35,926
	CSR Expenses	C-14		6,959,968		5,385,000
	Other Expenses	A-14		312,122		4,003,538
	Total Expenses			**298,080,453**		**216,479,062**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**			**441,407,837**		**431,413,335**
VI.	Exceptional Items			-		-
VII.	**Profit before extraordinary items and tax (V-VI)**			**441,407,837**		**431,413,335**
VIII.	Extraordinary Items			-		-
IX.	**Profit Before Tax (VII-VIII)**			**441,407,837**		**431,413,335**
X.	**Tax Expenses:**					
	(1) Current Tax					
	Current Year		129,249,670		127,324,340	
	Earlier Years		(6,463,275)	122,786,395	(743,153)	126,581,187
	(2) Deferred Tax Liability (+) / Asset (-)			**350,209**		**3,378,703**
XI.	**Profit (Loss) for the year from continuing operations (IX-X)**			**318,271,233**		**301,453,445**
XII.	**Earnings per equity share of par value of ₹ 10/- each**	**C-20**				
	Basic (₹)			0.78		0.61
	Diluted (₹)			0.78		0.61

SIGNIFICANT ACCOUNTING POLICIES **Part B**

OTHER NOTES ON ACCOUNTS **Part C**

Notes from Part A to Part C form integral part of Financial Statements

For and on Behalf of the Board of Directors

Signed in terms of our report of even date attached
For KBDS & Co.
Chartered Accountants
Firm Regn. No. 323288E

Sd/-
BHAWESH KUMAR GUPTA
Partner
Membership No. 096587

Sd/-
(RACHNA SINGH)
Company Secretary

Sd/-
(N. B. GUPTA)
Director
DIN - 00530741

Sd/-
(ALOK SUD)
CFO

Sd/-
(RAJEEV SHARMA)
Chairman
DIN - 00973413

Place: New Delhi
Date: 17.05.2018

NOTE - Part A - 1

SHARE CAPITAL

(Amount in ₹)

	Description	As at 31.03.2018	As at 31.03.2017
A	**Authorised**		
	20,00,00,000 (previous year 20,00,00,000) Preference shares of par value of ₹ 10/- each	2,000,000,000	2,000,000,000
	100,00,00,000 (previous year 100,00,00,000) Equity shares of par value of ₹ 10/- each	10,000,000,000	10,000,000,000
B	**Issued, subscribed and fully paid up**		
	20,00,00,000 (previous year 20,00,00,000) Preference shares of par value of ₹ 10/- each	2,000,000,000	2,000,000,000
	10,00,00,000 (previous year 10,00,00,000) Equity Shares of par value of ₹ 10/- each	1,000,000,000	1,000,000,000
	Total	**3,000,000,000**	**3,000,000,000**

1 (a) During the year, the Company has neither issued nor bought back any shares.

1 (b) Terms / rights attached to shares:

Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is entitled to one vote. The voting right of each shareholder shall be in proportion to his share in the paid-up equity share capital of the Company.

Preference Shares

The Company has issued 20,00,00,000, 10% Fully Convertible Preference Shares ("FCPS") of face value ₹ 10/- each, with the following terms & conditions:

i) The dividend at coupon rate of 10% p.a. will be paid at the discretion of the management of the Company.

ii) Each FCPS shall be compulsorily converted into equity share in the ratio of 1:1.

1 (c) Redeemable preference shares as on 31.03.2018 stand at Nil (Previous year Nil).

1 (d) During the year, no shares have been allotted under ESOP scheme.

1 (e) Shares held by Holding Company:

Out of 20,00,00,000 Preference shares and 10,00,00,000 Equity shares issued by the Company, shares held by its Holding Company are as below:

(Amount in ₹)

Description	As at 31.03.2018	As at 31.03.2017
Power Finance Corporation Limited, the Holding Company*		
20,00,00,000 (previous year 20,00,00,000) Preference shares of par value of ₹ 10/- each	2,000,000,000	2,000,000,000
10,00,00,000 (previous Year 10,00,00,000) Equity shares of par value of ₹ 10/- each	1,000,000,000	1,000,000,000

* Equity Shares are held by Power Finance Corporation Limited & through its nominees.

1 (f) Information on shares in the Company held by each shareholder holding more than 5 percent of paid -up share capital:

Name of Holders	As at 31.03.2018	As at 31.03.2017
Power Finance Corporation Limited, the Holding Company*		
- % of Share Holding	100	100
- No. of Preference Shares Held	200,000,000	200,000,000
- No. of Equity Shares Held	100,000,000	100,000,000

* Equity Shares are held by Power Finance Corporation Limited & through its nominees.

1 (g) Reconciliation of the number of shares:

Description	As at 31.03.2018	As at 31.03.2017
	Number	Number
Equity Shares		
- Opening Balance	100,000,000	100,000,000
- Issued during the year	-	-
- Closing Balance	100,000,000	100,000,000
Preference Shares		
- Opening Balance	200,000,000	200,000,000
- Issued during the year	-	-
- Closing Balance	200,000,000	200,000,000

NOTE - Part A - 2

RESERVES & SURPLUS

(Amount in ₹)

Description	As at 31.03.2018	As at 31.03.2017
a) Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934		
Opening balance	169,850,781	109,560,092
Add: Transfer from Profit and Loss Appropriation	63,654,247	60,290,689
Closing Balance	233,505,028	169,850,781
b) Reserve for Bad & doubtful debts u/s 36(1)(viia)(d) of Income Tax Act, 1961		
Opening balance	-	-
Add: Transfer from Profit and Loss Appropriation	38,036,647	-
Closing Balance	38,036,647	-
c) Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		
Opening balance	146,059,946	54,398,170
Add: Transfer from Profit and Loss Appropriation	98,280,922	91,969,229
Less: Transfer to Surplus*	73,794	307,453
Closing Balance	244,267,074	146,059,946
d) Surplus		
Opening balance	513,129,277	363,628,297
Add: Profit after tax for the year	318,271,233	301,453,445

Description	As at 31.03.2018	As at 31.03.2017
Less: Transfer to Reserves		
- Transfer towards Reserve for Bad & doubtful debts u/s 36(1)(viia)(d) of Income Tax Act, 1961	38,036,647	-
- Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	63,654,247	60,290,689
- Transfer to Special Reserve u/s 36(1)(viii) of I T Act, 1961	98,280,922	91,969,229
Adjustment during the year		
Add: Transfer from Special Reserve u/s 36(1)(viii) of I T Act, 1961 *	73,794	307,453
Closing Balance	631,502,488	513,129,277
Closing Balance (a + b + c + d)	**1,147,311,237**	**829,040,004**

*Transferred during FY 2017-18 to match the deduction claimed as per Income tax return for Assessment Year 2017-18

NOTE - Part A - 3
SHORT TERM BORROWINGS

(Amount in ₹)

Description	As at 31.03.2018	As at 31.03.2017
Unsecured		
Flexi Line of Credit from PFC Ltd.	2,684,102,427	2,526,938,318
Total	**2,684,102,427**	**2,526,938,318**

Notes: In terms of the RBI circular (Ref. No. DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016) no borrowings remained overdue as at 31.03.2018 (previous year ₹ Nil).

NOTE - Part A - 4
OTHER CURRENT LIABILITIES

(Amount in ₹)

Description	As at 31.03.2018	As at 31.03.2017
Interest Accrued but not due on Loans	54,701,217	47,685,626
TDS Payable	8,500	84,108
GST Payable	18,000	-
Payable to Holding Company (PFC Ltd.)	1,172,336	1,084,027
Expenses Payable	91,800	100,750
Others Payable	2,719,486	2,484,541
Total	**58,711,339**	**51,439,052**

NOTE - Part A - 5
PROVISIONS - LONG TERM AND SHORT TERM

(Amount in ₹)

Description		As at 31.03.2018			As at 31.03.2017		
		Short Term	Long Term	Total	Short Term	Long Term	Total
I.	**Employee Benefits**						
	Bonus / Incentive	-	-	-	987,239	-	987,239
	(Refer Note No. 13 of Part-C-Other Notes on Accounts)						
II.	**Others**						
	Income Tax (net)	-	-	-	1,964,770	-	1,964,770
	Contingent Provision against Standard Assets (Refer Note No. 11 A (i) of Part -C-Other Notes on Accounts)	1,376,194	22,364,497	23,740,691	852,746	20,045,910	20,898,656
	Contingent Provision against Resructured Standard Assets (Refer Note No. 11 A (ii) of Part-C-Other Notes on Accounts)	640,833	30,835,920	31,476,753	-	16,247,650	16,247,650
	Total	**20,17,027**	**53,200,417**	**55,217,444**	**38,04,755**	**36,293,560**	**40,098,315**

NOTE - Part A - 6
FIXED ASSETS

(Amount in ₹)

Description	Gross Block				Depreciation				Net Block	
	Opening Balance as at 01.04.2017	Additions/ Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2018	Opening Balance as at 01.04.2017	For the period 01.04.2017 to 31.03.2018	Withdrawn / Written Back	Closing Balance as at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Tangible Assets:										
EDP Equipments	285,490	-	150,000	135,490	271,215	-	142,500	128,715	6,775	14,275
Office & Other Equipments	117,990	-	-	117,990	108,031	3,935	-	111,966	6,024	9,959
Furniture and Fixtures	60,853	-	-	60,853	34,827	6,738	-	41,565	19,288	26,026
Total	**464,333**	**-**	**150,000**	**314,333**	**414,073**	**10,673**	**142,500**	**282,246**	**32,087**	**50,260**
Previous Year	**614,333**	**-**	**150,000**	**464,333**	**520,647**	**35,926**	**142,500**	**414,073**	**50,260**	**93,686**

(Refer Note No. 16 of Part-C-Other Notes on Accounts)

NOTE - Part A - 7

LOANS

(Amount in ₹)

	Description	As at 31.03.2018			As at 31.03.2017		
		Current Maturities (Twelve months)	Non-Current	Total	Current Maturities (Twelve months)	Non-Current	Total
	Long Term Loans						
I.	**Secured Loans**						
	a) Considered Good						
	Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments	118,986,553	1,679,378,485	1,798,365,038	66,774,631	1,488,887,319	1,555,661,950
	Rupee Term Loans (RTLs) to Independent Power Producers	237,878,834	4,528,463,943	4,766,342,777	176,867,191	4,563,468,411	4,740,335,602
	b) Others						
	Rupee Term Loans (RTLs) to Independent Power Producers - NPA	28,454,930	226,234,887	254,689,817	-	-	-
	Less: Provision for contingencies	(2,845,493)	(22,623,489)	(25,468,982)	-	-	-
	Total	**382,474,824**	**6,411,453,826**	**6,793,928,650**	**243,641,822**	**6,052,355,730**	**6,295,997,552**

(Refer Note No. 11 of Part - C - Other Notes on Accounts)

NOTE - Part A - 8

OTHER ASSETS

(Amount in ₹)

	Description	As at 31.03.2018			As at 31.03.2017		
		Current	Non-Current	Total	Current	Non-Current	Total
A.	**Advances (Un-secured, Considered good)**						
	Advances recoverable in cash or in kind or for value to be received or for value to be received						
	a) Others	28,674	-	28,674	38,514	-	38,514
	b) Amount recoverable from Income Tax Dept. (Income Tax Refund)	-	9,098,833	9,098,833	-	5,670,960	5,670,960
	c) Advance Income Tax and Tax Deducted at Source (net)	-	1,397,902	1,397,902	-	-	-
B.	**Other Assets**						
	I. Accrued but not due :						
	a) Interest on Loan Assets	140,823,240	-	140,823,240	134,662,105	-	134,662,105
	II. Accrued and due :						
	a) Incomes accrued & due on loans	-	-	-	10,619,655	-	10,619,655
	Total	**140,851,914**	**10,496,735**	**151,348,649**	**145,320,274**	**5,670,960**	**150,991,234**

NOTE - Part A - 9

CASH AND BANK BALANCES

(Amount in ₹)

	Description	As at 31.03.2018	As at 31.03.2017
I.	**Cash & Cash Equivalents**		
	- Balances in current accounts with Scheduled Banks	4,600	97,973
	Total	**4,600**	**97,973**

NOTE - Part A - 10

REVENUE FROM OPERATIONS

(Amount in ₹)

	Description		Year ended 31.03.2018		Year ended 31.03.2017
I.	**Interest**				
	Interest on Loans	742,881,275		633,457,351	
	Less: Rebate for timely payment to Borrowers	4,100,470	738,780,805	3,233,782	630,223,569
	Sub Total (I)		**738,780,805**		**630,223,569**
II.	**Other Operating Income**				
	Income from surplus funds		-		27,790
	Sub Total (II)		**-**		**27,790**
III.	**Other Financial Services**				
	Upfront Fees on Loans		-		9,318,500
	Management, Agency & Guarantee Fees		600,959		8,311,683
	Sub Total (III)		**600,959**		**17,630,183**
	Total (I + II + III)		**739,381,764**		**647,881,542**

NOTE - Part A - 11

OTHER INCOME

(Amount in ₹)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Miscellaneous Income	165	1,475
Excess Liabilities written back	106,361	9,380
Total	**106,526**	**10,855**

NOTE - Part A - 12

FINANCE COSTS

(Amount in ₹)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Interest on Loans	247,253,942	169,356,644
Bank / Other Charges	3,628	2,139
Total	**247,257,570**	**169,358,783**

NOTE - Part A - 13

EMPLOYEE BENEFITS EXPENSES

(Amount in ₹)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Salaries, Wages and Bonus	-	8,037,384
Contributions to Provident & other funds	-	986,519
Staff Welfare	-	1,225,672
Rent for Residential accommodation of employees (Refer Note No. 10 of Part - C - Other Notes on Accounts)	-	1,006,456
Total	**-**	**11,256,031**

NOTE - Part A - 14
OTHER EXPENSES

(Amount in ₹)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Administrative Expenses		
Electricity & Water Charges	-	144,350
Insurance	-	13,931
Repair & Maintenance	-	860,646
Printing & Stationery	110	192,899
Travelling & Conveyance	-	730,584
Postage, Telegraph & Telephone	-	64,936
Professional & Consultancy charges	191,060	277,380
Miscellaneous Expenses*	13,650	1,303,201
Loss on sale of Fixed Assets	2,220	4,236
Auditors' Remuneration*	84,875	85,425
Service Tax	15,139	227,512
Rates & Taxes	5,068	98,438
Total	**312,122**	**4,003,538**
***Note :-**		
1) Miscellaneous Expenses includes:		
Membership & Subscription	10,050	20,100
Business Promotion / Related Expenses	-	62,318
Credit Rating Fees	-	15,075
Conference & Meeting Expenses	-	24,458
Security Expenses	-	80,846
Training Expenses	-	119,557
EDP Expenses	3,600	414,775
Interest on Income Tax	-	262
Ground Rent	-	133,908
Hindi Promotion Expenses	-	14,414
Manpower Expenses (on contract basis)	-	415,288
Others	-	2,200
Total	**13,650**	**1,303,201**
2) Auditors' Remuneration includes:-		
Audit Fees	60,000	60,300
Tax Audit Fees	24,875	25,125
Total	**84,875**	**85,425**

PFC GREEN ENERGY LIMITED

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

CIN U65923DL2011GOI216796

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(Amount in ₹)

	Description	Year ended 31.03.2018		Year ended 31.03.2017	
I.	**Cash Flow from Operating Activities:**				
	Net Profit before Tax and Extraordinary items	441,407,837		431,413,335	
	ADD: Adjustments for				
	Loss on Sale of Assets (net)	2,220		4,236	
	Depreciation / Amortization	10,673		35,926	
	Provision for Contingencies	43,540,120		26,439,784	
	Excess Liabilities written back	(106,361)		(9,380)	
	Operating profit before working Capital Changes:	**484,854,489**		**457,883,901**	
	Increase / Decrease:				
	Loans Assets (net)	(523,400,080)		(2,727,156,974)	
	Other Assets	(3,611,383)		(62,773,847)	
	Liabilities & Provisions	6,391,409		41,328,483	
	Cash flow before extraordinary items	**(35,765,565)**		**(2,290,718,437)**	
	Extraordinary items	-		-	
	Cash Inflow/Outflow from operations before Tax	**(35,765,565)**		**(2,290,718,437)**	
	Income Tax Paid	(126,149,067)		(124,616,417)	
	Income Tax Refund	4,651,870		-	
	Net Cash flow from Operating Activities		**(157,262,762)**		**(2,415,334,854)**
II.	**Cash Flow From Investing Activities :**				
	Sale / adjustment of Fixed Assets	5,280		3,264	
	Net Cash flow from Investing Activities		**5,280**		**3,264**
III.	**Cash Flow From Financial Activities :**				
	Loan Against Fixed Deposits/Line of Credit (Net)	157,164,109		2,411,138,318	
	Net Cash flow from Financial Activities		**157,164,109**		**2,411,138,318**

Description		Year ended 31.03.2018		Year ended 31.03.2017	
	Net Increase / Decrease in Cash & Cash Equivalents		**(93,373)**		**(4,193,272)**
	Add: Cash & Cash Equivalents at the beginning of the financial year		97,973		4,291,245
	Cash & Cash Equivalents at the end of the financial year		**4,600**		**97,973**
Details of Cash & Cash Equivalents at the end of the year :					
i)	Balance in current accounts with Scheduled Banks		4,600		97,973
	Sub Total (I)		**4,600**		**97,973**
Other Balances					
i)	Fixed Deposits with Scheduled Banks		-		-
	(original maturity of more than 3 months but less than 12 months)				
	Sub Total (II)		**-**		**-**
	Total Cash and Bank Balance at the end of the year (I+II)		**4,600**		**97,973**

For and on Behalf of the Board of Directors

Signed in terms of our report of even date attached
For KBDS & Co.
Chartered Accountants
Firm Regn. No. 323288E

Sd/-
(RACHNA SINGH)
Company Secretary

Sd/-
(ALOK SUD)
CFO

Sd/-
BHAWESH KUMAR GUPTA
Partner
Membership No. 096587

Sd/-
(N. B. GUPTA)
Director
DIN - 00530741

Sd/-
(RAJEEV SHARMA)
Chairman
DIN - 00973413

Place: New Delhi
Date: 17.05.2018

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.

2.2 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.

2.3 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.4 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.5 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 Addition 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 upto ₹ 5,000 are fully depreciated.

4. EXPENDITURE INCURRED BY HOLDING COMPANY

4.1 Expenditure incurred on behalf of the Company by the Holding Company is classified as Other Current Liability payable to/Loans & Advances recoverable from the Holding Company.

4.2 Expenses in respect of man days (employees) are allocated by Holding Company and administrative overheads are apportioned by Holding Company on estimated basis.

5. PROVISION IN RESPECT OF NON-PERFORMING ASSETS, RESTRUCTURED ASSETS AND STANDARD ASSETS

5.1 Non-Performing Assets are identified and categorized into Sub-standard, Doubtful and Loss assets based on Prudential Norms issued by RBI relating to Asset Classification. Provision in respect of Non-Performing Assets and Restructured Assets is made and maintained as per Prudential Norms issued by RBI relating to Provisioning Requirement. When a loan is identified as a Loss Asset, the outstanding balance is fully written off or fully provided for. The provision for Non-Performing Assets is deducted from loans and advances.

5.2 Provision in respect of Standard Assets is made and maintained as per Prudential Norms issued by RBI relating to Standard Asset Provisioning.

6. EMPLOYEE BENEFITS

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

7. OPERATING LEASE

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

8. INCOME TAX

8.1 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.

8.2 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. Accordingly, the Company does not create any deferred tax liability on the said reserve.

9. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

10. CASH AND CASH EQUIVALENT

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. "PFC Green Energy Limited" (PFC GEL) a wholly owned subsidiary of Power Finance Corporation Limited, is engaged in extending finance and financial services to renewable and non-conventional sources of energyand is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India.

2. The Board of PFCGEL and its Holding Company (i.e. PFC Limited) has in-principal approved the merger of PFCGEL with PFC Limited in their meetings held on 18th July 2016 and 09th August 2016 respectively. Further, PFC Limited in its board meeting held on 29th September 2017 has approved 'Scheme of arrangement for the amalgamation of PFCGEL with PFC'. RBI has also granted NOC to the scheme of merger vide letter dated 20th April 2018. The scheme is under progress and further subject to, inter-alia, sanction of the same by the Ministry of Corporate Affairs.

3. Contingent Liabilities and Commitments:

The details are as follows:

(Amount in ₹)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
(i)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	Nil	Nil

4. Foreign currency expenditure and earning during the FY ended 31.03.2018 is Nil (Previous year Nil).

5. In accordance with Significant Accounting policy no. 6, an amount of Nil for the year (Previous year ₹ 20,72,678) towards provident fund, pension, gratuity, leave encashment, PRMS, and other terminal benefits are paid/ payable to the Holding Company and included under employee benefits. Above amount includes Nil (Previous year ₹ 1,09,531, ₹ 5,42,835 and ₹ 3,71,252) for gratuity, leave encashment and PRMS respectively, as all the employees on secondment have been transferred back to Holding Company in view of the proposed merger between the Company and the Holding Company (refer Note Part C-2) and there are no employees in the Company during the year.

6. The following common expenses have been provided in the books of account as apportioned/allocated by the Holding Company:

(Amount in ₹)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Travelling & Conveyance	-	139,168
Electricity & Water Charges	-	138,350
Ground Rent	-	133,908
Rates & Taxes (House Tax & Levies)	-	91,251
Insurance	-	13,931
Postage, Telegraph & Telephone Expenses	-	28,856
Hindi Promotion Expenses	-	14,414
Repair & Maintenance	-	821,654
EDP Expenses	-	411,610
Printing & Stationery Expenses	-	125,202
Training Expenses	-	89,910
Security Expense	-	80,846
Legal & Professional Charges	1,17,045	-
Total	**1,17,045**	**20,89,100**

7. Wherever any expenditure is incurred or payment is made by the Holding Company, procedural and statutory requirements in respect of deduction of Tax at Source and other statutory compliances, as applicable, are being taken care of by the Holding Company, on behalf of the Company.

8. Related Party Disclosures as per disclosure requirement of Accounting Standard - 18:

(A) Key Management Personnel (KMP):

Description	Period
Shri Rajeev Sharma, Chairman	with effect from 01.10.2016
Shri R. Nagarajan, Director	with effect from 30.03.2011 till 31.05.2017
Shri D. Ravi, Director	with effect from 01.12.2015
Shri C. Gangopadhyay, Director	with effect from25.01.2017
Shri N. B. Gupta, Director	with effect from 25.08.2017
Shri Dinesh Vij, CEO	with effect from 18.05.2015
Shri Alok Sud, CFO	with effect from 18.05.2015
Smt. Rachna Singh, CS	with effect from 01.04.2014

(B) Transactions with KMP:

Managerial Remuneration of KMP for the year ended 31.03.2018 is Nil (Previous year ₹ 23,32,236). Loans & Advances given to KMP is Nil as on 31.03.2018 (Previous year Nil).

9. (A) Details of amount payable to Holding Company is given below:

(Amount in ₹)

Name of the Holding Company	As at 31.03.2018*	As at 31.03.2017*	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
Power Finance Corporation Limited	11,72,336	10,84,027	11,72,336	50,56,019

* Amount does not include any loan.

(B) Borrowings from companies in which directors are interested are given below:

(Amount in ₹)

Name of the Company	As at 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
Power Finance Corporation Limited	268,41,02,427	252,69,38,318	275,05,60,816	255,05,71,841

10. Operating Lease:

The Company's operating leases consist of:

Premises 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 Nil (Previous year ₹ 10,06,456) 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-13- Employee Benefit Expenses. Future lease payments in respect of these lease agreements are given below:

(Amount in ₹)

Future minimum lease rent payments	Year ended 31.03.2018	Year ended 31.03.2017
Not later than one year	-	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
Total	**-**	**-**

11. Loan assets, Other assets and provision thereon:

(Amount in ₹)

Sl. No.	Asset Classification	As at 31.03.2018			As at 31.03.2017		
		Principal Outstanding	Provision for the year ended 31.03.2018	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision
(A) Classification of Loan Assets and provision thereon							
(i)	Standard Assets	593,51,72,757	28,42,035	2,37,40,691	597,10,44,556	1,01,92,134	2,08,98,656
(ii)	Restructured Standard Assets	62,95,35,058*	1,52,29,103	3,14,76,753	32,49,52,996	1,62,47,650	1,62,47,650
(iii)	Sub-standard Assets	25,46,89,817	2,54,68,982	2,54,68,982	-	-	-
(iv)	Doubtful Assets	-	-	-	-	-	-
(v)	Loss Assets	-	-	-	-	-	-
(B) Other Assets and provision thereon							
(i)	Other Assets	-	-	-	-	-	-
Grand Total		**681,93,97,632**	**4,35,40,120**	**8,06,86,426**	**629,59,97,552**	**2,64,39,784**	**3,71,46,306**

* Nil in private sector and ₹ 62,95,35,058 in Govt. Sector (Previous year Nil in Private Sector and ₹ 32,49,52,996 in Govt. Sector).

12. Details of Restructured Accounts along-with provisions thereon are given below:

(Amount in ₹)

Sl. No.	Type of Restructuring		Under CDR / SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details		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 2017	No. of borrowers	Nil					1	-	-	-	1	1	-	-	-	1
		Amount outstanding						32,49,52,996	-	-	-	32,49,52,996	32,49,52,996	-	-	-	32,49,52,996
		Provision Thereon						1,62,47,650	-	-	-	1,62,47,650	1,62,47,650	-	-	-	1,62,47,650
2	Categorized as restructured during the year	No. of borrowers	Nil					1	-	-	-	1	1	-	-	-	1
		Amount outstanding						3,92,03,608	-	-	-	3,92,03,608	3,92,03,608	-	-	-	3,92,03,608
		Provision Thereon						1,960,180	-	-	-	1,960,180	1,960,180	-	-	-	1,960,180
3	Up gradations to restructured standard category during the year	No. of borrowers	Nil					-	-	-	-	-	-	-	-	-	-
		Amount outstanding						-	-	-	-	-	-	-	-	-	-
		Provision Thereon						-	-	-	-	-	-	-	-	-	-
4	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 (including Prepayment of loan)	No. of borrowers	Nil					-	-	-	-	-	-	-	-	-	-
		Amount outstanding						-	-	-	-	-	-	-	-	-	-
		Provision Thereon						-	-	-	-	-	-	-	-	-	-
5	Down gradation of restructured accounts during the year	No. of borrowers	Nil					-	-	-	-	-	-	-	-	-	-
		Amount outstanding						-	-	-	-	-	-	-	-	-	-
		Provision Thereon						-	-	-	-	-	-	-	-	-	-
6	Write-offs restructured accounts during the year	No. of borrowers	Nil					-	-	-	-	-	-	-	-	-	-
		Amount outstanding						-	-	-	-	-	-	-	-	-	-
		Provision Thereon						-	-	-	-	-	-	-	-	-	-
7	Movement from restructured doubtful todoubtful category during the year	No. of borrowers	Nil					-	-	-	-	-	-	-	-	-	-
		Amount outstanding						-	-	-	-	-	-	-	-	-	-
		Provision Thereon						-	-	-	-	-	-	-	-	-	-
8	Restructured accounts as on March 31, 2018	No. of borrowers	Nil					2	-	-	-	2	2	-	-	-	2
		Amount outstanding						62,95,35,058	-	-	-	62,95,35,058	62,95,35,058	-	-	-	62,95,35,058
		Provision Thereon						3,14,76,753	-	-	-	3,14,76,753	3,14,76,753	-	-	-	3,14,76,753

13. Disclosure of provision as required under Accounting Standard-29, {Figures in brackets ( ) are for previous year}, are given below:

(Amount in ₹)

Provision for	Opening Balance (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance 5 = (1+2-3-4)
Bonus/Incentives	9,87,239 (27,18,738)	Nil (11,11,469)	8,80,878 (28,42,968)	1,06,361 (Nil)	Nil (9,87,239)
Provision on loan assets etc. (1)	3,71,46,306 (1,07,06,522)	4,35,40,120 (2,64,39,784)	Nil (Nil)	Nil (Nil)	8,06,86,426 (3,71,46,306)
CSR	Nil (Nil)	69,59,968 (53,85,000)	69,59,968 (53,85,000)	Nil (Nil)	Nil (Nil)
Income Tax	12,73,24,340 (10,17,75,580)	12,92,49,670 (12,73,24,340)	12,73,24,340 (10,17,75,580)	Nil (Nil)	12,92,49,670 (12,73,24,340)

(1) As detailed at Note Part C-11.

14. (a) Details of gross amount required to be spent by the Company for CSR activities during the year

(Amount in ₹)

Particulars	FY 2017-18	FY 2016-17
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013	69,59,968	53,85,000
Carry forward from previous year	Nil	Nil
Gross amount required to be spent	69,59,968	53,85,000

(b) Amount spent during the year on CSR activities:

(Amount in ₹)

Sl. No.	Particulars	FY 2017-18			FY 2016-17		
		Paid or settled	Yet to be paid	Total	Paid or settled	Yet to be paid	Total
(i)	Construction / acquisition ofany assets	-	-	-	-	-	-
(ii)	On purposes other than (i) above						
(iia)	Sanitation / Waste Management / Drinking Water	66,80,778	-	66,80,778	53,85,000	-	53,85,000
(iib)	Education / Vocational Skill Development						
(iic)	Environmental Sustainability (Solar Applications/Afforestation / Energy efficient LED Lighting)	2,79,190	-	2,79,190			
(iid)	Sports						
(iie)	Others						
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR						
	Total (ii)	**69,59,968**	**-**	**69,59,968**	**53,85,000**	**-**	**53,85,000**
	Grand Total (i) and (ii)	**69,59,968**	**-**	**69,59,968**	**53,85,000**	**-**	**53,85,000**

(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 Part C- 13.

15. During the year ended 31.03.2018, following modifications in accounting policies/estimates have been made:

Sl. No.	Particulars	No.	Modifications
1	Basis for Preparation of Financial Statements	1 (a)	Reworded to bring in more clarity
2	Use of Estimates	1 (b)	Reworded to bring in more clarity

There is no financial impact on account of above.

16. Depreciation on assets is providedover the useful lives of assets as mentioned below:

Sl. No.	Category of Assets	Useful Life in Years	Residual value as a % of original cost
1	EDP Equipment - End user devices i.e. laptops etc.	3	5%
2	Office and other Equipment (excluding cell phone)	5	5%
2A	Cell Phone	2	5%
3	Furniture & Fixture	10	5%

All assets as mentioned above are depreciated using written down value method. 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.

17. The Company has no outstanding liability towards Micro, Small and Medium Enterprises.

18. During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2017 to the borrowers. Confirmation from all the borrowers has been received.

19. Status of net deferred tax assets/liabilities as per Accounting Standard - 22 "Accounting for Taxes on Income" is given below:-

(Amount in ₹)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
A	**Deferred Tax Assets**		
	Provision for expenses not deductible under Income Tax Act	-	3,41,664
	Depreciation	28,461	37,006
	Total (A)	**28,461**	**3,78,670**
B	**Deferred Tax Liability**		
	Depreciation	-	-
	Total (B)	**-**	**-**
	Net Deferred Tax Assets / (Liability) (A-B)	**28,461**	**3,78,670**

20. In compliance with Accounting Standard -20 on Earnings Per Share,the calculation of Earning per share (basic & diluted) is given below:

Description	Year ended 31.03.2018	Year ended 31.03.2017
Net Profit after tax attributable to equity shareholders used as numerator in computing basic EPS (₹)*	7,75,55,939	6,07,38,151
Net Profit after tax used as numerator in computing diluted EPS (₹)	31,82,71,233	30,14,53,445

Description	Year ended 31.03.2018	Year ended 31.03.2017
Weighted average number of equity shares used as denominator in computing basic EPS	10,00,00,000	10,00,00,000
Weighted average number of equity shares (diluted) used as denominator in computing diluted EPS	30,00,00,000	30,00,00,000
Earning per share, face value ₹ 10/- each (basic) (₹)	0.78	0.61
Earning per share, face value ₹ 10/- each (diluted) (₹)	0.78	0.61

* adjusted on account of 10% Fully Convertible Preference Shares of ₹ 200,00,00,000

21. Other key financial parameters:

Description	As at 31.03.2018	As at 31.03.2017
Debt Equity Ratio	0.65	0.66
Net worth (₹)	414,72,82,776	382,86,61,334

22. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

Items		As at 31.03.2018	As at 31.03.2017
(i)	Capital Fund - Tier I (₹)	410,92,46,129	382,86,61,334
	- Tier II (₹)	9,32,54,091	3,71,46,306
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items (₹)	693,48,12,651	644,13,68,086
(iii)	CRAR	60.60%	60.02%
(iv)	CRAR - Tier I Capital	59.26%	59.44%
(v)	CRAR - Tier II Capital	1.34%	0.58%
		During the year ended 31.03.2018	**During the year ended 31.03.2017**
(vi)	Amount of subordinated debt raised as Tier - II capital (₹)	NIL	NIL
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹)	NIL	NIL

23. Additional Disclosures in accordance with RBI directions on Corporate Governance

(A) Significant Accounting Policies

Reference may be made to Note Part – B.

(B) Capital

Reference may be made to Note Part C-22 for CRAR.

(C) Investments

The Company does not have any investment as at 31.03.2018 (Previous year Nil).

(D) Derivatives

The Company has not entered into any derivative transaction during the year ended 31.03.2018 (Previous year Nil) and also does not hold any outstanding derivatives as at 31.03.2018 (Previous year Nil).

(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 securitizationas at 31.03.2018 (Previous year Nil).

II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2018 (Previous year Nil).

III. Company has not undertaken any assignment transaction during the year ended 31.03.2018 (Previous year Nil).

IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2018 (Previous year Nil)

(F) Asset Liability Management maturity pattern of certain items of Assets and Liabilities as at 31.03.2018.

(Amount in ₹)

Description	Upto 1 month	Over 1 month to 2 month	Over 2 month to 3 month	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	**-**
Advances(1)	90,451,807	-	-	92,912,528	201,955,982	925,032,165	1,020,669,207	4,488,375,943	**6,819,397,632**
Investments	-	-	-	-	-	-	-	-	**-**
Borrowings (2)	-	-	-	-	268,41,02,427	-	-	-	**268,41,02,427**
Foreign Currency Assets	-	-	-	-	-	-	-	-	**-**
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	**-**

(1) Rupee Loan Assets
(2) Rupee Liabilities

(G) Exposures

I. Exposure to real estate sector

Company does not have any exposure to real estate sector as at 31.03.2018 (Previous year Nil)

II. Exposure to Capital Market

Company does not have any exposure to Capital Market as at 31.03.2018 (Previous year Nil).

III. Details of financing of parent company products

Company has not financed any parent company product during the year ended 31.03.2018 (Previous year Nil).

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 2017-18 and FY 2016-17.

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 31.03.2018 (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 31.03.2018, no penalty has been imposed on the Company by RBI and other regulators (Previous year Nil).

(J) Ratings assigned by credit rating agencies and migration of ratings during the year.

Sl. No.	Rating Agency	Rating
1.	SMERA	SMERA AAA [SMERA Issuer Rating triple A] with a 'Stable' Outlook

The rating is valid upto 09.05.2017.

No rating migration has taken place during the year.

(K) Net Profit or Loss for the period, prior period items and changes in accounting policies

During the year ended 31.03.2018, prior period item is Nil (Previous year Nil). Reference may be made to Note Part C-15 regarding changes in accounting policies.

(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties

Nil

(M) Accounting Standard 21 -Consolidated Financial Statements (CFS)

Not applicable, since the company does not have any subsidiary company as at 31.03.2018 and 31.03.2017.

(N) Provisions and contingencies :

Reference may be made to Note Part C-11 for provisions and contingencies.

(O) Draw Down from Reserves

Reference may be made to Note Part A-2.

(P) Concentration of Deposits, Advances, Exposures and NPAs

i. Concentration of Deposits (for deposit taking NBFCs) - Company is a non-deposit accepting NBFC.

ii. Concentration of Advances:

Particulars	As at 31.03.2018	As at 31.03.2017
Total Advance to twenty largest borrowers (₹)	659,16,00,427	610,18,42,212
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	96.66%	96.92%

iii. Concentration of Exposures:

Particulars	As at 31.03.2018	As at 31.03.2017
Total Exposure to twenty largest borrowers/customers (₹)	743,41,00,000	752,00,00,000
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposures of the Company on borrowers/customers	96.39%	94.29%

iv. Concentration of NPAs:

Particulars	As at 31.03.2018	As at 31.03.2017
Total Outstanding to top four NPA accounts (₹)	25,46,89,817 (2 Borrowers)	NIL

v. Sector wise NPAs:

Company is a Government Company engaged in extending financial assistance to Power Sector. As of 31.03.2018, the percentage of Gross NPAs to total loan assets stands at 3.73% (Previous year NIL).

(Q) Movement of NPAs in respect of Loan Assets

(Amount in ₹)

Particulars			Current Year	Previous Year
(i)	Net NPAs to Net Advances (%)		3.37	-
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	-	-
	(b)	Additions during the year	25,46,89,817	-
	(c)	Reductions during the year	-	-
	(d)	Closing balance	25,46,89,817	-
(iii)	Movement of Net NPAs			
	(a)	Opening balance	-	-
	(b)	Additions during the year	22,92,20,835	-
	(c)	Reductions during the year	-	-
	(d)	Closing balance	22,92,20,835	-
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	-	-
	(b)	Provisions made during the year	2,54,68,982	-
	(c)	Write-off / write-back of excess provisions	-	-
	(d)	Closing balance	2,54,68,982	-

(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries (Previous year Nil).

(S) As at 31.03.2018, the Company does not have any off-balance sheet SPVs Exposure (Previous year Nil)

(T) Customer Complaints for FY 2017-18:

S 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

24. Additional disclosure flowing from RBI schemes for dealing with stressed assets:

A. Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on 31.03.2018

(Amount in ₹)

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard	-	-	-	-
Classified as NPA	-	-	-	-

B. Disclosures on Flexible Structuring of Existing Loans

(Amount in ₹)

Period	No. of borrowers taken up for flexibly structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Financial Year	-	-	-	-	-
Current Financial Year	-	-	-	-	-

C. Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

(Amount in ₹)

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
-	-	-	-	-	-	-

D. Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

(Amount in ₹)

No. of accounts where banks have decided to effect change in owners hip	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 toequity/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
-	-	-	-	-	-	-	-	-

E. Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period)

(Amount in ₹)

No. of project loan accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as standard	Classified as standard restructured	Classified as NPA
-	-	-	-

25. The Company's primary business is to provide finance for renewable Power Sector which in the context of Accounting Standard 17 is considered the only primary business segment. Hence, no segmental reporting is required.

26. Figures have been rounded off to the nearest rupees unless otherwise stated.

27. Previous year's figures have been regrouped/reclassified wherever necessary to confirm to current period classification.

28. Notes from Part A to Part C form an integral part of Financial Statements.

For and on Behalf of the Board of Directors

Signed in terms of our report of even date attached
For KBDS & Co.
Chartered Accountants
Firm Regn. No. 323288E

Sd/-
BHAWESH KUMAR GUPTA
Partner
Membership No. 096587

Place: New Delhi
Date: 17.05.2018

Sd/-
(RACHNA SINGH)
Company Secretary

Sd/-
(N. B. GUPTA)
Director
DIN - 00530741

Sd/-
(ALOK SUD)
CFO

Sd/-
(RAJEEV SHARMA)
Chairman
DIN - 00973413

Annexure to be enclosed with Balance Sheet (As prescribed by RBI)

(Particulars as required in terms of paragraph 18 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016). {Figures in brackets ( ) are for previous year}

(Amount in ₹)

Particulars				
	Liabilities side :			
(1)	**Loans and advances availed by the Company inclusive of interest accrued thereon but not paid:**		**Amount outstanding**	**Amount overdue**
	(a)	Debentures : Secured	-	-
		: Unsecured	-	-
		(other than falling within the meaning of public deposits)		
	(b)	Deferred Credits	-	-
	(c)	Term Loans	-	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	-	-
	(f)	Other Loans (short term loan)	268,41,02,427	NIL
			(252,69,38,318)	(NIL)

(Amount in ₹)

	Assets side :			Principal Amount outstanding
(2)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] (Net of Provisions):**			
	(a)	Secured		679,39,28,650 (629,59,97,552)
	(b)	Unsecured		-
(3)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**			
	(i)	Lease assets including lease rentals under sundry debtors :		
		(a)	Finance lease	-
		(b)	Operating lease	-
	(ii)	Stock on hire including hire charges under sundry debtors:		
		(a)	Assets on hire	-
		(b)	Repossessed Assets	-
	(iii)	Other loans counting towards AFC activities		
		(a)	Loans where assets have been repossessed	-
		(b)	Loans other than (a) above	-
(4)	**Break-up of Investments :**			
	Current Investments :			
	1	Quoted :		
		(i)	Shares : (a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-

	Assets side :			Principal Amount outstanding
		(v)	Others (please specify)	-
	2	Unquoted :		
		(i)	Shares : (a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of Mutual Funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-
Long Term investments :				
	1	Quoted :		
		(i)	Shares : (a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of Mutual Funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-
	2	Unquoted :		
		(i)	Shares : (a) Equity	
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of Mutual Funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-
	Total			**679,39,28,650 (629,59,97,552)**

(Amount in ₹)

(5)	Borrower group-wise classification of assets financed as in (2) and (3) above					
	Category			Amount net of provisions		
				Secured	Unsecured	Total
	1	Related Parties				
		(a)	Subsidiaries	-	-	-
		(b)	Companies in the same group	-	-	-
		(c)	Other related parties	-	-	-
	2	Other than related parties		679,39,28,650 (629,59,97,552)	-	679,39,28,650 (629,59,97,552)
	Total			**679,39,28,650 (629,59,97,552)**	**-**	**679,39,28,650 (629,59,97,552)**

(Amount in ₹)

(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)				
	Category			Market Value / Break up or fair value or NAV	Book value (net of provisions)
	1	Related Parties			
		(a)	Subsidiaries	-	-
		(b)	Companies in the same group	-	-
		(c)	Other related parties	-	-
	2	Other than related parties		-	-
	Total			**-**	**-**

(Amount in ₹)

(7)	Other Information			
	Particulars			Amount
	(i)	Gross Non - Performing Assets		
		(a)	Related Parties	-
		(b)	Other than related parties	25,46,89,817 (NIL)
	(ii)	Net Non - Performing Assets		
		(a)	Related Parties	-
		(b)	Other than related parties	22,92,20,835 (NIL)
	(iii)	Assets acquired in satisfaction of debts		-

For and on Behalf of the Board of Directors

Signed in terms of our report of even date attached
For KBDS & Co.
Chartered Accountants
Firm Regn. No. 323288E

Sd/-
(RACHNA SINGH)
Company Secretary

Sd/-
(ALOK SUD)
CFO

Sd/-
BHAWESH KUMAR GUPTA
Partner
Membership No. 096587

Sd/-
(N. B. GUPTA)
Director
DIN - 00530741

Sd/-
(RAJEEV SHARMA)
Chairman
DIN - 00973413

Place: New Delhi
Date: 17.05.2018

DIRECTORS' PROFILE



Shri Rajeev Sharma

Chairman and Managing Director

DIN: 00973413

Shri Rajeev Sharma, 58 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 Ujwal 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 33 years of varied Power Sector experience. He has more than 21 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 PowerGrid. 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 13 years' experience of financing Power Sector and implementing key Power Sector reforms, which includes almost 9 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, 2018.



Shri Chinmoy Gangopadhyay

Director (Projects)

DIN: 02271398

Shri Chinmoy Gangopadhyay, 59 years, is a graduate in Electrical Engineering from IIT Kharagpur and MBA from FMS, New Delhi. He has more than 37 years of experience in Power Sector, serving organizations like NTPC, PFC (including PFCCL). He has been with PFC for more than 29 years and has handled project appraisal, UMPPs & ITPs, equity & financial products and Power Sector consultancy before taking over as Director(Projects). 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, 2018.



Shri. Naveen Bhushan Gupta

Director (Finance)

DIN.: 00530741

Shri. Naveen Bhushan Gupta, 58 years, is a member of the Institute of Chartered Accountants of India.

He has more than 31 years of experience in Power Sector and has served in various capacities in organisations like NHPC, PowerGrid 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 Mobilization etc. He joined PFC in September, 2005 and before his appointment to the post of Director (Finance), he has been working as Executive Director (Finance) in PFC.

Shri Naveen Bhushan Gupta was holding 24584 equity shares in the Company as on March 31, 2018.



Dr. Arun Kumar Verma

Govt. Nominee Director

DIN: 02190047

Dr. Arun Kumar Verma, 59 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 Gradute 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 31 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, 2018.



Shri Sitaram Pareek

Independent Director
DIN.: 00165036

Shri Sitaram Pareek, 66, 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 42 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 was also a National President for four years and presently working as National Coordinator of one the leading NGO.

He is also on the Board of many Companies including 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. As on March 31, 2018, he is also Chairman of Audit Committee and CSR Committee of the Company.

CA Sitaram Pareek was holding Nil equity shares in the Company as on March 31, 2018.



Smt. Gouri Chaudhury

Independent Director
DIN: 07970522

Smt. Gouri Chaudhury, 76, is an Independent Director on the Board of PFC since November 3, 2017. She is M.A. in English and Sangeet Prabhakar (Sitar).

She is a Social Worker and had been a member of the Telephone Advisory Board (TAC) and Member of Film Censor Board.

Smt. Gouri Chaudhury was holding Nil equity shares in the Company as on March 31, 2018.

REPORT OF THE BOARD OF DIRECTORS' 2017-2018

To

The Members,

Power Finance Corporation Limited

Your Directors are pleased to present their 32nd Annual Report on the performance of your Company for the financial year ended March 31, 2018 along with Audited Financial Statements, Auditor's Report, Secretarial Auditor's Report & report by the Comptroller and Auditor General of India.

1.0 FINANCIAL AND OPERATIONAL HIGHLIGHTS

a) PROFITABILITY

(₹ in crore)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Total Income	26737.74	27018.57	27245.33	27611.29
Profit Before Tax	8326.95	5109.79	8,359.48	5263.69
Tax expenses	2471.73	2983.40	2515.37	3027.59
Profit After Tax	5855.22	2126.39	5844.11	2236.10

(₹ in crore)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Opening balance of Surplus	6903.07	8898.37	7241.55	9144.25
Profit After Tax	5855.22	2126.39	5844.11	2236.10
Transfer towards Reserve for Bad & Doubtful Debts u/s 36(1) (viia) (c) of Income Tax Act, 1961	(368.30)	(467.55)	(372.10)	(467.55)
Transfer to Special Reserve created and maintained u/s 36(1) (viii) of Income Tax Act, 1961	(1585.24)	(1803.78)	(1595.07)	(1812.97)
Transfer to Debenture Redemption Reserve	(292.65)	(298.02)	(294.17)	(312.55)
Transfer to General Reserve	(1000.00)	(0.00)	(1000.00)	(0.00)
Transfer to Interest Differential Reserve-KFW Loan(net)	(57.90)	(0.00)	(57.90)	(0.00)
Interim Dividend	(2059.26)	(1320.04)	(2059.26)	(1320.04)
Corporate Dividend Tax on Interim Dividend	(404.41)	(268.73)	(414.59)	(268.73)
Proposed Corporate Dividend Tax	0.00	0.00	(6.28)	0.00
Transfer from Debenture Redemption Reserve on account of utilization	0.00	36.40	0.00	36.40
Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	0.00	0.00	(6.37)	(6.03)
Adjustment made during the year	0.00	0.03	(15.97)	2.75
Closing Balance of Surplus	**6990.53**	**6903.07**	**7263.95**	**7231.63**

(b) LENDING OPERATIONS (excluding R-APDRP/IPDS)

(₹ in crore)

Particulars	2017-18	2016-17
Sanction	116233	100603
Disbursement	64414	62798

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

(₹ in crore)

Particulars	2017-18	Cumulative (upto March' 18)
Sanctioned project cost		
a. R-APDRP	(433)*	37523
b. IPDS	2637	28671
Disbursement		
a. R-APDRP	962	11150
b. IPDS	2479	5139

*Negative sanctions indicate loans cancelled

Note: additionally, funds worth ₹ 273 crore (FY 2017-18) and ₹ 578 crore(cumulative) have been released under J&K PMDP.

2.0 FINANCIAL PERFORMANCE

2.1 REVENUE

The total income achieved by your Company during the FY 2017-18 is ₹ 26,737.74 crore as compared to ₹ 27,018.57 crore in FY 2016-17. Operating income for the year is ₹ 26,414.47 crore as compared to ₹ 26,907.53 crore in the previous year.

2.2 EXPENSES

The total expenditure for the FY 2017-18 amounted to ₹ 18,410.79 crore as against total expenditure of ₹ 21,908.78 crore in FY 2016-17. Finance cost including borrowing expenses amounted to ₹ 17,233.01 crore in FY 2017-18 as compared to ₹ 16,459.27 crore in FY 2016-17. This constituted 93.60% of total expenses in FY 2017-18 as compared to 75.13% in FY 2016-17. The other expenses including Administrative expenses, office expenses, Employee Benefit expenses etc. for the FY 2017-18 amounted to ₹ 237.78 crore as against ₹ 182.76 crore for FY 2016-17. This amounts to 1.29% of Total Expenses and 1.38% of Finance Cost as compared to 0.83% of Total Expenses and 1.11% of Finance Cost in the previous year.

2.3 PROFIT

During the FY 2017-18, your Company earned a net profit of ₹ 5,855.22 crore as compared to ₹ 2,126.39 crore for the FY 2016-17.

2.4 SHARE CAPITAL

As on March 31, 2018, 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 65.92% of the paid-up share capital.

2.5 DIVIDEND

The Board of Directors have declared first and second Interim Dividend of ₹ 6 per equity share and ₹ 1.80 per equity share respectively on paid up equity share capital of ₹ 2,640.08 crore (paid on November 23, 2017 and March 19, 2018 respectively) as against total dividend of ₹ 5 per equity share on paid up equity share capital of ₹ 2,640.08 crore during FY 2016-17. The dividend pay-out for the FY 2017-18 amounts to ₹ 2,059.26 crore representing 35.17% of the profits after tax as against a dividend pay-out of ₹ 1,320.04 crore representing 62.08% of the profits after tax in the previous year.

The Board of Directors of your Company have not recommended declaration of further dividend. Accordingly, interim dividend @ 78% of paid up equity share capital is considered as total dividend for the year.

3.0 OPERATIONAL PERFORMANCE

Your Company sanctioned loans of ₹ 1,16,233 crore during the FY 2017-18 to State, Central, Private and Joint Sector entities. An amount of ₹ 64,414 crore was disbursed during the same period. With this as on March 31, 2018, the cumulative sanctions amount to ₹ 6,78,986 crore and cumulative disbursements amount to ₹ 5,19,769 crore.

In addition to above, projects worth ₹ 2,637 crore were sanctioned under IPDS during FY 2017-18. An amount of ₹ 2,479 crore was disbursed under IPDS and ₹ 962 crore under R-APDRP during the same period. With this, cumulative approved project cost amounts to ₹ 28,671 crore under IPDS and ₹ 37,523 crore under R-APDRP and cumulative disbursements amount to ₹ 5,139 crore under IPDS and ₹ 11,150 crore under R-APDRP.

3.1 LENDINGS (Excluding R-APDRP/IPDS)

3.1.1 Sector-wise

(₹ in crore)

Category	2017-18		Cumulative upto March, 2018	
	Sanctions	Disbursements	Sanctions	Disbursements
State Sector	86801	42348	487304	370164
Central Sector	-	905	44849	42958
Joint Sector	14787	6826	41716	31174
Private Sector	14645	14335	105118	75472
Total	**116233**	**64414**	**678986**	**519769**

3.1.2 Discipline-wise

(₹ in crore)

Category	2017-18		Cumulative upto March, 2018	
	Sanctions	Disbursements	Sanctions	Disbursements
Thermal Generation	37476	21852	317964	245382
Hydro Generation (>25MW)	7678	1577	46040	34753
Renewable Energy	8057	9011	20771	16195
Renovation, Modernization and Uprating of Thermal & Hydro Power Stations	772	653	13222	10900
Transmission	11763	3264	64979	35277
Distribution	23549	5721	51566	23790
Short Term Loan	12767	11143	71438	68059
Others*	14171	11193	93007	85413
Total	**116233**	**64414**	**678986**	**519769**

* Others include Transitional Finance, Medium Term Loan, Funding of Regulatory Assets, Buyer Line of Credit, Equipment Manufacturing Loan, Fuel Sources Development, Computerization, Loan for Redemption of bond, Project settlement, Purchase of Power through PXI, Loan for Asset Acquisition, Loan Against Receivables, Bill Discounting, Studies, Pre Investment Fund, Technical Assistance Project, Decentralized Management etc.

3.2 Financial Assistance under IPDS/R-APDRP

(₹ in crore)

Scheme	2017-18		Cumulative upto March, 2018	
	Approved project cost	Disbursements*	Approved project cost	Disbursements*
R-APDRP				
Part A (IT)	(8)	329	5375	3726
Part A (SCADA)	(305)	79	1251	591
Part B	(121)	555	30897	6833
R-APDRP - Total	**(433)**	**962**	**37523**	**11150**
IPDS				
IPDS	2637	2479	28671	5139

* In addition to above, during FY 2017-18, ₹ 48 crore were released by MoP for nodal agency fee/enabling activities under IPDS, ₹ 49 crore under Part-C including re-imbursement of PFC's actual expenditure of R-APDRP. Cumulatively, MoP has released an amount of ₹ 125 crore for nodal agency fee/enabling activities under IPDS and ₹ 413 crore under Part-C of R-APDRP.

The MoU targets agreed with MoP under IPDS/ R-APDRP for FY 2017-18 and actual achievements during the year are tabulated below:

Sl. No	MoU Parameter	2017-18		Cumulative	
		Target	Actual	Target	Actual
1	Monitoring of energy data through National Power Portal (NPP) (No. of Feeders)	6752	7292	31147	31687
2	Completion of R-APDRP Part-B works (Towns)	400	404	1183	1187
3	Completion of SCADA system (Towns)	6	7	24	25
4	Completion of TPIEA verification (States)	8	9	14	15
5	Award of Works in circles under IPDS (Circles)	250	261	473	484
6	Capacity Building (Mandays)	2000	16011	-	-

4.0 REALISATION

Your Company gives utmost priority to the realisation of its dues towards principal, interest etc. under various financial assistance such as rupee term loans, working capital, lease financing, foreign currency loans, loans for equipment financing and guarantee fee. The actual realization is well represented by the overdue loans to total performing loan assets which is 0.14%.

Provisioning on Non Performing Loan Assets has been increased by an amount of ₹ 746 crore during the year. The Company has made a total provision of ₹ 6,103 crore towards Non-Performing Assets (NPA) against Loan Assets in its Annual Accounts upto the year 2017-18. After making provision on NPA, the level of net Non-Performing Assets (NPA) has been recorded at ₹ 20,600 crore which is 7.39% to the Total Gross Loan Assets as on March 31, 2018.

In addition to above, your Company has also made a provision of ₹ 1,338 crore and ₹ 1,404 crore on Standard Assets and Restructured Standard Assets respectively as on March 31, 2018, 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.

5.0 RESTRUCTERED LOANS

The details of loans restructured during the FY 2017-18 are as follows:

(₹ in crore)

Particular		2017-18	2016-17
Standard Loans Restructured	No. of Borrowers	6	11
	Amount Outstanding	6384.41	36,445.60
Sub-Standard Loans Restructured	No. of Borrowers	6	-
	Amount Outstanding	8,696.16	-
Doubtful Loans Restructured	No. of Borrowers	-	-
	Amount Outstanding	-	-
Total	**No. of Borrowers**	**12**	**11**
	Amount Outstanding	**15,080.57**	**36,445.60**

Out of above, ₹ 6196.99 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 2017-18.

6.2 BORROWINGS FROM DOMESTIC MARKET

The major borrowings from Domestic market during the FY 2017-18 are given as follows:-

(₹ in crore)

Sl. No.	Source	Amount
1.	Commercial Paper	26,737.02
2.	Bonds –Private Placement (Taxable)	28,301.00
3.	Bonds –Private Placement (Secured Capital gains - Sec 54 EC)	292.15
4.	Term Loans	11,725.00
	TOTAL	**67,055.17**

Ministry of Finance, Government of India vide its notification no. 47/2017/F.No.370142/18/2017-TPL dated June 8, 2017 permitted PFC to raise funds through Bonds under Section 54 EC of Income Tax Act, 1961. Following the notification, your Company launched Series I of PFC Capital Gain Tax Exemption Bonds u/s 54 EC of Income Tax Act, 1961 on July 3, 2017. The bonds are Secured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures having benefits under Section 54 EC of Income Tax Act, 1961. The subscription for the bonds was kept open till March 31, 2018.

6.3 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 ₹ 17,100 crore were sanctioned as on March 31, 2018 by various scheduled commercial banks to the Company for short term funding which do not bear any commitment charges towards unutilized limits.

6.4 EXTERNAL BORROWINGS

The foreign currency denominated borrowings during FY 2017-18 are as follows:

(₹ in crore)

Sl. No.	Source	Amount
1.	Green Bonds	2,541.24
2.	Syndicated Loans	5,182.25
3.	FCNR (B) Loans*	2,962.51
	TOTAL	**10,686.00**

* Please note the above do not qualify as "External Borrowing" in terms of ECB guidelines issued by RBI

PFC has issued its first USD Green bond to finance renewable energy projects. The 10 year green bonds had raised $400 million, at a coupon of 3.75% p.a. payable semi-annually at an yield of 3.91% p.a. and listed on the London Stock Exchange's new International Securities Market (ISM) and Singapore Stock Exchange. The funds raised has been utilized to finance renewable energy projects as per the "Eligible Projects" under PFC's Green Bond Framework duly approved by Climate Bonds Initiative, London, UK with KPMG designated as third party verifier. The initiative will help to promote renewable energy projects across the country and aid in achieving the Government's target of 175GW of installed renewable energy capacity by 2022.

Projects nominated to be associated with the Green Bond offering ("Eligible Green Projects") as per PFC's Green Bond Framework are:

(A) Renewable Energy

- Solar energy – photovoltaic solar electricity, concentrated solar power, infrastructure and manufacturing, transmission;
- Wind energy – offshore and onshore wind farms, infrastructure and manufacturing, transmission;
- Bioenergy – renewable feed stocks, infrastructure and manufacturing, networks;
- Hydropower – Run of river and small hydro as approved by Govt. of India;
- Geothermal – geothermal electricity, geothermal heat pump (GHP) technology;
- Other renewable energy – sea and ocean derived energy sources;
- Energy distribution & management – transmission & grid infrastructure, smart systems/meters, heating management;
- Energy storage – hydro storage systems, thermal heat storage, new technologies.

(B) Energy efficiency

- Energy efficiency technology/products manufacturing and supply – operational performance will recognise special purpose products needed to ensure buildings meet industry metrics;
- Energy efficient processes/systems;
- Cogeneration/tri-generation/combined heat and power;
- Waste heat recovery;
- Electrical Vehicles

Green Bond Principles (GBP)

The Green Bond Principles are voluntary process guidelines, intended for broad use by the market that recommend transparency and disclosure, and promote integrity in the development of the Green Bond Market. The GBP has the following four key components:

1. **Utilisation of Proceeds:** The proceeds from the issuance of Green Bonds by PFC has been applied for refinancing of 23 Solar projects with a total capacity of 304 MW and 4 Wind projects with a total capacity of 527 MW, funded by PFC across the country, termed as Green Portfolio within overall Eligible Green Projects as per PFC's Green Bond Framework.

2. **Process for Evaluation and Selection of Eligible Projects:** For the Project financing covered under Green Bonds, a two-stage process has been followed consisting of preliminary appraisal through which the proposal is shortlisted followed by detailed appraisal before the final sanction. The preliminary appraisal relies on the information provided by the borrower while an in-depth analysis is carried out during the detailed appraisal stage. In-depth analysis involves projects' Techno Economic Financial Viability as well as strength of promoter and borrower entities.

3. **Management of Proceeds:** PFC has a well laid internal tracking system through Integrated Power Financing System/Enterprise Resource Planning system (IPFS/ERP) in place which is used to monitor, establish and account for the allocation of the proceeds for such Green Portfolio. Proceeds of the current issuance has been fully utilized for refinancing of the Green Portfolio within the overall eligible projects under PFC's Green Bonds Framework.

4. **Reporting:** Reporting includes an annual update giving the summary of projects to which Green Bond proceeds have been allocated to, mentioning brief description including amount disbursed and installed capacity.

Impacts

The proceeds of the Green Bonds have been utilized for augmenting solar and wind energy projects contributing towards positive environmental impact and also strengthen India's energy security by reducing fossil fuel dependency. These solar and wind projects have a significant impact on reduction in emissions of other pollutants as well as CO_2, SO_2 and NO_x. These projects also avoid significant amounts of external costs of conventional fossil fuel-based electricity generation.

6.5 EXTERNALLY AIDED PROJECTS

No loans have been availed from Multilateral/ Bilateral agencies during FY 2017-18. Outstanding balance from such agencies as at March 31, 2018 is as follows:

Particulars	Amount
KFW I	EUR 6563605.60
Credit National	EUR 7558639.04
ADB	USD 13404220.53

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.

7.2 FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign exchange outgo aggregating ₹ 1,491.79 crore was made on account of debt servicing, financial & other charges, travelling and training expenses.

The Foreign exchange earnings for the FY 2017-18 were nil.

8.0 CREDIT RATING

Domestic

Credit Ratings by Domestic credit rating agencies for domestic program of the Company during the FY 2017-18:

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+

International

Long term foreign currency issuer rating assigned to the Company as at March 31, 2018:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable
3.	Moodys	Baa3	Stable

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. While the liquidity risk is being monitored with the help of Asset Liability gap analysis, the interest rate risk is managed by analysis of interest rate sensitive gap statements. Such analysis is made on quarterly basis in various time buckets and is being used for critical decisions regarding the time, volume and maturity profile of the borrowings and creation of mix of assets and liabilities in terms of time period (short, medium and long-term) and in terms of fixed and floating interest rates.

The maturity profile of certain items of assets and liabilities as at March 31, 2018 is set out below:

(₹ in crore)

Maturity pattern of certain items of Assets and Liabilities as on March 31, 2018

Particulars	Upto 30/31 Days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months & upto 6 Months	Over 6 Months & upto 1 Year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years	Total
Deposits	532.95	-	-	-	-	-	-	-	532.95
Advances (Rupee Loan Assets)	4485.03	688.44	3905.59	7909.22	12684.38	42719.38	47703.98	158577.76	278673.77
Investments (Net of Provision)	0.00	0.00	0.00	0.00	1070.76	0.00	0.00	1265.60	2336.36
Borrowings (Rupee Liabilities)	1275.80	2805.00	7345.70	12457.70	13056.65	69867.712	37178.05	67628.47	211615.08
Foreign Currency Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	240.96	240.96
Foreign Currency Liabilities	4.67	0.00	5.93	0.00	2348.39	5174.02	8024.53	2702.55	18260.08

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 forwards, options, principal swaps and forward rate agreements.

As on March 31, 2018, the total o/s foreign currency liabilities are USD 2,372 million, JPY 43,668 million and Euro 14 million. On an overall basis, the currency exchange rate risk is covered to the extent of 51% through various hedging instruments.

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

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 2018, 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. Further, to meet the requirement of Standard Bid Documents, your Company has incorporated five additional SPVs (Infra SPVs) 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:

Sl. 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 April 28, 2015. Procurers have decided to accept the termination after which JIPL shall be taken over by Procurers and subsequently transferred to PFC for rebidding.

Government of Andhra Pradesh has decided not to proceed further with the 2nd UMPP in Andhra Pradesh and in view of the same it has been decided by the Ministry of Power for the closure of the project. Action has been initiated to wind up/strike off the name of SPV from the records of Registrar of Companies (ROC).

Further, Government of Chhattisgarh had informed that they are not keen to set up UMPP at present due to surplus power in the state and in view of the same it has been decided by the Ministry of Power for the closure of the project. The process for winding up/striking off the name of SPV from the records of Registrar of Companies (ROC) has been initiated.

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 2018, 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 nineteen SPVs were transferred to the successful bidders till March 31, 2018.

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

Sl. No.	SPV	Successful Bidder	Date of Transfer
1.	Fatehgarh-Bhadla Transmission Limited	Adani Transmission Limited	March 14, 2018
2.	Goa-Tamnar Transmission Project Limited	Sterlite Grid 5 Limited	March 14, 2018

The schemes Northern Region System Strengthening Scheme – XXXIII (SPV- Ballabhgarh-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.

Letter of Intent (LOI) was issued to the successful bidders for Tanda Transmission Company Ltd. on October 9, 2015. However, the Standing Committee on Power System Planning of Northern Region had decided to drop the said scheme. Further, MoP vide Gazette Notification dated February 23, 2018 de-notified the scheme "ATS for Tanda Expansion TPS (2x660) MW". Accordingly requisite action will be taken for the closure of the SPV.

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:

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 12th and 13th Plans by carrying forward the approved outlay for R-APDRP to IPDS.

iv) Enterprise Resource Planning (ERP) and IT enablement of balance urban towns. Scope of IT enablement has been extended to all 4041 towns as per Census 2011.

v) Smart metering solution for performing UDAY states and solar panels on Government buildings with net metering.

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.

Your Company, as nodal agency, has contributed significantly during the year in implementation of IPDS (with RAPDRP subsumed under it) programme:

IPDS

- Your Company sanctioned projects of ₹ 2,637 crore during FY 2017-18 and ₹ 28,671 crore cumulatively under IPDS.
- Your Company also disbursed ₹ 2,479 crore during FY 2017-18 and ₹ 5,139 crore cumulatively to the State Utilities for projects sanctioned under IPDS.

R-APDRP

- Your Company has sanctioned projects of ₹ 37,523 crore cumulatively for 1,405 towns under Part-A IT, 59 towns under Part-A (SCADA) and 1227 towns under Part-B of R-APDRP.
- Your Company also disbursed ₹ 962 crore during FY 2017-18 and ₹ 11,150 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 57 Utilities and TPA has been signed with 56 Utilities.

Out of NIT value of ₹ 25,992 crore issued, projects worth ₹ 25,075 crore has already been awarded in 484 out of 546 sanctioned circles and implementation has started in said circles. Further, your Company also sanctioned ₹ 816 crore as counterpart loans and disbursed an amount of ₹ 82 crore under IPDS during the year.

R-APDRP

With the measures taken so far, 20 out of 21 Data Centers, 20 out of 21 Disaster Recovery Centres and 42 out of 46 Customer Care Centers have been commissioned. Further, 1376 towns have been declared Go-Live and declaration of Go-Live in balance 29 towns of Odisha (12), Tamil Nadu (8), Puducherry (4), Arunachal Pradesh (3), Mizoram (1) and Nagaland (1) is under progress. In 1346 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 ₹ 641 crore and cumulatively ₹ 2,519 crore as counterpart loan under Part-B of R-APDRP. Implementation work of distribution system strengthening has been reported complete in 1187 towns out of 1227 towns.

Cumulatively, 52 out of 59 sanctioned SCADA Control Centers have been commissioned and 25 out of 59 SCADA towns were completed.

The reduction in AT&C loss is already visible in 1156 R-APDRP towns (as per Post Go-Live reports) in March 2018 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:

- Revamped IPDS web-portal with provision of on-line submission of IPDS DPRs and maintaining MIS. The revamped portal also includes 7 post Go-Live parameters which are being monitored on monthly basis and States are being ranked based on improvement on these parameters.
- A system has been developed in-house for web-based project monitoring of IPDS/ R-APDRP on IPDS web portal. Discoms are uploading award details, work execution details along with financial progress of the projects on the portal at regular intervals. Further, project monitoring of Old Kashi IPDS project has already been started on www.kashiipds.com.
- Capacity building / training of Utility personnel is also carried out under IPDS – RAPDRP to enhance their skill. Capacity Building programme was rolled-out through empanelled PTIs in which 16,011 man-days achieved in FY 2017-18.

- PFC on behalf of Ministry of Power has developed a Mobile App for Urban Power Distribution Sector (URJA) to enhance Consumer Connect, Project Monitoring of Urban Distribution Sector projects etc. The web version of URJA is also available at www.urjaindia.co.in.
- Online Feeder Monitoring system is being developed as an integral part of National Power Portal (NPP). NIC along with PFC is implementing the project. The Feeder data of 50 Discoms in 30 States has been received and integrated on NPP. As on date, transaction data of 31,687 Feeders has been uploaded by Discoms on NPP for urban towns.
- Coordination for adoption of 1912, the short code for electricity complaints, by all Utilities on Pan-India basis. As on date, 1912 has already been implemented in 47/51 Government Discoms (45 with all service providers). 1912 has been implemented as Toll free facility in 47 Discoms.
- 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 48 UVAs engaged with PFC and posted at various Discom HQ.
- In order to recognize efforts of Discoms/Feeder managers working towards reduction in AT&C, MoP has approved Feeder Manager Recognition scheme. 31 Feeder Managers from across Utilities have been awarded on monthly basis for the period September, 2017 to February, 2018.
- IPDS guidelines envisaged appointment of Third Party Concurrent evaluating Agency (TPCEA) by PFC (Nodal agency), for concurrent and post implementation evaluation of the sanctioned IPDS schemes, for assuring quality of work in projects being carried out by Utilities. PFC has completed 1st round of appointment of TPCEA for various states. The appointment has been made after reverse e-auction bidding for 15 groups across the country, the major bidders were WAPCOS, Feedback Infra, Voyant Solutions, SMEC India Pvt. Ltd. etc.

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 (biannual) 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 May 15, 2018, 121 utilities were categorized, 5 as "A++", 43 as "A+", 43 as "A", 19 as "B" and 11 as "C".

Quarterly and Annual Report of State Power Utilities

During the year 2015-16, PFC had undertaken the initiative of revising its existing Quarterly Performance Research Report of State Power Utilities to focus on the distribution sector and the new formats for the revised Quarterly Report were developed after discussion with various stakeholders and the consultants i.e. ICRA & CARE. The data for this report is being collected from 40 distribution utilities covered under the Annual Integrated Rating exercise.

PFC also publishes the Report on the Performance of State Power Utilities (SPUs) on an annual basis. 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 (₹/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 its policy framework so as to align itself with the prevailing conditions in the power sector. Towards this end, your Company recently reviewed its refinancing policy so as to make it more flexible and customer oriented. PFC has also re-aligned its lending terms with the market for the renewable sector particularly for solar & wind power so to enhance its market share. In order to capture more business in transmission sector, your Company has formulated a new policy for funding Independent Transmission projects (ITP's).

14.0 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 2017-18 are as follows:-

- During the FY 2017-18, PFC has approved an additional investment of ₹ 241 crore towards equity contribution in Energy Efficiency Services Limited (EESL), a Joint Venture Company of PFC, REC, NTPC and POWERGRID.

PFC has subscribed to 9,90,00,000 equity shares of ₹ 10 each amounting to ₹ 99,00,00,000 in EESL's Rights Issue on April 27, 2018 under the first tranche and the same were allotted to PFC by EESL on July 2, 2018.

15.0 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. (PFCCAS) with PFC Consulting Ltd. (PFCCL).

Further, the Board of Directors of PFC Green Energy Limited (PFC GEL) and PFC has approved the Scheme for the merger of PFC GEL with PFC subject to sanction by the Ministry of Corporate Affairs.

The process of mergers is under way.

Decision of voluntary winding up of PECAP is under consideration of Ministry of Power, Government of India.

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, 2018, 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) Ballabhgarh-GN Transmission Company Limited*
xvii) Tanda Transmission Company Limited *
xviii) Mohindergarh-Bhiwani Transmission Limited*
xix) South-Central East Delhi Power Transmission Limited*
xx) Bijawar-Vidarbha Transmission Limited*
xxi) Shongtong Karcham-Wangtoo Transmission Limited*

* wholly owned subsidiaries of PFC Consulting Limited

15.1 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 the 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 62 clients spread across 24 States/UTs by PFCCL. The total number of assignments undertaken as on date is 113.

Further, during the FY 2017-18, the total income of PFCCL was ₹ 78.87 crore vis-à-vis ₹ 120.67 crore in the previous FY 2016-17 and the net profit earned by PFCCL during FY 2017-18 was ₹ 28.33 crore as against the corresponding net profit of ₹ 57.85 crore last fiscal.

15.2 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, 2018, 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 approval for Scheme of merger of PFC GEL with PFC in their respective meetings held on August 25, 2017 and September 29, 2017 respectively.

Further, the Reserve Bank of India (RBI) has issued a letter dated April 20, 2018, inter-alia intimating that "Bank does not have any objection to the scheme of arrangement".

PFC GEL continues to accomplish a healthy growth during the FY 2017-18. The total revenue from operation grew by 14% from ₹ 64.79 crore to ₹ 73.94 crore, profit before tax (PBT) grew by 2% from ₹ 43.14 crore to ₹ 44.14 crore and profit after tax (PAT) grew by 6% from ₹ 30.15 crore to ₹ 31.83 crore in FY 2017-18.

Further, PFCGEL has disbursed ₹ 77.26 crore to various ongoing renewable energy projects already sanctioned by it. As on March 31, 2018, the Company has a loan portfolio of ₹ 681.94 crore.

15.3 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 "NIL" and other income was ₹ 0.61 crore while net profit after tax of the Company was ₹ 0.38 crore.

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

Further, PFCCAS vide its letter dated August 21, 2017 applied to SEBI for Surrender of Certificate of Registration as a Debenture Trustee and SEBI vide its letter dated April 20, 2018 has intimated that the said application has been duly approved.

15.4 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.

16.0 JOINT VENTURES, ASSOCIATE COMPANIES AND OTHER MAJOR INVESTMENTS (as on March 31, 2018)

16.1 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. The shareholding of your Company as on March 31, 2018 is 31.71%.

During FY 2017-18, your Company has approved an investment of ₹ 241 crore towards additional equity infusion in EESL for various activities to be undertaken by EESL such as Ujala, street lighting, building, e-vehicles etc.

PFC has subscribed to 9,90,00,000 fully paid equity shares of EESL of face value of ₹ 10 per share amounting to ₹ 99,00,00,000 as on April 27, 2018 under first tranche and the same were alloted to PFC by EESL on July 2, 2018.

Further, during the FY 2017-18, the total income of EESL was ₹ 1,410.70 crore vis-à-vis ₹ 1,227.18 crore in the previous FY 2016-17 and the net profit earned by EESL during FY 2017-18 was ₹ 39.38 crore as against the corresponding net profit of ₹ 51.81 crore last fiscal.

16.2 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 2017-18, PTC maintained its leadership position with trading volumes of 57.02 BUs. PTC has reported profit after tax of ₹ 319.20 crore for the FY 2017-18.

16.3 POWER EXCHANGE INDIA LIMITED

Power Exchange India Limited (PXIL) is India's first institutionally promoted Power Exchange, promoted by two of India's biggest exchanges i.e. National Stock Exchange of India Limited and National Commodity & Derivatives Exchange Limited (NCDEX). It 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's investment in equity shares of PXIL as on March 31, 2018 of ₹ 3.22 crore.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.

16.4 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.

The promoters of SMHPCL have disputed the said invocation of pledged shares and partial conversion of sub-debt before NCLT, Ahmedabad. The matter is subjudice.

17.0 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 2016-17, your Company was accorded 'Excellent rating'. The rating for FY 2017-18 is still awaited.

18.0 PRESIDENTIAL DIRECTIVES

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

The pay scale revision for Board level and below Board level executives became due w.e.f. January 1, 2017 in accordance with DPE OMs no W-02/0028/2017-DPE(WC)-GL-XIII-17 dated August 3, 2017 and W-02/0028/2017-DPE(WC)-GL-XIV-17 dated August 4, 2017. In this regard, Presidential Directives were issued by Ministry of Power vide its letter no 24-9/8/2017 PFC(MOP) dated May 10, 2018. Accordingly, PFC has implemented the Presidential Directives on revision of pay scales for Board level and below Board level executives of the Company w.e.f. January 1, 2017.

19.0 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.

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 Environment Sustainability, Skill development, Sanitation, Healthcare and supporting the differently abled.

For the FY 2017-18, the Board had approved the CSR budget of ₹ 149.21 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 with Annual Report.

20.0 HRD INITIATIVES

DEVELOPMENT & TRAINING

During FY 2017-18, in order to ensure specific skill development the focus of conducting in house programs was maintained in line with the corporate goals. Customized programs like training on Indian Accounting Standards, Management of Non-Performing Assets, Leadership & Team Building, General Management Program with help of Indian Institute of Management (IIM), Bangalore & Lucknow, etc. were organized along with other need-based programs.

As on March 31, 2018, 14 in-house training programs were organized by the Company for its employees. A total of 1594 man-days were achieved by conducting various in-house programs and by sponsoring employees to other need based programs conducted 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.

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. During the FY 2017-18, PFC organized 20th Inter-CPSU Carrom Tournament under the aegis of PSCB. Employees of PFC exhibited enthusiastic participation in various Inter-CPSU sports tournaments such as Cricket, Badminton, Table Tennis, Carrom, Chess, Kabaddi, 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.

During the period, the Company organized Qaumi Ekta week during November 19, 2017 to November 25, 2017. During the week various events like essay writing competition, Slogan writing competition and linguistic fest were organized and employees participated with zeal and enthusiasm. On the occasion of PFC Foundation Day, a Kavi Samelan was organized at PFC premises. Eminent poets like Shri Ashok Chakradhar, Surender Sharma and Rahat Indori entertained PFC employees with their poetic performance.

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, 2017 to March 31, 2018 comes out to 1.00%.

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. During the period, several new initiatives were taken for employees' welfare such as amendments in Medical Attendance Rules, Child Care Leave Rules etc.

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, 2018	SCs	SC%	STs	ST%	OBC	OBC%
A	387	69	17.83%	21	5.43%	69	17.83%
B	92	15	16.30%	8	8.70%	12	13.04%
C	18	3	16.67%	1	5.56%	3	16.67%
D	1	0	0.00%	0	0.00%	0	0.00%
Total	**498**	**87**	**17.47%**	**30**	**6.02%**	**84**	**16.87%**

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/ PwD 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 20.28% of the total work force.

Group	Total Employees as on March 31, 2018	Number of Women Employees	Percentage of overall staff strength
A	387	64	16.54%
B	92	34	36.96%
C	18	3	16.67%
D	1	0	0.00%
Total	**498**	**101**	**20.28%**

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 2017-18, no case has been filed under the "Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013".

21.0 DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) 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;

(c) 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;

(d) the accounts have been prepared on a going concern basis;

(e) the Company has laid down internal financial controls to be followed and that such internal financial controls are adequate and are operating effectively.

(f) 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.

22.0 STATUTORY AUDITORS

M. K. Aggarwal & Co., Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants were appointed as Joint Statutory Auditors of the Company for the FY 2017-18 by the Comptroller & Auditor General of India.

The Joint Statutory Auditors have audited the accounts of the Company for the FY 2017-18 and have given their report without any qualification, reservation, adverse remark or disclaimer. The copy of the audit report is annexed with Annual Report.

SECRETARIAL AUDITOR

Agarwal S. & Associates, Company Secretaries was appointed as the Secretarial Auditor of the Company for the FY 2017-18 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 2017-18 along with copy of the audit report is annexed with Annual Report.

23.0 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 with Annual Report.

24.0 DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Internal Auditor of the Company i.e. 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. K. Aggarwal & Co., Chartered Accountants and Gandhi Minocha & Co., Chartered Accountants have also given their Report on the Internal Financial Controls stating that the

Company has, in all material respects, an internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018 based on 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.

25.0 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 ompany 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.

26.0 DEBENTURE TRUSTEES

The details of Debenture Trustees appointed by the Company for the different series of Bonds issued by your Company are annexed with Annual Report.

27.0 STATUS OF UNCLAIMED AMOUNTS

Bonds

The total unclaimed and unpaid amount as on March 31, 2018 was ₹ 17.94 crore (principal plus interest). The unpaid/unclaimed amount of bonds transferred to IEPF during FY 2017-18 is ₹ 0.60 crore.

Equity

The unclaimed balance amount of dividend (equity) and application money received and due for refund (FPO) as on March 31, 2018 was ₹ 2.63 crore and ₹ 0.038 crore respectively. The unclaimed amount of ₹ 23,17,050 become due for transfer during the year ended March 31, 2018 and was accordingly transferred to Investor Education and Protection Fund (IEPF).

28.0 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 24th 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. 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 2017-18.

29.0 VIGILANCE

During the FY 2017-18, 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. The Vigilance Unit also issued directions/effective guidelines to rationalize systems and procedures to eliminate 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 prepared e-learning case studies for the e-learning module of the CVC. The Vigilance Unit carried out detailed investigation in respect of complaints registered during this period.

In accordance with directives of CVC, Vigilance Awareness week was observed from October 30, 2017 to November 4, 2017 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 and the concerned officers were rotated. Agreed lists for the year 2017 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.

The Vigilance Unit continuously worked for systemic improvements with a view to increase transparency, objectivity and accountability in the operations of the Company. Thus, it has contributed towards overall improvement in the functioning through efficiency and effectiveness of the organization.

30.0 OFFICIAL LANGUAGE

Your Company was awarded the third prize in Public Sector Category in Region 'A' of 'Rajbhasha Kirti Puraskar' for the year 2016-17 by Rajbhasha Vibhag, Ministry of Home Affairs for its concerted efforts made in implementation of Official Language Policy. CMD, PFC received the Prestigious Award from Hon'ble President of India, Shri Ram Nath Kovind.

Meetings of the Official Language Implementation Committee (OLIC) were organised in each quarter. Departmental Hindi meetings were also organized at the unit level.

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 chakke pe chakka, Vartani Shodhan, Shabd Vyuhbhedan, Sahitya Ke Kharokhe Se etc. were organized. A 'Nritya Natika' was organised by the artistes of Bharatiya Kala Kendra on the life of Sri Ram. One more nritya natika based on the life of 'Karn' was also organised. A booklet of compilation of standard notings was circulated to the employees to help them in their day-to day work in Hindi. Two books namely 'Premchand ki 51 shreshth kahaniyan' and 'Bharatiya Veranganayen' were also distributed to all the employees.

Under various Rajbhasha Incentive Schemes for the year 2017-18, 187 employees and 8 children of PFC employees were awarded.

31.0 RIGHT TO INFORMATION ACT

The Right to Information Act, 2005 is an Act of the Parliament of India to provide for setting out the practical regime of right to information for citizens. It also endeavors to promote transparency and accountability in the working of the Government, to contain corruption and to enhance people's participation in the democratic process by making the citizens informed about the activities of the Government. Under the Act, it is believed that an informed citizen is better equipped to keep necessary vigil on the instruments of governance and make the government more accountable. The main objective of the Right to Information Act, 2005, is to ensure greater and more effective access to information and to maintain transparency and improve accountability in the working of the public departments both Central and State. The information seekers, have, subject to few exceptions, an overriding right under the Act, to get information lying in the possession of the Public Authorities.

Your Company has implemented the Right to Information Act, 2005 to provide information to the citizens of India and also to maintain accountability and transparency in the working of the Company. The Company has designated a Public Information Officer (PIO) and Appellate Authority at its registered office for effective implementation of the RTI Act. The relevant information/ disclosures are also made available on the official

website (www.pfcindia.com) of the Company. During the FY 2017-18, all 94 applications received under the RTI Act, were duly processed and replied to. PFC has also complied with the directions of Central Information Commission (CIC) regarding filing of online Quarterly/Annual Return for the FY 2017-18.

Further, 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 April 15, 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.

Besides the above, your Company is also linked with the online RTI Portal of Government of India, Department of Personnel & Training (https://rtionline.gov.in), which enables citizens of India, to file RTI applications/first appeals online along with payment gateway. Payment can be made through internet banking of SBI & its associate banks, debit/credit cards of Master/Visa and RuPay cards.

32.0 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.

33.0 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 2017-18.

34.0 DETAILS OF PROCUREMENT FROM MSEs

The details of the procurements made from Micro and Small Enterprises (MSEs) during the FY 2017-18 and the targets for FY 2018-19 as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 along with Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 is as under:

Sl. No.	Particulars	FY 2017-18 (₹)	Target for FY2018-19 (₹)
I	Total annual procurement (in value)	19.62 cr.	25.49 cr.
II	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	7.33 cr.	5.1 cr.
III	Total value of goods and services procured from only MSEs owned by SC/ST	0.03 cr.	1.02 cr.
IV	% age of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of total procurement	37%	20%
V	% age of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement	0.02%	4%
VI	Total number of vendor development programmes for MSEs	2 Half yearly (June/Feb)	2
VII	Confirmation of uploading annual MSE procurement profile on your website by hyperlink of same	http://www.pfcindia.com/Home/VS/125	

35.0 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
Details of Debenture Trustees	A
Extract of Annual Return (MGT-9)	B
Annual Report on CSR Activities	C
Disclosure of particulars of contracts/arrangements entered into by the Company with related parties (AOC-2)	D
Management Discussion and Analysis Report	E
Integrated Reporting	F
Report on Corporate Governance	G
Business Responsibility Report	H
Secretarial Audit Report	I

36.0 ACKNOWLEDGEMENT

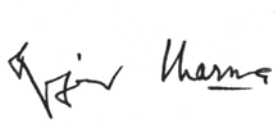
The Board of Directors acknowledge and place on record their appreciation for the guidance, co-operation and encouragement extended to the Company by the Government of India, Ministry of Power, Ministry of Finance, Ministry of Corporate Affairs, Reserve Bank of India, Department of Public Enterprises, 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 : 03.08.2018

Annexure A of Board's Report

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

Sl. No.	Name & Address of Trustee	Bond Series
1.	**IDBI Trusteeship Services Ltd** Vishawastha Bhavan, 1st Floor 218 Pratapganj Peth Satara- 415002	7.6% TAXABLE BOND SERIES XXV 8.85% TAXU BOND SERIES XXVIII 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
2.	**PNB Investment Services Ltd.** 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 8.99% 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

Sl. No.	Name & Address of Trustee	Bond Series
		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 1- Series-I Infrastructure Bonds (2011-12) – tranche 1- Series-II Infrastructure Bonds (2011-12) – tranche 1- Series-III Infrastructure Bonds (2011-12) – tranche 1- 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
3.	**Catalyst Trusteeship Ltd.** (Formerly GDA Trusteeship Ltd.) "GDA HOUSE", Plot No.85, Bhusari Colony (Right), Paud Road, Pune-411038	7.21% TAX FREE Bond Series 94-A 7.38% TAX FREE BondsSeries 94-B 7.22% TAX FREE Bonds Series 95-A 7.38% TAX FREE Bonds Series 95-B BOND SERIES 91-B 9.29% PFC Bonds Series 92-C 8.72% TAXABLE BONDS SERIES 98-III (2019) 8.82% PFC Bonds Series 99-B 8.86% PFC Bonds Series 100-A 8.84% PFC Bonds Series 100-B 9.00% PFC Bonds Series 101-B 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 9.15% PFC Bonds Series 115-II 9.20% PFC Bonds Series 115- III 9.37% PFC Bonds Series 117-B 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 Series120-A 8.98% PFC Bonds Series 120-B 8.96% PFC Bonds Series 121-B 8.76% PFC Bonds Series 122 8.65% PFC Bonds Series 123-B

Sl. No.	Name & Address of Trustee	Bond Series
		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 Infrastructure Bonds (2010-11)– tranche 1-Series-I Infrastructure Bonds (2010-11)– tranche 1-Series-II Infrastructure Bonds (2010-11)– tranche 1-Series-III Infrastructure Bonds (2010-11)– tranche 1-Series-IV 8.20% Public Issue of Tax Free Bonds FY 2011-12 8.30% Public Issue of Tax Free Bonds FY 2011-12
4.	**Vistra ITCL (India) Ltd.** (Formerly IL&FS Trust Company Limited) IL&FS Financial Centre, Plot C-22, G-Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051	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 1 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

Sl. No.	Name & Address of Trustee	Bond Series
		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
5.	**Milestone Trusteeship Services Pvt Ltd** 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 8.39% 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 8.17% 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 8.00% PFC BOND SERIES 142-A 8.12% PFC BOND SERIES 143 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 ERIES 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-GoI Fully Serviced Bond 7.27% PFC BOND SERIES 157 7.27% PFC BOND SERIES 158-GoI Fully Serviced Bond 7.27% PFC BOND SERIES 159 7.27% PFC BOND SERIES 160-GoI Fully Serviced Bond 7.27% PFC BOND SERIES 161 7.56% PFC BOND S7.27% PFC BOND SERIES 162 7.27% PFC BOND SERIES 163

Sl. No.	Name & Address of Trustee	Bond Series
		7.27% PFC BOND SERIES 164-GoI Fully Serviced Bond
		7.27% PFC BOND SERIES 165
		7.11% PFC TAXFREE BONDS 1A 17.10.2025
		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
		7.46% TX USC BND SRS 166
		7.30% TX USC BND SRS 167
		7.28% TX USC BND SRS 168 A
		7.44% TX USC BND SRS 168 B
		7.10% TX USC BND SRS 169 A
		7.30% TX USC BND SRS 169 B
		7.35% TX USC BND SRS 170 A
		7.65% TX USC BND SRS 170 B
		7.62% TX USC BND SRS 171
		7.74% BS 172 TAXABLE BONDS
		7.73% TX USC BND SRS 173 A
		7.73% TX USC BND SRS 173 B
		7.80% TX USC BND SRS 174
		7.75% TX USC BND SRS 175
		7.53% TX USC BND SRS 176 A
		7.99% TX USC BND SRS 176 B
		5.25% SEC 54EC BD SR 1 171807
		5.25% SEC 54EC BD SR 1 171808
		5.25% SEC 54EC BD SR 1 171809
		5.25% SEC 54EC BD SR 1 171810
		5.25% SEC 54EC BD SR 1 171811
		5.25% SEC 54EC BD SR 1 171812
		5.25% SEC 54EC BD SR 1 171801
		5.25% SEC 54EC BD SR 1 171802
		5.25% SEC 54EC BD SR 1 171803

Annexure B of Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[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	**Registered Office** 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi- 110001 **Company Secretary** Shri Manohar Balwani Tel: +91 11 23456020 Fax: +91 11 23456786 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	Karvy Computershare Private Limited 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

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 otherservices	64920 (Other Financial Services and Activities - Other Credit Granting)	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	U65100DL2008PTC175845	Subsidiary	100	
5	Chhattisgarh Surguja Power Limited	U40102DL2006GOI146111	Subsidiary	100	
6	Coastal Karnataka Power Limited	U40102DL2006GOI146109	Subsidiary	100	
7	Coastal Maharashtra Mega Power Limited	U40102DL2006GOI146953	Subsidiary	100	
8	Coastal Tamil Nadu Power Limited	U40102DL2007GOI157615	Subsidiary	100	
9	Orissa Integrated Power Limited	U40102DL2006GOI152423	Subsidiary	100	
10	Sakhigopal Integrated Power Company Limited	U40108DL2008GOI178409	Subsidiary	100	
11	Ghogarpalli Integrated Power Company Limited	U45207DL2008GOI178456	Subsidiary	100	
12	Tatiya Andhra Mega Power Limited	U40200DL2009GOI189476	Subsidiary	100	
13	Deoghar Mega Power Limited	U40300DL2012GOI234839	Subsidiary	100	
14	Cheyyur Infra Limited	U93000DL2014GOI263819	Subsidiary	100	
15	OdishaInfrapower Limited	U93000DL2014GOI263902	Subsidiary	100	
16	Deoghar Infra Limited	U93000DL2015GOI282164	Subsidiary	100	
17	Bihar Infrapower Limited	U93000DL2015GOI282192	Subsidiary	100	
18	Bihar Mega Power Limited	U93000DL2015GOI282653	Subsidiary	100	
19	Jharkhand Infrapower Limited	U40300DL2015GOI288311	Subsidiary	100	
20	Ballabhgarh-GN Transmission Company Limited	U74999DL2013GOI257470	Subsidiary	Wholly owned subsidiaries of PFC Consulting Limited	
21	Tanda Transmission Company Limited	U74999DL2013GOI257471	Subsidiary		
22	Mohindergarh-Bhiwani Transmission Limited	U40106DL2014GOI274558	Subsidiary		
23	South-Central East Delhi Power Transmission Limited	U40109DL2015GOI276863	Subsidiary		
24	Bijawar-Vidarbha Transmission Limited	U40300DL2017GOI310540	Subsidiary		
25	ShongtongKarcham-Wangtoo Transmission Limited	U40300DL2017GOI310556	Subsidiary		
26	Energy Efficiency Services Limited	U40200DL2009PLC196789	JV	31.71	Section 2(6) of the Companies Act, 2013
27	Shree Maheshwar Hydel Power Corporation Limited	U40101MP1993PLC007667	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											
(1)	Indian										
	a)	Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
	b)	Central Govt/ State Govt (s)	1751631394	0	1751631394	66.35	1740216107	0	1740216107	65.92	(0.43)
	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
		Sub-total (A) (1):-	**1751631394**	**0**	**1751631394**	**66.35**	**1740216107**	**0**	**1740216107**	**65.92**	**(0.43)**
(2)	Foreign										
	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
		Sub-total (A) (2):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
		Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**1751631394**	**0**	**1751631394**	**66.35**	**1740216107**	**0**	**1740216107**	**65.92**	**(0.43)**
B. Public Shareholding											
1.	Institutions										
	a)	Mutual Funds/UTI	84148928	0	84148928	3.19	158677531	0	158677531	6.01	2.82
	b)	Banks / FI	34431411	0	34431411	1.30	20755909	0	20755909	0.79	(0.52)
	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	215729156	0	215729156	8.17	165642654	0	165642654	6.27	(1.90)
	f)	FIIs	409564159	0	409564159	15.51	369527793	0	369527793	14.00	(1.52)
	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
		Sub-total (B)(1):-	**743873654**	**0**	**743873654**	**28.18**	**714603887**	**0**	**714603887**	**27.07**	**(1.11)**
2.	Non-Institutions										
	a)	Bodies Corp.	39131118	0	39131118	1.48	34046057	0	34046057	1.29	(0.19)
	b)	Individuals									
	i)	Individuals holding nominal share capital upto ₹ 1 lakh	70837116	54978	70892094	2.69	102733167	53121	102786288	3.89	1.21
	ii)	Individuals holding nominal share capital in excess of ₹1 lakh	20740808	0	20740808	0.79	33950121	0	33950121	1.29	0.50

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)	Others									
		Clearing Members	5726464	0	5726464	0.22	5207426	0	5207426	0.20	(0.02)
		Foreign Nationals	1000	0	1000	0.00	0	0	0	0.00	0.00
		IEPF	0	0	0	0.00	23184	0	23184	0.00	0.00
		Non Resident Indians	2053189	0	2053189	0.08	3277676	0	3277676	0.12	0.05
		NRI Non-repatriation	1612409	0	1612409	0.06	2132401	0	2132401	0.08	0.02
		Trusts	4419278	0	4419278	0.17	3838261	0	3838261	0.15	(0.02)
	d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
		Sub-total (B)(2):-	**144521382**	**54978**	**144576360**	**5.48**	**185208293**	**53121**	**185261414**	**7.02**	**1.54**
		Total Public Shareholding (B)=(B)(1)+ (B)(2)	**888395036**	**54978**	**888450014**	**33.65**	**899812180**	**53121**	**899865301**	**34.08**	**0.43**
		Total (A) + (B)	**2640026430**	**54978**	**2640081408**	**100.00**	**2640028287**	**53121**	**2640081408**	**100**	**0.00**
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
		Grand Total (A+B+C)	**2640026430**	**54978**	**2640081408**	**100.00**	**2640028287**	**53121**	**2640081408**	**100**	

(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	1751631394	66.35	Nil	1740216107	65.92	Nil	(0.43)

(iii) Change in Promoters' Shareholding

Sl. No.	Particulars		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	**President of India**					
	At the beginning of the year – Opening balance		1751631394	66.35	1751631394	66.35
	Date	**Type of Transaction**				
	17/11/2017	Sale (transferred to ETF account)	10682005	0.41	1740949389	65.94
	24/11/2017	Sale (transferred to ETF account)	733282	0.02	1740216107	65.92
	At the End of the year – Closing balance				1740216107	65.92

(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
1	**LIC OF INDIA PENSION PLUS NON UNIT FUND**					
	At the beginning of the year – Opening balance		228252101	8.65	228252101	8.65
	Date	**Type of Transaction**				
	07/04/2017	Sale	(4276000)	(0.17)	223976101	8.48
	14/04/2017	Sale	(3540000)	(0.13)	220436101	8.35
	21/04/2017	Sale	(1780852)	(0.07)	218655249	8.28
	28/04/2017	Sale	(979148)	(0.03)	217676101	8.25
	05/05/2017	Sale	(4053713)	(0.16)	213622388	8.09
	12/05/2017	Sale	(3868943)	(0.15)	209753445	7.94
	19/05/2017	Sale	(8994582)	(0.34)	200758863	7.60
	26/05/2017	Sale	(1279319)	(0.04)	199479544	7.56
	23/06/2017	Sale	(2799052)	(0.11)	196680492	7.45
	07/07/2017	Sale	(800000)	(0.03)	195880492	7.42
	14/07/2017	Sale	(4804935)	(0.18)	191075557	7.24
	03/11/2017	Sale	(6530000)	(0.25)	184545557	6.99
	10/11/2017	Sale	(4769113)	(0.18)	179776444	6.81
	01/12/2017	Sale	(4572030)	(0.17)	175204414	6.64
	08/12/2017	Sale	(1664250)	(0.07)	173540164	6.57
	15/12/2017	Sale	(702500)	(0.02)	172837664	6.55
	22/12/2017	Sale	(5754705)	(0.22)	167082959	6.33
	29/12/2017	Sale	(3689000)	(0.14)	163393959	6.19
	05/01/2018	Sale	(1000000)	(0.04)	162393959	6.15
	12/01/2018	Sale	(663679)	(0.02)	161730280	6.13
	19/01/2018	Sale	(250762)	(0.01)	161479518	6.12
	26/01/2018	Sale	(1570202)	(0.06)	159909316	6.06
	02/02/2018	Sale	(1749064)	(0.07)	158160252	5.99
	09/02/2018	Sale	(110646)	-	158049606	5.99
	23/02/2018	Sale	(225000)	(0.01)	157824606	5.98
	02/03/2018	Sale	(273301)	0.01)	157551305	5.97
	09/03/2018	Sale	(75000)	(0.01)	157476305	5.96
	At the End of the year – Closing balance				157476305	5.96
2.	**HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND**					
	At the beginning of the year – Opening balance		25479486	0.97	25479486	0.97
	Date	**Type of Transaction**				
	07/04/2017	Purchase	102000	-	25581486	0.97
	14/04/2017	Purchase	732000	0.03	26313486	1.00
	21/04/2017	Sale	(180000)	(0.01)	26133486	0.99
	28/04/2017	Purchase	1790000	0.07	27923486	1.06

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
	05/05/2017	Purchase	2000000	0.07	29923486	1.13
	12/05/2017	Purchase	1583821	0.06	31507307	1.19
	12/05/2017	Sale	(42000)	-	31465307	1.19
	02/06/2017	Purchase	9308000	0.35	40773307	1.54
	09/06/2017	Purchase	660000	0.03	41433307	1.57
	16/06/2017	Purchase	5647000	0.21	47080307	1.78
	23/06/2017	Purchase	3825210	0.15	50905517	1.93
	30/06/2017	Purchase	5220000	0.20	56125517	2.13
	07/07/2017	Purchase	794000	0.03	56919517	2.16
	14/07/2017	Purchase	96000	-	57015517	2.16
	21/07/2017	Purchase	1100000	0.04	58115517	2.20
	28/07/2017	Purchase	1324443	0.05	59439960	2.25
	04/08/2017	Sale	(24000)	-	59415960	2.25
	11/08/2017	Purchase	400000	0.02	59815960	2.27
	11/08/2017	Sale	(36000)	(0.01)	59779960	2.26
	18/08/2017	Purchase	2844000	0.11	62623960	2.37
	25/08/2017	Purchase	2000000	0.08	64623960	2.45
	01/09/2017	Purchase	1820000	0.07	66443960	2.52
	08/09/2017	Sale	(54000)	(0.01)	66389960	2.51
	15/09/2017	Sale	(336000)	(0.01)	66053960	2.50
	22/09/2017	Purchase	700000	0.02	66753960	2.53
	22/09/2017	Sale	(18000)	-	66735960	2.53
	29/09/2017	Purchase	1970000	0.07	68705960	2.60
	06/10/2017	Purchase	750000	0.03	69455960	2.63
	13/10/2017	Purchase	773000	0.03	70228960	2.66
	20/10/2017	Purchase	816000	0.03	71044960	2.69
	27/10/2017	Sale	(3162000)	(0.12)	67882960	2.57
	03/11/2017	Purchase	350000	0.01	68232960	2.58
	10/11/2017	Purchase	36000	0.01	68268960	2.59
	17/11/2017	Purchase	1028000	0.03	69296960	2.62
	24/11/2017	Purchase	1293000	0.05	70589960	2.67
	01/12/2017	Purchase	705000	0.03	71294960	2.70
	08/12/2017	Purchase	606000	0.02	71900960	2.72
	15/12/2017	Purchase	2500000	0.10	74400960	2.82
	22/12/2017	Purchase	3000000	0.11	77400960	2.93
	29/12/2017	Purchase	3639000	0.14	81039960	3.07
	05/01/2018	Purchase	500000	0.02	81539960	3.09
	12/01/2018	Purchase	12000	-	81551960	3.09
	02/02/2018	Sale	(1803000)	(0.07)	79748960	3.02
	09/02/2018	Purchase	14156000	0.54	93904960	3.56
	09/02/2018	Sale	(15256000)	(0.58)	78648960	2.98

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
	23/02/2018	Sale	(594000)	(0.02)	78054960	2.96
	02/03/2018	Purchase	42000	-	78096960	2.96
	09/03/2018	Purchase	402000	0.01	78498960	2.97
	16/03/2018	Purchase	738000	0.03	79236960	3.00
	23/03/2018	Purchase	5345000	0.20	84581960	3.20
	30/03/2018	Purchase	540000	0.02	85121960	3.22
	At the End of the year – Closing balance				85121960	3.22
3.	**UBS PRINCIPAL CAPITAL ASIA LTD.**					
	At the beginning of the year – Opening balance		0	0.00	0	0.00
	Date	**Type of Transaction**				
	12/05/2017	Purchase	85	-	85	0.00
	02/06/2017	Purchase	94315	-	94400	0.00
	09/06/2017	Sale	(94400)	-	0	0.00
	16/06/2017	Purchase	3176990	0.12	3176990	0.12
	23/06/2017	Purchase	1249301	0.05	4426291	0.17
	30/06/2017	Purchase	2739293	0.10	7165584	0.27
	21/07/2017	Purchase	1008842	0.04	8174426	0.31
	08/09/2017	Purchase	1159896	0.04	9334322	0.35
	15/09/2017	Purchase	5109874	0.20	14444196	0.55
	22/09/2017	Purchase	1679668	0.06	16123864	0.61
	29/09/2017	Purchase	826000	0.03	16949864	0.64
	06/10/2017	Sale	(4778)	-	16945086	0.64
	13/10/2017	Purchase	632000	0.03	17577086	0.67
	20/10/2017	Purchase	199089	-	17776175	0.67
	03/11/2017	Purchase	8307	-	17784482	0.67
	08/12/2017	Purchase	2181000	0.09	19965482	0.76
	15/12/2017	Purchase	1114827	0.04	21080309	0.80
	22/12/2017	Purchase	710173	0.03	21790482	0.83
	29/12/2017	Purchase	6000	-	21796482	0.83
	12/01/2018	Purchase	702000	0.02	22498482	0.85
	26/01/2018	Purchase	900854	0.04	23399336	0.89
	02/02/2018	Purchase	156957	-	23556293	0.89
	09/02/2018	Purchase	1955000	0.08	25511293	0.97
	16/02/2018	Purchase	788372	0.03	26299665	1.00
	23/02/2018	Purchase	122240	-	26421905	1.00
	09/03/2018	Purchase	5233000	0.20	31654905	1.20
	16/03/2018	Purchase	6567000	0.25	38221905	1.45
	23/03/2018	Purchase	9215000	0.35	47436905	1.80
	30/03/2018	Purchase	823530	0.03	48260435	1.83
	At the end of the year – Closing balance				48260435	1.83

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
4.	**R SHARES JUNIOR BEES - INVESTMENT A/C**					
	At the beginning of the year – Opening balance		36316176	1.38	36316176	1.38
	Date	**Type of Transaction**				
	07/04/2017	Purchase	390366	0.01	36706542	1.39
	07/04/2017	Sale	(623846)	(0.02)	36082696	1.37
	14/04/2017	Purchase	427139	0.01	36509835	1.38
	14/04/2017	Sale	(227082)	(0.01)	36282753	1.37
	21/04/2017	Purchase	114000	0.01	36396753	1.38
	21/04/2017	Sale	(1835130)	(0.07)	34561623	1.31
	28/04/2017	Purchase	1059	-	34562682	1.31
	28/04/2017	Sale	(618802)	(0.02)	33943880	1.29
	05/05/2017	Purchase	384000	0.01	34327880	1.30
	05/05/2017	Sale	(361748)	(0.01)	33966132	1.29
	12/05/2017	Sale	(1721366)	(0.07)	32244766	1.22
	19/05/2017	Purchase	654000	(0.03)	32898766	1.25
	19/05/2017	Sale	(5162)	-	32893604	1.25
	26/05/2017	Purchase	384000	0.01	33277604	1.26
	26/05/2017	Sale	(2639233)	(0.10)	30638371	1.16
	02/06/2017	Purchase	931566	0.04	31569937	1.20
	02/06/2017	Sale	(2000000)	(0.08)	29569937	1.12
	09/06/2017	Sale	(37760)	-	29532177	1.12
	16/06/2017	Sale	(37760)	-	29494417	1.12
	23/06/2017	Sale	(348573)	(0.02)	29145844	1.10
	30/06/2017	Purchase	324000	0.02	29469844	1.12
	30/06/2017	Sale	(20060)	-	29449784	1.12
	07/07/2017	Purchase	60634	-	29510418	1.12
	14/07/2017	Purchase	42000	-	29552418	1.12
	14/07/2017	Sale	(39039)	-	29513379	1.12
	21/07/2017	Purchase	31104	-	29544483	1.12
	21/07/2017	Sale	(577750)	(0.02)	28966733	1.10
	28/07/2017	Sale	(1051835)	(0.04)	27914898	1.06
	04/08/2017	Purchase	64	-	27914962	1.06
	04/08/2017	Sale	(292768)	(0.01)	27622194	1.05
	11/08/2017	Purchase	1154	-	27623348	1.05
	11/08/2017	Sale	(1785875)	(0.07)	25837473	0.98
	18/08/2017	Purchase	5193	-	25842666	0.98
	18/08/2017	Sale	(29575)	-	25813091	0.98
	25/08/2017	Purchase	420924	0.01	26234015	0.99
	25/08/2017	Sale	(1334424)	(0.05)	24899591	0.94
	01/09/2017	Purchase	114463	0.01	25014054	0.95

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
	01/09/2017	Sale	(1358084)	(0.05)	23655970	0.90
	08/09/2017	Purchase	1542924	0.05	25198894	0.95
	08/09/2017	Sale	(62978)	-	25135916	0.95
	15/09/2017	Purchase	5193	-	25141109	0.95
	15/09/2017	Sale	(1258489)	(0.05)	23882620	0.90
	22/09/2017	Purchase	5770	-	23888390	0.90
	22/09/2017	Sale	(129552)	-	23758838	0.90
	29/09/2017	Purchase	39232	-	23798070	0.90
	29/09/2017	Sale	(50949)	-	23747121	0.90
	06/10/2017	Purchase	302523	0.01	24049644	0.91
	06/10/2017	Sale	(18332)	-	24031312	0.91
	13/10/2017	Purchase	4305	-	24035617	0.91
	13/10/2017	Sale	(59017)	-	23976600	0.91
	20/10/2017	Purchase	3111	-	23979711	0.91
	20/10/2017	Sale	(102168)	(0.01)	23877543	0.90
	27/10/2017	Purchase	2632305	0.1	26509848	1.00
	27/10/2017	Sale	(185328)	-	26324520	1.00
	31/10/2017	Sale	(853148)	(0.04)	25471372	0.96
	03/11/2017	Purchase	3672	-	25475044	0.96
	03/11/2017	Sale	(1182528)	(0.04)	24292516	0.92
	10/11/2017	Purchase	606120	0.02	24898636	0.94
	10/11/2017	Sale	(91476)	-	24807160	0.94
	17/11/2017	Purchase	6732	-	24813892	0.94
	17/11/2017	Sale	(76095)	-	24737797	0.94
	24/11/2017	Purchase	12732	-	24750529	0.94
	24/11/2017	Sale	(22667)	-	24727862	0.94
	01/12/2017	Purchase	257968	0.01	24985830	0.95
	01/12/2017	Sale	(9897)	-	24975933	0.95
	08/12/2017	Purchase	6130	-	24982063	0.95
	08/12/2017	Sale	(19168)	-	24962895	0.95
	15/12/2017	Purchase	938	-	24963833	0.95
	15/12/2017	Sale	(93946)	(0.01)	24869887	0.94
	22/12/2017	Purchase	1303563	0.05	26173450	0.99
	22/12/2017	Sale	(89700)	-	26083750	0.99
	29/12/2017	Sale	(86636)	(0.01)	25997114	0.98
	05/01/2018	Purchase	46688	0.01	26043802	0.99
	05/01/2018	Sale	(45273)	(0.01)	25998529	0.98
	12/01/2018	Purchase	6040	-	26004569	0.98
	12/01/2018	Sale	(75348)	-	25929221	0.98
	19/01/2018	Purchase	5868	-	25935089	0.98
	19/01/2018	Sale	(26312)	-	25908777	0.98

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
	26/01/2018	Purchase	381210	0.02	26289987	1.00
	26/01/2018	Sale	(57408)	(0.01)	26232579	0.99
	02/02/2018	Purchase	321	-	26232900	0.99
	02/02/2018	Sale	(88150)	-	26144750	0.99
	09/02/2018	Purchase	12621	-	26157371	0.99
	09/02/2018	Sale	(74276)	-	26083095	0.99
	16/02/2018	Purchase	8414	-	26091509	0.99
	16/02/2018	Sale	(14376)	-	26077133	0.99
	23/02/2018	Purchase	294586	0.01	26371719	1.00
	02/03/2018	Purchase	8414	-	26380133	1.00
	02/03/2018	Sale	(317967)	(0.01)	26062166	0.99
	09/03/2018	Purchase	528745	0.02	26590911	1.01
	16/03/2018	Purchase	8372	-	26599283	1.01
	16/03/2018	Sale	(18210)	-	26581073	1.01
	23/03/2018	Purchase	79431	-	26660504	1.01
	30/03/2018	Purchase	33374	-	26693878	1.01
	30/03/2018	Sale	(104)	-	26693774	1.01
	At the end of the year – Closing balance				26693774	1.01
5.	**MORGAN STANLEY MAURITIUS COMPANY LIMITED**					
	At the beginning of the year – Opening balance		69694353	2.64	69694353	2.64
	Date	**Type of Transaction**				
	07/04/2017	Sale	(812717)	(0.03)	68881636	2.61
	14/04/2017	Sale	(11298646)	(0.43)	57582990	2.18
	21/04/2017	Sale	(1573501)	(0.06)	56009489	2.12
	28/04/2017	Sale	(1864212)	(0.07)	54145277	2.05
	05/05/2017	Sale	(3047372)	(0.11)	51097905	1.94
	12/05/2017	Sale	(5593811)	(0.22)	45504094	1.72
	19/05/2017	Sale	(1625610)	(0.06)	43878484	1.66
	26/05/2017	Sale	(1682648)	(0.06)	42195836	1.60
	02/06/2017	Sale	(11721476)	(0.45)	30474360	1.15
	09/06/2017	Sale	(1945223)	(0.07)	28529137	1.08
	16/06/2017	Sale	(2865178)	(0.11)	25663959	0.97
	23/06/2017	Sale	(1513888)	(0.06)	24150071	0.91
	30/06/2017	Sale	(3830744)	(0.14)	20319327	0.77
	07/07/2017	Sale	(1164880)	(0.04)	19154447	0.73
	14/07/2017	Sale	(14304)	(0.01)	19140143	0.72
	21/07/2017	Sale	(100842)	-	19039301	0.72
	28/07/2017	Sale	(146387)	-	18892914	0.72
	04/08/2017	Sale	(225770)	(0.01)	18667144	0.71
	11/08/2017	Sale	(96612)	(0.01)	18570532	0.70

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
	18/08/2017	Sale	(11755)	-	18558777	0.70
	01/09/2017	Sale	(7993)	-	18550784	0.70
	08/09/2017	Sale	(4711)	-	18546073	0.70
	15/09/2017	Sale	(2050)	-	18544023	0.70
	22/09/2017	Sale	(27366)	-	18516657	0.70
	29/09/2017	Sale	(107093)	-	18409564	0.70
	06/10/2017	Sale	(298728)	(0.01)	18110836	0.69
	27/10/2017	Sale	(6076)	-	18104760	0.69
	31/10/2017	Sale	(15095)	-	18089665	0.69
	10/11/2017	Sale	(116603)	(0.01)	17973062	0.68
	17/11/2017	Sale	(362627)	(0.01)	17610435	0.67
	24/11/2017	Sale	(3998)	-	17606437	0.67
	08/12/2017	Sale	(13975)	-	17592462	0.67
	22/12/2017	Sale	(11610)	-	17580852	0.67
	05/01/2018	Sale	(903)	-	17579949	0.67
	19/01/2018	Sale	(95637)	(0.01)	17484312	0.66
	16/02/2018	Sale	(41476)	-	17442836	0.66
	23/02/2018	Sale	(19011)	-	17423825	0.66
	02/03/2018	Sale	(44876)	-	17378949	0.66
	23/03/2018	Sale	(5263)	-	17373686	0.66
	At the End of the year – Closing balance				17373686	0.66
6.	**BNP PARIBAS ARBITRAGE**					
	At the beginning of the year – Opening balance		7407628	0.28	7407628	0.28
	Date	**Type of Transaction**				
	21/04/2017	Purchase	31484	-	7439112	0.28
	05/05/2017	Purchase	512318	0.02	7951430	0.30
	19/05/2017	Purchase	107643	0.01	8059073	0.31
	26/05/2017	Purchase	328195	0.01	8387268	0.32
	02/06/2017	Purchase	3812127	0.14	12199395	0.46
	09/06/2017	Purchase	19873	-	12219268	0.46
	16/06/2017	Sale	(137653)	-	12081615	0.46
	23/06/2017	Purchase	61455	-	12143070	0.46
	14/07/2017	Purchase	328963	0.01	12472033	0.47
	21/07/2017	Sale	(367987)	(0.01)	12104046	0.46
	28/07/2017	Sale	(726000)	(0.03)	11378046	0.43
	11/08/2017	Purchase	151534	0.01	11529580	0.44
	25/08/2017	Purchase	138613	-	11668193	0.44
	01/09/2017	Sale	(2456196)	(0.09)	9211997	0.35
	08/09/2017	Sale	(483000)	(0.02)	8728997	0.33
	15/09/2017	Purchase	13712	-	8742709	0.33

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
	22/09/2017	Purchase	135570	0.01	8878279	0.34
	13/10/2017	Purchase	13787	-	8892066	0.34
	20/10/2017	Purchase	3489	-	8895555	0.34
	27/10/2017	Sale	(136923)	(0.01)	8758632	0.33
	31/10/2017	Purchase	1574627	0.06	10333259	0.39
	10/11/2017	Purchase	207265	0.01	10540524	0.40
	17/11/2017	Purchase	579619	0.02	11120143	0.42
	24/11/2017	Sale	(1219)	-	11118924	0.42
	01/12/2017	Purchase	56688	-	11175612	0.42
	08/12/2017	Sale	(21691)	-	11153921	0.42
	15/12/2017	Sale	(612000)	(0.02)	10541921	0.40
	22/12/2017	Sale	(140084)	(0.01)	10401837	0.39
	05/01/2018	Purchase	516000	0.02	10917837	0.41
	12/01/2018	Purchase	1075000	0.04	11992837	0.45
	19/01/2018	Purchase	23124	0.01	12015961	0.46
	02/02/2018	Purchase	722704	0.02	12738665	0.48
	09/02/2018	Purchase	4880	-	12743545	0.48
	16/02/2018	Purchase	300660	0.01	13044205	0.49
	23/02/2018	Sale	(570000)	(0.02)	12474205	0.47
	09/03/2018	Sale	(37396)	-	12436809	0.47
	23/03/2018	Sale	(31785)	-	12405024	0.47
	30/03/2018	Sale	(40150)	-	12364874	0.47
	At the End of the year – Closing balance				12364874	0.47
7.	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI**					
	At the beginning of the year – Opening balance		11458459	0.43	11458459	0.43
	Date	**Type of Transaction**				
	07/04/2017	Purchase	119246	0.01	11577705	0.44
	28/04/2017	Purchase	10940	-	11588645	0.44
	05/05/2017	Purchase	87520	-	11676165	0.44
	12/05/2017	Purchase	27350	-	11703515	0.44
	19/05/2017	Purchase	59076	0.01	11762591	0.45
	02/06/2017	Purchase	24068	-	11786659	0.45
	23/06/2017	Sale	(516046)	(0.02)	11270613	0.43
	07/07/2017	Purchase	38290	-	11308903	0.43
	14/07/2017	Purchase	27350	-	11336253	0.43
	04/08/2017	Purchase	24068	-	11360321	0.43
	11/08/2017	Purchase	31726	-	11392047	0.43
	01/09/2017	Purchase	39384	-	11431431	0.43
	08/09/2017	Purchase	55794	0.01	11487225	0.44
	15/09/2017	Purchase	50324	-	11537549	0.44

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
	06/10/2017	Purchase	32820	-	11570369	0.44
	13/10/2017	Purchase	33914	-	11604283	0.44
	20/10/2017	Purchase	25162	-	11629445	0.44
	27/10/2017	Purchase	22974	-	11652419	0.44
	22/12/2017	Sale	(13260)	-	11639159	0.44
	26/01/2018	Purchase	47940	-	11687099	0.44
	02/02/2018	Purchase	42840	-	11729939	0.44
	23/03/2018	Purchase	11729939	0.45	23459878	0.89
	23/03/2018	Sale	(11729939)	(0.45)	11729939	0.44
	30/03/2018	Sale	(45100)	-	11684839	0.44
	At the End of the year – Closing balance				11684839	0.44
8.	**MORGAN STANLEY (FRANCE) S. A.**					
	At the beginning of the year – Opening balance		0	0.00	0	0.00
	Date	**Type of Transaction**				
	07/04/2017	Purchase	11543	-	11543	0.00
	14/04/2017	Purchase	5944570	0.23	5956113	0.23
	21/04/2017	Purchase	3389614	0.12	9345727	0.35
	28/04/2017	Sale	(1813798)	(0.06)	7531929	0.29
	05/05/2017	Purchase	38827	-	7570756	0.29
	12/05/2017	Purchase	1193637	0.04	8764393	0.33
	19/05/2017	Purchase	198184	0.01	8962577	0.34
	26/05/2017	Sale	(2734049)	(0.10)	6228528	0.24
	02/06/2017	Purchase	1402431	0.05	7630959	0.29
	09/06/2017	Purchase	2307730	0.09	9938689	0.38
	16/06/2017	Purchase	1646122	0.06	11584811	0.44
	23/06/2017	Purchase	251412	0.07	11836223	0.45
	30/06/2017	Sale	(286015)	(0.01)	11550208	0.44
	07/07/2017	Purchase	368855	0.01	11919063	0.45
	14/07/2017	Purchase	957443	0.04	12876506	0.49
	21/07/2017	Sale	(647365)	(0.03)	12229141	0.46
	28/07/2017	Sale	(176801)	-	12052340	0.46
	04/08/2017	Sale	(1118537)	(0.05)	10933803	0.41
	11/08/2017	Sale	(3243899)	(0.12)	7689904	0.29
	18/08/2017	Sale	(1068461)	(0.04)	6621443	0.25
	25/08/2017	Sale	(164564)	(0.01)	6456879	0.24
	01/09/2017	Purchase	522100	0.02	6978979	0.26
	08/09/2017	Purchase	3471620	0.14	10450599	0.40
	15/09/2017	Purchase	87892	-	10538491	0.40
	22/09/2017	Purchase	4498	-	10542989	0.40
	29/09/2017	Purchase	414002	0.02	10956991	0.42

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
	06/10/2017	Purchase	1738855	0.06	12695846	0.48
	13/10/2017	Purchase	27616	-	12723462	0.48
	20/10/2017	Purchase	103574	0.01	12827036	0.49
	27/10/2017	Purchase	2306932	0.08	15133968	0.57
	31/10/2017	Purchase	85292	0.01	15219260	0.58
	03/11/2017	Purchase	1764473	0.06	16983733	0.64
	10/11/2017	Purchase	530231	0.02	17513964	0.66
	17/11/2017	Purchase	2798404	0.11	20312368	0.77
	24/11/2017	Purchase	1405722	0.05	21718090	0.82
	01/12/2017	Purchase	16622	-	21734712	0.82
	08/12/2017	Purchase	1740043	0.07	23474755	0.89
	15/12/2017	Purchase	146664	-	23621419	0.89
	22/12/2017	Sale	(5287)	-	23616132	0.89
	29/12/2017	Sale	(482819)	(0.01)	23133313	0.88
	05/01/2018	Purchase	139645	-	23272958	0.88
	12/01/2018	Purchase	250232	0.01	23523190	0.89
	19/01/2018	Sale	(1194288)	(0.04)	22328902	0.85
	26/01/2018	Sale	(1823)	-	22327079	0.85
	02/02/2018	Sale	(127244)	(0.01)	22199835	0.84
	09/02/2018	Purchase	1998079	0.08	24197914	0.92
	16/02/2018	Sale	(822819)	(0.03)	23375095	0.89
	23/02/2018	Purchase	253194	-	23628289	0.89
	02/03/2018	Sale	(1408827)	(0.05)	22219462	0.84
	09/03/2018	Sale	(5036012)	(0.19)	17183450	0.65
	16/03/2018	Sale	(3792151)	(0.14)	13391299	0.51
	23/03/2018	Sale	(1373953)	(0.05)	12017346	0.46
	30/03/2018	Sale	(1221691)	(0.04)	10795655	0.41
	At the end of the year – Closing balance				10795655	0.41
9.	**KOTAK EQUITY SAVINGS FUND**					
	At the beginning of the year – Opening balance		3396000	0.13	3396000	0.13
	Date	**Type of Transaction**				
	07/04/2017	Purchase	552000	0.02	3948000	0.15
	14/04/2017	Purchase	66000	-	4014000	0.15
	21/04/2017	Sale	(372000)	(0.01)	3642000	0.14
	05/05/2017	Sale	(12000)	-	3630000	0.14
	12/05/2017	Sale	(636000)	(0.03)	2994000	0.11
	19/05/2017	Sale	(42000)	-	2952000	0.11
	26/05/2017	Purchase	114000	0.01	3066000	0.12
	02/06/2017	Purchase	228000	-	3294000	0.12
	09/06/2017	Purchase	3324000	0.13	6618000	0.25

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
	16/06/2017	Sale	(264000)	(0.01)	6354000	0.24
	23/06/2017	Sale	(611221)	(0.02)	5742779	0.22
	30/06/2017	Purchase	497221	0.02	6240000	0.24
	07/07/2017	Sale	(12000)	-	6228000	0.24
	14/07/2017	Purchase	408000	0.01	6636000	0.25
	21/07/2017	Sale	(432000)	(0.02)	6204000	0.23
	28/07/2017	Purchase	402000	0.02	6606000	0.25
	04/08/2017	Purchase	780000	0.03	7386000	0.28
	11/08/2017	Sale	(1206000)	(0.05)	6180000	0.23
	18/08/2017	Sale	(288000)	(0.01)	5892000	0.22
	25/08/2017	Purchase	114000	0.01	6006000	0.23
	01/09/2017	Sale	(732000)	(0.03)	5274000	0.20
	15/09/2017	Sale	(2736000)	(0.10)	2538000	0.10
	22/09/2017	Sale	(546000)	(0.02)	1992000	0.08
	29/09/2017	Purchase	234000	-	2226000	0.08
	06/10/2017	Purchase	108000	0.01	2334000	0.09
	13/10/2017	Purchase	305412	0.01	2639412	0.10
	20/10/2017	Purchase	2442588	0.09	5082000	0.19
	27/10/2017	Purchase	42000	-	5124000	0.19
	03/11/2017	Sale	(2900)	-	5121100	0.19
	10/11/2017	Purchase	632900	0.03	5754000	0.22
	17/11/2017	Purchase	1362000	0.05	7116000	0.27
	24/11/2017	Purchase	240000	0.01	7356000	0.28
	01/12/2017	Purchase	491316	0.02	7847316	0.30
	08/12/2017	Purchase	684	-	7848000	0.30
	08/12/2017	Sale	(12000)	-	7836000	0.30
	15/12/2017	Sale	(66000)	(0.01)	7770000	0.29
	22/12/2017	Purchase	126000	0.01	7896000	0.30
	29/12/2017	Purchase	654000	0.02	8550000	0.32
	05/01/2018	Purchase	162000	0.01	8712000	0.33
	12/01/2018	Purchase	6000	-	8718000	0.33
	19/01/2018	Sale	(120000)	-	8598000	0.33
	02/02/2018	Sale	(396000)	(0.02)	8202000	0.31
	23/02/2018	Sale	(108000)	-	8094000	0.31
	02/03/2018	Purchase	78000	-	8172000	0.31
	09/03/2018	Purchase	432000	0.02	8604000	0.33
	16/03/2018	Purchase	1506000	0.05	10110000	0.38
	23/03/2018	Purchase	600000	0.03	10710000	0.41
	At the end of the year – Closing balance				10710000	0.41

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
10	**ICICI PRUDENTIAL NIFTY 100 IWIN ETF**					
	At the beginning of the year – Opening balance				76424	0.00
	Date	**Type of Transaction**				
	07/04/2017	Purchase	4638	-	81062	0.00
	07/04/2017	Sale	(4)	-	81058	0.00
	14/04/2017	Purchase	570659	0.02	651717	0.02
	21/04/2017	Purchase	1899	-	653616	0.02
	28/04/2017	Purchase	7226	0.01	660842	0.03
	28/04/2017	Sale	(14)	-	660828	0.03
	05/05/2017	Purchase	7344	-	668172	0.03
	12/05/2017	Purchase	2054	-	670226	0.03
	19/05/2017	Purchase	3456	-	673682	0.03
	26/05/2017	Sale	(2198)	-	671484	0.03
	02/06/2017	Purchase	8466	-	679950	0.03
	09/06/2017	Purchase	12773	-	692723	0.03
	23/06/2017	Purchase	934	-	693657	0.03
	30/06/2017	Purchase	1355	-	695012	0.03
	30/06/2017	Sale	(29)	-	694983	0.03
	07/07/2017	Purchase	735	-	695718	0.03
	14/07/2017	Purchase	2705	-	698423	0.03
	21/07/2017	Purchase	648	-	699071	0.03
	28/07/2017	Purchase	2702	-	701773	0.03
	04/08/2017	Purchase	637	-	702410	0.03
	11/08/2017	Purchase	38029	-	740439	0.03
	18/08/2017	Purchase	2023	-	742462	0.03
	25/08/2017	Purchase	98325	-	840787	0.03
	01/09/2017	Purchase	27970	-	868757	0.03
	08/09/2017	Purchase	19267	-	888024	0.03
	15/09/2017	Purchase	4169	-	892193	0.03
	15/09/2017	Sale	(19)	-	892174	0.03
	22/09/2017	Purchase	3703	-	895877	0.03
	29/09/2017	Purchase	4271	-	900148	0.03
	06/10/2017	Purchase	70698	0.01	970846	0.04
	06/10/2017	Sale	(46)	-	970800	0.04
	13/10/2017	Purchase	168740	-	1139540	0.04
	20/10/2017	Purchase	300933	0.01	1440473	0.05
	27/10/2017	Purchase	546529	0.03	1987002	0.08
	31/10/2017	Purchase	235	-	1987237	0.08
	03/11/2017	Purchase	642	-	1987879	0.08
	03/11/2017	Sale	(9)	-	1987870	0.08
	10/11/2017	Purchase	1268641	0.04	3256511	0.12

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
	17/11/2017	Purchase	177408	0.01	3433919	0.13
	24/11/2017	Purchase	11420457	0.43	14854376	0.56
	01/12/2017	Purchase	46671	-	14901047	0.56
	01/12/2017	Sale	(1440660)	(0.05)	13460387	0.51
	08/12/2017	Purchase	27701	-	13488088	0.51
	08/12/2017	Sale	(1153020)	(0.04)	12335068	0.47
	15/12/2017	Purchase	183336	-	12518404	0.47
	15/12/2017	Sale	(167700)	-	12350704	0.47
	22/12/2017	Purchase	130400	-	12481104	0.47
	22/12/2017	Sale	(1163232)	(0.04)	11317872	0.43
	29/12/2017	Purchase	212890	0.01	11530762	0.44
	29/12/2017	Sale	(999180)	(0.04)	10531582	0.40
	05/01/2018	Purchase	187934	0.01	10719516	0.41
	05/01/2018	Sale	(332116)	(0.02)	10387400	0.39
	12/01/2018	Purchase	6773	-	10394173	0.39
	12/01/2018	Sale	(276792)	(0.01)	10117381	0.38
	19/01/2018	Purchase	2042	-	10119423	0.38
	19/01/2018	Sale	(377904)	(0.01)	9741519	0.37
	26/01/2018	Purchase	5104	-	9746623	0.37
	26/01/2018	Sale	(331200)	(0.01)	9415423	0.36
	02/02/2018	Purchase	1178	-	9416601	0.36
	02/02/2018	Sale	(424668)	(0.02)	8991933	0.34
	09/02/2018	Purchase	7747	-	8999680	0.34
	09/02/2018	Sale	(18648)	-	8981032	0.34
	16/02/2018	Purchase	573	-	8981605	0.34
	16/02/2018	Sale	(18504)	-	8963101	0.34
	23/02/2018	Purchase	3394	-	8966495	0.34
	23/02/2018	Sale	(4020)	-	8962475	0.34
	02/03/2018	Purchase	433897	0.02	9396372	0.36
	09/03/2018	Purchase	1004962	0.03	10401334	0.39
	09/03/2018	Sale	(21312)	-	10380022	0.39
	16/03/2018	Purchase	959	-	10380981	0.39
	16/03/2018	Sale	(31956)	-	10349025	0.39
	23/03/2018	Purchase	226803	0.01	10575828	0.40
	30/03/2018	Purchase	4535	-	10580363	0.40
	At the end of the year – Closing balance				10580363	0.40

(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.	**Rajeev Sharma**				
	At the beginning of the year	32574	0.00	32574	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	32574	0.00
	At the end of the year			32574	0.00
2.	**N. B. Gupta (w.e.f. August 18, 2018)**				
	At the beginning of the year	24584	0.00	24584	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	24584	0.00
	At the end of the year			24584	0.00
3.	**R. Nagarajan (upto May 31, 2017)**				
	At the beginning of the year	53738	0.00	53738	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	53738	0.00
	At the end of the year			53738	0.00
4.	**D. Ravi**				
	At the beginning of the year	2000	0.00	2000	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	2000	0.00
	At the end of the year			2000	0.00
5.	**C. Gangopadhyay**				
	At the beginning of the year	21488	0.00	21488	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	21488	0.00
	At the end of the year			21488	0.00
6.	**Arun Kumar Verma**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	Nil	0.00
	At the end of the year			Nil	0.00
7.	**Sitaram Pareek**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	Nil	0.00
	At the end of the year	Nil	0.00		
8.	**Gouri Chaudhury**				
	At the beginning of the year	Nil	0.00	Nil	0.00

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
	Increase / Decrease in Shareholding during the year	No change	0.00	Nil	0.00
	At the end of the year			Nil	0.00
9.	**Manohar Balwani**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	0.00	Nil	0.00
	At the end of the year			Nil	0.00

V. INDEBTEDNESS

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

(In ₹ crore)

		Secured Loans excluding deposits	Unsecured Loans*	Unsecured Loans (GoI fully serviced bonds)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year						
i)	Principal Amount	20109.87	180077.39	5000.00	-	205187.30
ii)	Interest due but not paid	-	-	-	-	-
iii)	Interest accrued but not due	788.84	6750.93	38.21	-	7577.98
Total (i+ii+iii)		20898.71	186828.32	5038.21	-	212765.20
Change in Indebtedness during the financial year						
	Addition	818.54	84682.09	38.21	-	85538.83
	Reduction	497.12	55932.29	38.21	-	56467.62
	Exchange loss	-	268.43	-		268.43
Net Change		**321.42**	**29018.23**	**-**	**-**	**29339.66**
Indebtedness at the end of the financial year						
i)	Principal Amount	20401.59	209136.77	5000.00	-	234538.40
ii)	Interest due but not paid	-	-	-	-	-
iii)	Interest accrued but not due	818.54	6709.79	38.21	-	7566.54
Total (i+ii+iii)		**21220.13**	**215846.56**	**5038.21**	**-**	**242104.90**

Notes

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

	31.03.2018	31.03.2017
USD/INR	65.1750	64.85
JPY/INR	0.615050	0.580025
EUR/INR	80.8075	69.2925

2 *In case of principal amount (loan liability), additions represent "borrowing during the year" and reductionrepresents "repayments duringthe 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 shownas "addition"*

4 *Exchange loss mentioned above is calculated as per "taxation method" for reconciliation; in case loss as peramortization rule in AS-11 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:

(In ₹)

Sl No.	Particulars of Remuneration	Name of MD/WTD					Total Amount
		Rajeev Sharma	D. Ravi	C. Gangopadhyay	N.B. Gupta (w.e.f. 18.08.2017)	R. Nagarajan (upto 31.05.2017)	
1.	Gross salary						
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	47,78,650	55,64,654	52,23,589	28,86,829	36,57,840	2,21,11,562
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	11,69,725	1,29,284	84,663	1,38,046	5,39,508	20,61,226
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0	0	0
2.	Stock Option	0	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0	0
4.	Commission						
	- as % of profit	0	0	0	0	0	0
	- others	0	0	0	0	0	0
5.	Others (Contribution to Superannuation Benefits, Residential Lease& Non Taxable Perquisites)	33,60,542	7,57,474	5,95,299	5,45,593	1,92,577	52,58,908
	Total (A)	**93,08,917**	**64,51,412**	**59,03,551**	**35,70,468**	**43,89,925**	**2,96,24,273**
	Ceiling as per the Act *						

Note: Salary & allowances have been considered on paid basis for the period working in capacity Director or KMP
**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
1.	**Independent Directors***	**Sitaram Pareek**	**Gouri Chaudhury**	
	Fee for attending board / committee meetings	5,40,500	2,20,000	7,60,500
	Commission	-	-	-
	Others	48,028	2,200	50,228
	Total (1)	5,88,528	2,22,200	8,10,728
2.	**Other Non-Executive Directors #**	**Arun Kumar Verma**		
	Fee for attending board / committee meetings	0		
	Commission	0		
	Others	0		
	Total (2)	**0**		
	Total (B)=(1+2)			**8,10,728**
	Total Managerial Remuneration (A+B)			**3,04,35,001**
	Overall Ceiling as per the Act*			

Note: Others include out of pocket expenses, reimbursement of travelling exp. & honorarium for attending the meeting of DPC for promotion.
** 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.*
Government nominees are not entitled to any remuneration or sitting fee from the Company.

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	39,84,707
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	3,50,291
(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 (Contribution to Superannuation Benefits, Residential Lease & Non Taxable Perquisites)	5,62,920
	Total	**48,97,918**

Note: Salary & allowances have been considered on paid basis for the period working in capacity Director or KMP

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
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

Annexure C of the Board's Report

Annual Report on CSR Activities for the FY 2017-18

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

Sl. No.	Particulars	Details
1	A brief outline of PFC'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.	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. PFC's CSR and Sustainability Policy approved by the Board of Directors on the recommendation of CSR&SD Committee of Directors is in compliance with the Companies Act, 2013 and DPE guidelines. 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 Environment Sustainability, Skill development, Sanitation, Healthcare and supporting the differently abled. The details of the PFC's CSR policy and projects/programs is available at the following link: http://pfcindia.com/DocumentRepository/ckfinder/files/CSR/PFC_CSR_Policy_02042018.pdf
2	The Composition of the CSR Committee	PFC has in place a CSR&SD Committee of Directors to give directions to the CSR and SD activities and to make recommendations to the Board of Directors for taking up various CSR & SD projects. As on March 31, 2018 the Committee comprised of the following: 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 PFC for last three financial years	₹ 7,460.56 crore
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	For the FY 2017-18, the Board had approved the CSR budget of ₹ 149.21 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.
5	Details of CSR spent during the financial year*:	
a	Total amount to be spent for the financial year;	₹ 249.41 crore (i.e. ₹ 149.21 crore for FY 2017-18 and ₹ 100.20 crore carried forward from previous years)
b	Amount unspent , if any;	₹ 131.23 crore^
c	Manner in which the amount spent during the financial year is detailed below.	During FY 2017-18, ₹ 118.18 crore has been spent in the following manner:-

Sl. 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 17-18 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	Andhra Pradesh, Telangana, Tamil Nadu, Gujarat, Rajasthan, Himachal Pradesh, Karnataka	6.60	0.33	5.19	Through Implementing agency
2	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	5.43	171.50	
3	Construction of Toilets in the Government Schools of Rajasthan under Swachh Bharat Swachh Vidyalaya Abhiyan (1100 toilets)	Sanitation/ Drinking water/ Healthcare	Rajasthan	25.97	1.61	16.29	
4	Providing the services of Automatized Sweeping Collection & Transportation of Municipal Solid Waste (MSW) in Fourteen wards of Varanasi Municipal Area	Sanitation/ Drinking water/ Healthcare	Uttar Pradesh	8.00	3.14	3.14	
5	Supply and Installation of 500 nos. India Mark II Hand Pumps for Drinking Water purposes in Rural Areas of Machhalishahar Region, Jaunpur	Sanitation/ Drinking water/ Healthcare	Uttar Pradesh	2.18	0.85	0.85	
6	Contribution to 'Swachh Bharat Kosh'	Sanitation/ Drinking water/ Healthcare	Pan India	49.24	49.24	49.24	
7	Skill Development Programme for OBC/ Women/Minorities/ other weaker sections and backward classes in selected states (2700 persons)	Education/ Vocational Skill Development	Pan India	4.45	0.76	2.98	

Sl. 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 17-18 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
8	Skill Development Programme for 900 Woman Safai Karamchari & their dependents	Education/ Vocational Skill Development	Pan India	1.93	0.08	1.67	
9	Skill Development Training Programmes for youth belonging to Scheduled Castes (4750 persons)	Education/ Vocational Skill Development	Pan India	4.75	1.11	4.62	
10	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	2.57	6.92	
11	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	4.70	8.37	
12	Skill Development Training Programme for SC/ST/OBC/ PWD/Women & EWS of society for 2500 candidates-phase-I	Education/ Vocational Skill Development	Pan India	15.00	4.35	14.80	
13	Skill Development programme for SC/ ST/OBC/Women/ PWD & EWS of society for 900 persons	Education/ Vocational Skill Development	Pan India	2.20	0.10	1.97	
14	Employment oriented Skill Development Programme for SC/ ST/OBC/Women & EWS for 1200 persons	Education/ Vocational Skill Development	Pan India	4.53	2.28	2.28	
15	Skill Development Training Programme for SC/ST/OBC/ PWD/Women & EWS of society for 2500 candidates-phase-II	Education/ Vocational Skill Development	Pan India	15.00	10.16	10.16	

Sl. 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 17-18 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
16	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	8.99	2.28	7.39	
17	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	2.71	8.13	
18	Implementation of 500 nos. of solar based LED Street Lighting System in Pilibhit	Environmental Sustainability (Solar Applications/ Afforestation/ Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.28	0.37	1.01	
19	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	0.24	1.17	
20	Implementation of 500nos. of solar based LED Street Lighting System in Basti	Environmental Sustainability (Solar Applications/ Afforestation/ Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.28	0.37	1.01	

Sl. 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 17-18 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
21	Solar Community Irrigation Schemes for 1000 Hectares area in Chhattisgarh	Environmental Sustainability (Solar Applications/ Afforestation/ Waste Management/ Energy efficient LED lighting)	Chhattisgarh	24.00	12.74	12.74	
22	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Bhadohi (Sant Ravidas Nagar) District	Environmental Sustainability (Solar Applications/ Afforestation/ Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.09	0.87	0.97	
23	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages in Pali	Environmental Sustainability (Solar Applications/ Afforestation/ Waste Management/ Energy efficient LED lighting)	Rajasthan	1.14	0.23	0.23	
24	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System in Giridih	Environmental Sustainability (Solar Applications/ Afforestation/ Waste Management/ Energy efficient LED lighting)	Jharkhand	1.23	0.25	0.25	
25	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Sitamarhi	Environmental Sustainability (Solar Applications/ Afforestation/ Waste Management/ Energy efficient LED lighting)	Bihar	1.23	0.42	0.42	

Sl. 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 17-18 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
26	Development of Park (Pocket 7A) at Deen Dayal Upadhyay Marg, Delhi	Environmental Sustainability (Solar Applications/ Afforestation/ Waste Management/ Energy efficient LED lighting)	Delhi	5.00	4.00	4.00	
27	Multi Therapy Unit under Integrated Muscular Dystrophy Rehabilitation Centre (IMDRC) at Solan	Sanitation/ Drinking water/ Healthcare	Himachal Pradesh	1.94	1.36	1.36	
28	Supply, Installation &Commissioning of LED based Solar Street Lighting System in villages of 8 Districts of Arunachal Pradesh	Environmental Sustainability (Solar Applications/ Afforestation/ Waste Management/ Energy efficient LED lighting)	Arunachal Pradesh	5.34	0.01	3.96	
29	Project for Provisioning of Hi-End Prosthetic & Orthotic Artificial Limbs to Persons with Disabilities (PwDs) in Mumbai and its suburb areas i.e Thane.Kalyan, Raigad, Uraan.	Sanitation/ Drinking water/ Healthcare	Maharashtra	1.10	0.83	0.83	
30	Project for Plantation in Nagpur Region of NH-7	Environmental Sustainability (Solar Applications/ Afforestation/ Waste Management/ Energy efficient LED lighting)	Maharashtra	12.63	2.11	2.11	
31	Fitment of cochlear Implants to 100 nos. Hearing Impaired Children	Sanitation/ Drinking water/ Healthcare	Pan India	6.30	0.01	4.73	

Sl. 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 17-18 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
32	Supply, Installation and Commissioning of 450 nos. of LED based Solar Street Lighting System (SLS) in various villages in Bijnor, Uttar Pradesh	Environmental Sustainability (Solar Applications/ Afforestation/ Waste Management/ Energy efficient LED lighting)	Uttar Pradesh	1.03	0.51	0.51	
33	Impact Assessment/ Training/Pay & Allowances etc.	Administrative Overheads	NA	2.16	2.16	2.16	
	TOTAL				**118.18**		

#Including expenditure on activities carried forward from previous years.

6.	In case PFC has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, PFC shall provide the reasons for not spending the amount in its Board report.	The projects sanctioned in a year are completed in subsequent years and there is milestone linked payment to various stages of completion of the project. 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.

** Based on utilization certificates*

^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 2017-18, an amount of ₹ 125.34 crore (including Administrative Overheads) has been disbursed against CSR activities and the balance amount (including refund) to be disbursed as on March 31, 2018 is ₹ 88.55 crore.

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

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

Annexure D of Board's Report

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

Sl. No.	Particulars	Details
1.	**Details of contracts or arrangements or transactions not at arm's length basis**	**NIL**
(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)	Justification for entering into such contracts or arrangements or transactions	-
(f)	Date(s) of approval by the Board	-
(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	-
2.	**Details of material contracts or arrangement or transactions at arm's length basis**	**NIL**
(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
Dated : 03.08.2018

Annexure E of Board's Report

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 2017-18.

(A) Industry Structure and Development

Power is one of the most critical components of infrastructure, crucial for the economic growth and welfare of a nation. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's Power Sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

In view of the growing need of the Indian Economy, Government of India had embarked upon a massive programme to provide 24x7 power across the country by 2019. Special focus has been given to Rural Electrification, under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY); and Urban Electrification under Integrated Power Development Scheme (IPDS). Besides them, government through SAUBHAGYA scheme is now oriented towards individual household electrification by March 2019.

Various imperative reforms are being undertaken on increasing energy efficiency of the present infrastructure and thereby reducing power losses, including increasing accountability and transparency by launching Mobile applications and websites like URJA app, SAUBHAGYA portal, National Power Portal, MERIT portal etc.

Considering the importance of power sector in the Indian economy, the Government took several initiatives to improve the prospects of this sector. Some of the major initiatives taken are as follows:

1. 24X7 Power for All

Electricity consumption is one of the most important indicators and tool to achieve rapid economic growth and socio-economic development that decides the development level of a nation. The Government of India is committed to improve the quality of life of its citizens through higher electricity consumption. Aim of the Government of India is to provide each household access to electricity, round the clock. The "Power for All" programme is a major step in this direction.

2. Pradhan Mantri Sahaj Bijli Har Ghar Yojana –"Saubhagya"

Pradhan Mantri Sahaj Bijli Har Ghar Yojana – 'Saubhagya' was launched on September 25, 2017 to provide free electricity connections to all households in rural areas and poor families in urban areas.The total outlay of the scheme is ₹ 16,320 crore while the Gross Budgetary Support (GBS) is ₹ 12,320 crore. The outlay for the rural households is ₹ 14,025 crore while the GBS is ₹ 10,587.50 crore. For the urban households the outlay is ₹ 2,295 crore while GBS is ₹ 1,732.50 crore.

The scope of the scheme is as under:

- Providing last mile connectivity and electricity connections to all un-electrified households in rural areas.
- Providing Solar Photovoltaic (SPV) based standalone system for un-electrified households located in remote and inaccessible villages/habitations, where grid extension is not feasible or cost effective.
- Providing last mile connectivity and electricity connections to all remaining economically poor un-electrified households in urban areas. Non-poor urban households are excluded from this scheme.

3. National Wind-solar Hybrid Policy

Ministry of New and Renewable Energy has issued National Wind-Solar Hybrid Policy on May 14, 2018. The objective of the policy is to provide a framework for promotion of large grid connected wind-solar PV hybrid system for efficient utilization of transmission infrastructure and land. It also aims at reducing the variability in renewable power generation and achieving better grid stability. The Policy seeks to promote new hybrid projects as well as hybridisation of existing wind/solar projects.

With significant capacity additions in renewables in recent years and with Hybrid Policy aiming at better utilisation of resources, it is envisaged that the Hybrid Policy will open-up a new area for availability of renewable power at competitive prices along with reduced variability.

4. Energy Conservation Building Code 2017

ECBC 2017 launched on June 19, 2017 prescribes the energy performance standards for new commercial buildings to be constructed across India. With the adoption of ECBC 2017 for new commercial building construction throughout the country, it is estimated to achieve a 50% reduction in energy use by 2030. This will translate to energy savings of about 300 Billion Units by 2030 and peak demand reduction of over 15 GW in a year. This will be equivalent to expenditure savings of ₹ 35,000 crore and 250 million tonnes of CO2 reduction.

5. Various initiatives for green projects

In order to give boost to green projects, Government of India has taken various initiatives for green projects. It includes Solar Bidding Guidelines for long term procurement of electricity from grid-connected Solar PV Power Projects, having size of 5 MW and above, through competitive bidding under the provisions of Section 63 of the Electricity Act, 2003 and Guidelines for procurement of wind power which provide a framework for procurement of wind power through a transparent process of bidding including standardisation of the process and defining of roles and responsibilities of various stakeholders.

6. SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India)

In order to ensure Coal availability to all Power Plants in a transparent and objective manner, GoI on May 17, 2017 notified a new scheme Shakti. The objective of the said scheme is to provide coal to those stress projects which are having PPAs but are not having fuel supply agreement or those projects which are not having PPAs to provide coal to them through reverse auction process. The scheme has been basically introduced to alleviate the stress in generation utilities.

7. National E-Mobility Programme

To provide an impetus to the entire e-mobility ecosystem including vehicle manufacturers, charging infrastructure companies, fleet operators, service providers, etc., GoI on March 07, 2018 launched National E-Mobility Programme. The aim of this programme is to aggregate demand by procuring electric vehicles in bulk to get economies of scale. It is envisages that these electric vehicles will replace the existing fleet of petrol and diesel vehicles.

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, 2018, India's total installed capacity was 344002 MW. Thermal sources continued to have a dominant share at 65% (222907 MW), Hydro 14% (45293 MW), Renewable 20% (69022 MW) and Nuclear 6780 MW. The installed capacity stood at 103975 MW (30%) in state sector, 155511 MW (45%) in private sector and 84517 MW (25%) in central sector.

Transmission

Our country has an extensive transmission network spanning 390970 ckt. km (at the 220 kV and above voltage levels) as of March 2018. Minor failures at any point in the transmission network can result in disruptions in the evacuation and delivery of power to a large number of consumers.

To ensure that these lines perform optimally, transmission liners are operated in accordance with the regulations and standards set by the Central Electricity Authority (CEA), the Central Electricity Regulatory Commission (CERC) and the respective state electricity regulatory commissions (SERC). In addition, companies have their own set of maintenance measures to ensure longevity and efficiency of transmission systems.

Against a target of adding 23086 Ckms of transmission lines for FY 2017-18, 23119 Ckms have been achieved. Similarly, the overall increase in the transformation capacity has been 86193 MVA during the year 2017-18 which is 160% of the target of 53978 MVA for 2017-18.

Distribution

Reform of Indian distribution companies have always remained a key challenge. The electricity business is not merely about setting up power generation stations and transmission systems, but equally, and probably more crucial is retailing electricity and recovering the cost of service from the consumers. In the past few years the average tariff has increased however the rise has not been commensurate with the increase in the cost of supply. The consistent revenue gap, coupled with high AT&C losses have piled up huge losses for the state utilities. To improve the distribution segment's performance, Government of India had launched the most comprehensive Power Sector reform scheme ever i.e. Ujwal Discom Assurance Yojana to turnaround Discoms (UDAY) on November 5, 2015. The said scheme is the largest contributor in India's power reforms story for bringing about a turnaround of state distribution entities.

Further, Government of India has launched Deen Dayal Upadhyaya Gram Jyoti Yojana and Integrated Power Development Scheme for development of rural and urban distribution sector. While Deen Dayal Upadhyaya Gram Jyoti Yojana is helping in providing round-the-clock power to rural households and adequate power to agricultural consumers, IPDS is helping in reducing AT&C losses in urban areas. Also Government of India has launched Saubhagya scheme which aims to ensure electrification of households in the country. Total investments envisaged in distribution sector through these Government schemes is roughly ₹ 1,70,000 crores. With Government of India's push for reforming distribution sector and that substantial investments have been made, this has resulted in reduction in aggregate losses, reduction in gap between ACS and ARR and reduction in AT&C losses.

(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.

Threats, Risks & Concerns

The Reserve Bank of India on February 12, 2018 introduced a revised framework for Resolution of Stressed Assets. This circular has been issued for Banks and is not applicable on NBFCs. Therefore, this circular is not applicable on your Company. In the circular, RBI has withdrawn resolution schemes like Strategic Debt Restructuring, S4A earlier issued by them. Although circular is not applicable on PFC, but being in consortium with banks and as a prudent measure, all loans under various RBI resolution scheme have been classified as NPA.

Certain projects have been driven to NCLT, which may or may not require a hair-cut. The resolution under NCLT is required within the time span of 180 days. Considering these timelines, it is envisaged that the resolution of these projects will happen in the near future. Once resolution process is complete, the funds realized from the sale of these assets will help in creating new income earning asset and will have a positive impact on your company's financials going forward.

The company actively identifies evolving risks keeping in view its nature of operations and takes timely action to address and manage risks. The following are some of the risks and concerns faced by your Company:

a. 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.

b. Credit risks

Credit risk involves the risk of loss arising from the diminution in credit quality of a borrower along with the risk that the borrower will default on contractual repayments under a loan or an advance.

c. Legal risk

Legal risk arises from the uncertainty of the enforceability of contracts relating to the obligations of our borrowers. This could be on account of delay in the process of enforcement or difficulty in the applicability of the contractual obligations. We seek to minimize the legal risk through legal documentation that is drafted to protect our interests to the maximum extent possible.

d. Interest rate risks

The risk that changes in market interest rates will adversely affect the Company's financial condition. The primary interest rate-related risks that the company faces are from timing differences. Interest rates are dynamic and dependent on various internal and external factors including cost of borrowing, liquidity in the market, competitors' rates, movement of benchmarks such as AAA bond/GSEC yields and RBI policy changes.

e. 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.

(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

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

As far as solar energy is concerned, the national solar mission has been launched to harness its full potential as part of meeting the country's energy security. India has huge potential to become the leader in this area. Solar parks and solar plants have to be established to ensure that solar energy reaches even the remotest corners in the country. With India ranking second in Renewable Energy Attractive Index 2017, this sector is bound to play a major role in the years ahead as the country looks to meet its energy needs.

There are many areas where there is potential for your Company to fund. Some of the areas include funding electrical and hydro mechanical components of irrigation schemes, railways electrification, funding smart cities infrastructure, e-vehicle manufacturing units including charging stations, electric charging infrastructure for promoting e-vehicles, battery manufacturing units for solar projects, mini and micro grid for distributed generation, energy efficient systems like co-generation/tri-generation/combined heat and power, waste heat recovery systems.

Further, demand is picking up due to Saubhagya scheme as Government of India is proposing to connect each and every household of this country with electricity, be it rural or urban. As a result, demand will increase in rural areas as well as urban areas because quality of life will improve, aspiration of people will increase, and further demand will come into the system.

(E) Internal control system and its adequacy

The Company is having an internal control system including suitable monitoring procedures commensurate with its size of operations. Internal Auditor of the Company works on a continuous basis, covering the financial and other records which are required for preparing financial statements. 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. Further, the findings of the different audits are also periodically reviewed by the Audit Committee of the Board.

The Internal Auditor of the Company i.e. 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. K. Aggarwal & Co., Chartered Accountants and Gandhi Minocha & 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, 2018 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.

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.

(F) Discussion on Financial Performance with respect to Operational Performance

Your Company continued to accomplish a healthy growth during the FY 2017-18. The total revenue stood at ₹ 26,738 crore as compared to ₹ 27,019 crore in FY 2016-17. Profit before Tax (PBT) grew by 63% from ₹ 5,110 crore to ₹ 8,327 crore while Profit after Tax (PAT) grew by 2.75 time from ₹ 2,126 crore to ₹ 5,855 crore in FY 2016-17.

Further, Net Worth (share capital plus free reserves) of the company grew by 9% in FY 2017-18 to ₹ 39,861 crore as compared to ₹ 36,470 crore in FY 2016-17 and the loan assets as at March 31, 2018 grew by 14% to ₹ 2,79,000 crore from ₹ 2,45,500 crore as at March 31, 2017.

Foreign Exchange Earnings and Outgo

During the FY 2017-18, the Foreign exchange outgo aggregating ₹ 1,491.79 crore was made on account of debt servicing, financial & other charges and training expenses. The Foreign exchange earnings for the FY 2017-18 were nil.

(G) Material Developments in Human Resources / Industrial Relations front

Your Company considers its employees as most valuable resources and lays great emphasis on their continuous development including their skill enhancement. As part of the overall human resource development plan, the Company has an annual training plan system to assess the training needs of its employees. 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 498 employees on its rolls as on March 31, 2018.

(H) Corporate Social Responsibility and Sustainable Development (CSR&SD)

Your company, through its Corporate Social Responsibility and Sustainable Development initiatives, aims to become a socially responsible corporate entity 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 2017-18, the Board had approved the CSR budget of ₹ 149.21 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.

(I) Renewable and Clean Development Mechanism

India is taking several steps to fructify its dream of a clean energy future for the 'New India'. The largest renewable capacity expansion programme in the world is being taken up by India. The government is aiming to increase share of clean energy through massive thrust in renewables. Core drivers for development and deployment of new and renewable energy in India have been Energy security, Electricity shortages, Energy Access, Climate change etc.

Confident by the growth rate in clean energy sector, the Government of India in its submission to the United Nations Frame Work Convention on Climate Change on Intended Nationally Determined Contribution (INDC) has stated that India will achieve 40% cumulative Electric power capacity from non-fossil fuel based energy resources by 2030 with the help of transfer of technology and low cost International Finance including from Green Climate Fund.

The Government is playing an active role in promoting the adoption of renewable energy resources by offering various incentives, such as generation-based incentives (GBIs), capital and interest subsidies, viability gap funding, concessional finance, fiscal incentives etc. The National Solar Mission aims to promote the development

and use of solar energy for power generation and other uses, with the ultimate objective of making solar energy compete with fossil-based energy options. The objective of the National Solar Mission is to reduce the cost of solar power generation in the country through long-term policy, large scale deployment goals, aggressive R&D and the domestic production of critical raw materials, components and products. Renewable energy is becoming increasingly cost-competitive as compared to fossil fuel-based generation.

In addition to above, during FY 2017-18, PFC issued sanctions of ₹ 7,678 crore to Hydro Generation and disbursed ₹ 1,577 crore. Further, PFC sanctioned ₹ 8,057 crore to renewable energy projects and disbursed an amount of ₹ 9,011 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. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook. Readers are cautioned not to place undue reliance on these forward-looking statements.

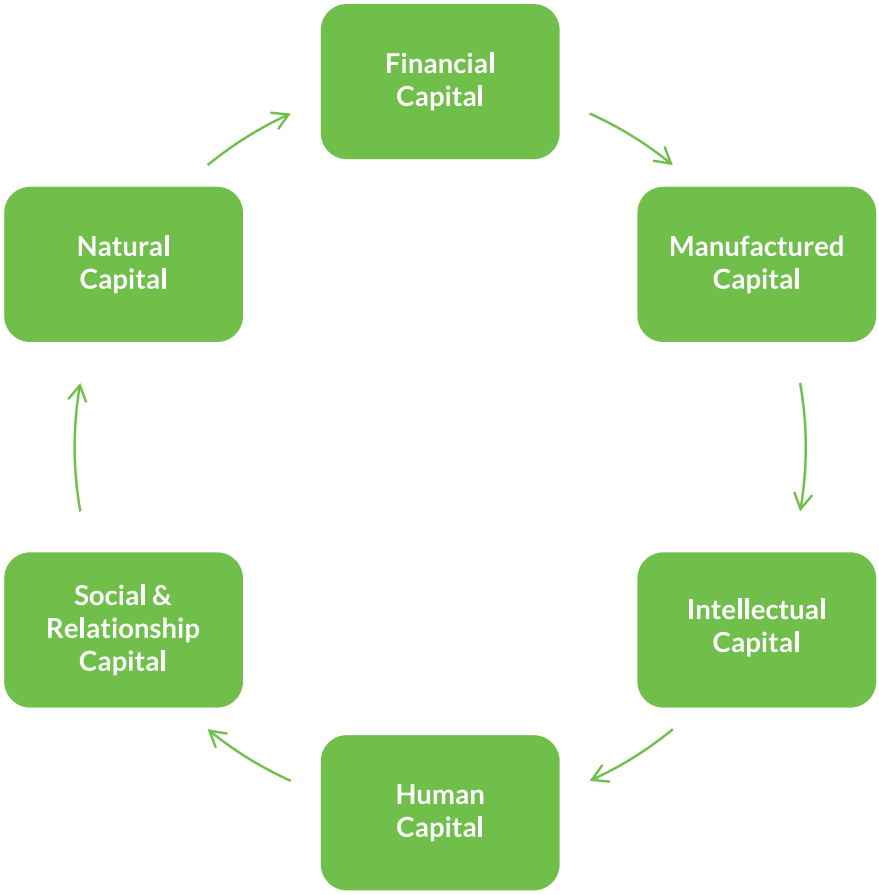
INTEGRATED REPORTING

This year, for the first time, PFC is adopting the integrated reporting framework, which enables your company to not only highlight its non-financial performance but also the connections between the financial and the non-financial performance. This disclosure is structured using the capitals model of value creation, adopted by the International Integrated Reporting Council (IIRC) in the International Framework and explains our dependence and impact on the forms of capital that are fundamental to our ability to create value over the long term.

SEBI vide its circular dated February 6, 2017 advised top 500 listed companies to adopt Integrated Reporting (IR) on a voluntary basis for the Financial Year 2017-18. PFC by including prescribed non-financial disclosures in its annual report hereby continues its valor to strive for adopting best international practices.

The capitals are categorized in the above said framework as financial, manufactured, intellectual, human, social & relationship and natural.

The six capitals



Financial Capital

Financial capital is broadly understood as the pool of funds available to an organization. This includes both debt and equity finance. Financial capital also serves as a medium of exchange that can obtain value through conversion into other forms of capital.

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. PFC plays a crucial role in the rise of India as a global player. 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 is constantly striving to 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.

The accrued financial capital is given to shareholders as dividend and interest on debt instruments. Different taxes are paid to the government thereby promoting the overall growth of our country.

FY 2017-18		
₹ 5,855 crore	₹ 64,414 crore	₹2,78,915 crore
PAT ↑	Disbursement ↑	Loan Assets ↑
₹ 2,126 crore	₹ 62,798 crore	₹ 2,45,525 crore
FY 2016-17		

PFC through its financial capital is contributing in providing superior value to all its stakeholders especially by playing role of a pioneer in Power Sector funding and as a result developing power sector of the county.

Manufactured Capital

Manufactured capital is broadly understood as manufactured physical objects (as distinct from natural physical objects) that are available to the organization for use in the production of goods or the provision of services, including buildings, equipment, infrastructure.

Since PFC is not a Manufacturing Company and offers financial assistance to Power Sector projects only, there is no direct involvement in manufacturing sector. However, PFC contributes to manufactured capital by way of its tangible and intangible infrastructure.

PFC is headquartered in New Delhi and has state-of-the-art infrastructure, cutting-edge technology and a customer-centric approach. PFC also maintains regional offices to facilitate its business operations.

PFC invests in physical operations, which includes physical infrastructure, IT systems & infrastructure to improve efficiency and delivery mechanism, which ultimately leads to better services to all the associated stakeholders.

Existing manufactured capital enables PFC to be flexible, responsive to market or societal needs, innovative and faster in getting its services to market. By doing this, PFC reduces resource use at national level and focuses more on human creativity, thus enhancing both efficiency and sustainable development of our country.

Intellectual Capital

Intellectual capital is broadly understood as Intangibles that provide competitive advantage, including intellectual property, such as patents, copyrights, software and organizational systems, procedures and protocols and intangibles that are associated with the brand and reputation that an organization has developed.

PFC is a leading financial institution in India focused on the power sector and plays 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, PFC 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 and as a bid process coordinator through our wholly owned subsidiary PFC Consulting Limited for the ITP scheme. As nodal agency for various programmes of the government, your Company is contributing towards development of Power Sector and improving financial health of Distribution Utilities.

PFC has put in place effective human resource acquisition and maintenance function, which is benchmarked with best corporate practices designed to meet the organizational needs. PFC continues to hire and retain the best talent from preferred institutions of the country. As on March 31, 2018, PFC's employee strength was 498.

PFC has determined the knowledge necessary for the operation of its processes and to achieve conformity of services through its competence of persons doing work under its control that affects the performance and effectiveness. In order to sustain in this dynamic business environment, we continue to prepare our talent pool to embrace disruptions, to innovate, to be agile and adapt to the changes brought by transformed business models.

Due to its prompt approach toward changing needs, PFC has been rewarded by various stakeholders from time to time. Some of the awards and recognition received by PFC in FY 2017-18 include SCOPE Meritorious Award Gold Trophy for Good Corporate Governance, SCOPE Excellence Award in Institutional Category-I.

Undoubtedly, PFC is contributing in developing intellectual capital which will provide clarity on the way in which an organization can create competitive advantage by providing a narrative which explains issues such as value chain positioning and the business model for value creation.

Human Capital

Human capital refers to the skills and know-how of an organization's professionals as well as their commitment and motivation and their ability to lead, cooperate or innovate.

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. The reason being, PFC has been consistent in holistic personality development of its employees through facilities like Gymnasium, Table Tennis and participation of employees in various sports, cultural and literary activities. PFC also organizes various events like essay writing competition, Slogan writing competition and linguistic fest from time to time. The participation in such activities results in a greater level of team spirit and fitness among the employees.

PFC 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. PFC believes that employees become empowered only when they are aware of the policies and processes that impact them, therefore, PFC has institutionalized key policies relating to human resource, which ensures commitment of the workforce through an effective package of welfare measures which include medical facilities, Child Care Leave and other amenities which lead to a healthy workforce.

PFC makes significant people investments, institutionalizing initiatives in the area of executive updation, learning and development. Various training programmes were organized in India and abroad in line with training needs of individual employee of the company. As on March 31, 2018, 14 in-house training programs were organized by the

Company for its employees. A total of 1594 man-days were achieved by conducting various in-house programs and by sponsoring employees to other need based programs conducted by external training agencies.

PFC's believes in innovative wellness initiatives such as organizing health care talks and Yoga Camps for its employees. This dedication was seen as PFC organized various free health check-up camps in association with renowned Healthcare Institutes for its employees in the premises of Office. Services offered in the Camp included Blood Pressure, Blood Sugar Random, ECG, Eye check Up, Consultation for Diabetics etc. Main focus is to help employees become more physically active, within the time and space constraints of modern life, through a fun, team oriented and relevant format.

In this background, your company delivers to its citizens through a culture of transparency, communication, engagement through capacity building.

Social and Relationship Capital

The institutions and relationships established within and between each community, group of stakeholders and other networks to enhance individual and collective well-being. Social and relationship capital refers to the stock of resources created by the relationships between an organization and all its stakeholders. These relationships include ties to the community, government relations, customers and supply chain partners.

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.

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. For the FY 2017-18, PFC approved the CSR budget of ₹ 149.21 crore, out of which most of the funds were spent on wide range of activities in the field of Environment Sustainability, Skill development, Sanitation, Healthcare and supporting the differently abled. PFC along with its subsidiaries also contributed gross sum of ₹ 51.13 crores thereby showing its commitment to support the Government of India's mission for Swachh Bharat.

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/ PwD 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.

Further, your Company has women in important and critical functional areas and its Women representation have gone across hierarchical levels. The Company provides equal growth opportunities for the women in line with Govt. of India philosophy.

Such measures clearly contribute in the cause of Nation building, which has always been high on priorities of your company.

Natural Capital

Natural capital refers to all renewable and non-renewable environment resources such as water, land, energy on which an organization depends to operate.

PFC being a financial service institution, paper is the major resource consumed in its various functions. PFC endeavors to reduce its paper consumption through IT solutions by digitalizing processes, wherever possible. Taking the cue, PFC has a complete digital loan application system for its clients and system in place wherein all employee reimbursement claims are made through an internal Employee Self-Service platform. This results in greater paper savings as a result of reduced requirement for physical documents.

PFC along with Power Grid, NTPC and REC incorporated Energy Efficiency Services Limited (EESL) on December 10, 2009 with 25% equity stake each for implementation of Energy Efficiency projects in India and abroad. During FY 2017-18, PFC has approved an investment of ₹ 241 crore towards additional equity infusion in EESL for various activities to be undertaken by EESL such as Ujala, street lighting, building, e-vehicles etc., thereby showing its commitment to preserve environment.

PFC, while doing its business, considers it imperative to follow an environment friendly approach. In line with its responsible lending strategy and practices, PFC's renewable business has reached ₹ 9,000 crore compared to ₹ 2,500 crore last year.

In FY 2017-18, PFC took a leadership position in renewable energy sector by raising US$ 400 million through its maiden Green Bond issuance. The bond is Climate Bonds Initiative certified and is being listed on London Stock Exchange and Singapore Stock Exchange. The Green Bond therefore is a significant milestone for PFC in line with its objectives to support renewable and sustainable energy led expansion.

Your Company through such measures contributes in preservation and enhancing natural capital through investment in renewable products, promoting renewable energy, environment risk assessment and works towards integrating positive environmental action in business. Such an ecologically responsible actions resonate positively and delivers social outcomes like energy access and clean water for the underserved.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is a collective effort that involves aligning the interests of the stakeholders with the corporate philosophy and business of the 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. Corporate governance touches upon almost every aspect of the Company, from action plans and internal controls to performance measurement and corporate disclosures.

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 Practicing 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, 2018 holds 65.92% 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, 2018 the Company's Board comprised of seven Directors which includes four whole time functional Directors, one part time Government Nominee Director and two non-official part time (Independent) Directors. A brief profile of all the Directors is provided in this Annual report.

During the FY 2017-18, the following changes took place in the composition of the Board of Directors of the Company:-

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

ii) 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.

iii) Consequent upon appointment by Ministry of Power, Government of India, Smt. Gouri Chaudhury assumed the charge of Independent Director w.e.f. November 3, 2017.

Further, Consequent upon reaching the age of superannuation, Shri D. Ravi, Director (Commercial), ceased to be a Member of the Board w.e.f. June 1, 2018.

During the year, in absence of requisite number of Independent Directors 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 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, 2018 was as follows:

Whole Time Directors		
i)	Shri Rajeev Sharma	Chairman and Managing Director, Chief Executive Officer and Key Managerial Personnel
ii)	Shri N. B Gupta	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
Government Nominee Director		
v)	Dr. Arun Kumar Verma	Director (Government Nominee)
Non Official Part Time (Independent) Director		
vi)	Shri Sitaram Pareek	Independent Director
vii)	Smt. Gouri Chaudhury	Independent Director

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-1 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 12 times on the following dates:

(i) May 9,2017 (ii) May 29, 2017 (iii) July 3, 2017 (iv) August 10, 2017 (v) August 24, 2017 (vi) September 29, 2017 (vii) November 3, 2017 (viii) December 19, 2017 (ix) February 12, 2018 (x) February 26, 2018 (xi) March 21, 2018 and (xii) March 26, 2018.

Annual General Meeting

The last Annual General Meeting of the Company was held on September 20, 2017.

Directors' attendance at the Board Meetings held during the FY 2017-18 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, 2018*	Chairmanship/ Membership in the committees of other companies as on March 31, 2018**		Attendance at the last AGM held on September 20, 2017
	Held during the tenure	Attended		Member	Chairman	
Shri Rajeev Sharma Chairman and Managing Director	12	12	4	Nil	Nil	Present
Shri N.B. Gupta Director (Finance) (w.e.f. August 18, 2017)	8	8	7	Nil	Nil	Present
Shri R. Nagarajan Director (Finance) (upto. May 31, 2017)	2	2	-	-	-	-
Shri D. Ravi Director (Commercial)	12	12	8	1	Nil	Present
Shri Chinmoy Gangopadhyay Director (Projects)	12	12	9	1	Nil	Present
Dr. Arun Kumar Verma Director (Government Nominee)	12	12	2	Nil	Nil	Present
Shri Sitaram Pareek Independent Director	12	11	Nil	Nil	Nil	Present
Smt. Gouri Chaudhury Independent Director (w.e.f. November 3, 2017)	6	6	Nil	Nil	Nil	-

*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 March 21, 2018 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 Directors

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.

3. Committees of the Board of Directors

In terms of the regulatory requirements and in order to facilitate expeditious consideration and 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

As per the requirements under the Companies Act, DPE's Guidelines on Corporate Governance for CPSEs and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the company has constituted an Audit Committee of Directors.

During FY 2017-18, the Audit Committee was last re-constituted on November 3, 2017 and Smt. Gouri Chaudhury, Independent Director was included as the member of the Audit Committee vice Shri D. Ravi, Director (Commercial).

The Audit Committee of the company constituted by the Board, comprises of two independent directors and one functional Director. The meetings of the committee, during the year, were chaired by an Independent Director.

As on March 31, 2018, the Audit Committee comprised of the following:

Sl. No.	Name of Member	Designation
1.	Shri Sitaram Pareek	Chairman
2.	Smt. Gouri Chaudhury	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 2017-18, seven meetings of the Audit Committee were held i.e. (i) May 29, 2017 (ii) July 3, 2017 (iii) August 10, 2017 (iv) October 31, 2017 (v) December 19, 2017 (vi) February 12, 2018 and (vii) February 26, 2018.

The details of the meetings attended by members during the FY 2017-18 are as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Sitaram Pareek	Independent Director	7	7
Smt. Gouri Chaudhury (w.e.f. November 3, 2017)	Independent Director	3	3
Shri D. Ravi (upto November 2, 2017)	Director (Commercial)	4	4
Shri Chinmoy Gangopadhyay	Director (Projects)	7	7

Director (Finance) and Director (Commercial) are permanent invitees to the meetings of the said committee.

Further, the 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 2017-18, the Nomination and Remuneration Committee was last re-constituted on November 3, 2017 and Smt. Gouri Chaudhury, Independent Director was included as the member of the Nomination and Remuneration Committee vice Shri Chinmoy Gangopadhyay.

As on March 31, 2018, the Nomination and Remuneration Committee comprised of the following:

S. No.	Name of Member	Designation
1.	Shri Sitaram Pareek	Chairman
2.	Smt. Gouri Chaudhury	Member
3.	Shri D. Ravi	Member

Director (Finance) and Director (Projects) are permanent invitees 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 2017-18, one meeting of the Nomination and Remuneration Committee was held on September 29, 2017.

The detail of the meeting attended by members during the FY 2017-18 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Dr. Arun Kumar Verma (upto September 3, 2017)	Director (Government Nominee)	0	0
Shri Sitaram Pareek (w.e.f. September 4, 2017)	Independent Director	1	1
Smt. Gouri Chaudhury (w.e.f. November 3, 2017)	Independent Director	0	0
Shri D. Ravi	Director (Commercial)	1	1
Shri Chinmoy Gangopadhyay (upto. November 2, 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.

The Ministry of Corporate Affairs vide its notification dated June 5, 2015 has inter-alia exempted the Government Companies in case the Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, as per its own evaluation methodology. Accordingly, PFC being a Government company is exempted in terms of above notification as 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.

Further, MCA vide Notification dated July 5, 2017 prescribed that the provisions relating to review of performance of Independent Directors and evaluation mechanism, prescribed in Schedule IV of the Companies Act, 2013, is also not applicable to Government Companies.

Similar exemption has been requested by some of the PSUs through Department of Public Enterprises, from SEBI under the SEBI LODR, which is under consideration.

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.

Detils of remuneration of Whole Time Directors of the company during FY 2017-18 are given below:

Name of the Director	Salary (₹)	Benefits (₹)	Bonus/ Commission ex-gratia (₹)	Performance linked incentives (₹)	Stock Options (₹)	Total (₹)
Shri Rajeev Sharma	3134094	5153485	0	1021338	0	9308917
Shri D. Ravi	3622469	1438394	0	1390549	0	6451412
Shri Chinmoy Gangopadhyay	3876566	1363001	0	663984	0	5903551
Shri N. B. Gupta (w.e.f. August 18, 2017)	1888191	1051057	0	631220	0	3570468
Shri R. Nagarajan (upto May 31, 2017)	2085559	824161	0	1480205	0	4389925

Notes:

1. The performance linked incentives are paid as per the Performance Related Pay (PRP) System of the Company.
2. 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 2017-18.

Government nominee director is 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.

During FY 2017-18, the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee was last re-constituted on November 3, 2017 and Smt. Gouri Chaudhury was included as the member of the Stakeholders Relationship and Shareholders'/Investors' Grievance vice Dr. Arun Kumar Verma.

As on March 31, 2018 the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee comprised of the following:

Smt. Gouri Chaudhury	Chairman
Shri Chinmoy Gangopadhyay	Member
Shri N. B. Gupta	Member

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

During the FY 2017-18, one meeting of the Stakeholder Relationship and Shareholders'/Investors' Grievance Committee was held on February 12, 2018.

The detail of the meeting attended by members during the FY 2017-18 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Dr. Arun Kumar Verma (upto November 2, 2017)	Director (Government Nominee)	0	0
Smt. Gouri Chaudhury (w.e.f. November 3 , 2017)	Independent Director	1	1
Shri Chinmoy Gangopadhyay	Director (Projects)	1	1
Shri N. B. Gupta (w.e.f. August 18, 2017)	Director (Finance)	1	1
Shri R. Nagarajan (upto May 31, 2017)	Director (Finance)	0	0

Information on investor complaints for the year ended March 31, 2018 is as follows:

Particulars	Equity	Bonds
Pending at the beginning of the year	1*	0
Received during the year	831	2654
Disposed off during the year	831	2649
Lying unresolved at the end of the year	1*	5

* 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, 2018 the Risk Management Committee comprised of the following:

Shri Chinmoy Gangopadhyay	Chairman
Shri N. B. Gupta	Member

During the FY 2017-18, four meetings of the Risk Management Committee were held on (i) April 17, 2017 (ii) October 5, 2017 (iii) December 27, 2017 and (iv) March 23, 2018.

The detail of the meetings attended by members during the FY 2017-18 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Chinmoy Gangopadhyay	Director (Projects)	4	4
Shri N. B. Gupta (w.e.f. August 18, 2017)	Director (Finance)	3	3
Shri R. Nagarajan (upto May 31, 2017)	Director (Finance)	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, 2018 the CSR & Sustainable Development Committee comprised of the following:

Shri Sitaram Pareek	Chairman
Shri D. Ravi	Member
Shri Chinmoy Gangopadhyay	Member

During the FY 2017-18, six meetings of the CSR & Sustainable Development Committee of Directors were held on (i) May 25, 2017 (ii) August 9, 2017 (iii) December 18, 2017 and (iv) January 10, 2018 (v) February 26, 2018 and (vi) March 26, 2018.

The detail of the meetings attended by members during the FY 2017-18 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Sitaram Pareek	Independent Director	6	6
Shri D. Ravi	Director (Commercial)	6	6
Shri Chinmoy Gangopadhyay	Director (Projects)	6	6

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, 2018 the Loans Committee comprised of the following:

Shri Rajeev Sharma	Chairman
Dr. Arun Kumar Verma	Member
Shri D. Ravi	Member
Shri Chinmoy Gangopadhyay	Member
Shri N. B. Gupta (w.e.f. August 18, 2017)	Member

During the FY 2017-18, four meetings of the Loans Committee were held on (i) July 3, 2017 (ii) December 8, 2017 (iii) January 24, 2018 and (iv) March 21, 2018.

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, 2018, the Committee of Functional Directors comprised of the following:

Shri Rajeev Sharma	Chairman
Shri D. Ravi	Member
Shri Chinmoy Gangopadhyay	Member
Shri N. B. Gupta (w.e.f. August 18, 2017)	Member

During the FY 2017-18, six meetings of the Committee of Functional Directors were held on (i) June 7, 2017 (ii) June 21, 2017 (iii) October 5, 2017 (iv) January 3, 2018 (v) March 6, 2018 and (vi) March 27, 2018.

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, 2018 the Committee of Directors for Investment in IPO of Central Power Sector Undertakings comprised of the following:

Shri Rajeev Sharma	Chairman
Shri D. Ravi	Member
Shri Chinmoy Gangopadhyay	Member
Shri N. B. Gupta (w.e.f. August 18, 2017)	Member

During the FY 2017-18, one meeting of the Committee of Directors for Investment in IPO of Central Power Sector Undertakings was held on June 21, 2017.

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, 2018 the HR Committee comprised of the following:

Shri D. Ravi	Chairman
Shri Chinmoy Gangopadhyay	Member
Shri N. B. Gupta (w.e.f. August 18, 2017)	Member

During the FY 2017-18, three meetings of the HR Committee were held on (i) July 31, 2017 (ii) September 25, 2017 and (iii) November 20, 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
29th	September 24, 2015	Thursday	10:00 A.M.	Weightlifting Auditorium, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-03.	• For Raising funds upto ₹ 60,000 crore through issue of Bonds/ Debentures etc. on Private Placement basis in India or outside India.
30th	August 19, 2016	Friday	11.00 A.M.	Weightlifting Auditorium, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-03.	• Modification in existing borrowing limit approved under section 180 (1) (c) of the Companies Act 2013. • For Raising funds upto ₹ 55,000 crore through issue of Bonds/ Debentures etc. on Private Placement basis in India or outside India.
31st	September 20, 2017	Wednesday	11.00 A.M.	Talkatora Indoor Stadium, Talkatora Garden, New Delhi-04	• For Raising funds upto ₹ 65,000 crore through issue of Bonds/Debentures/ notes/debt securities on Private Placement basis in India and/or outside India.

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 the requirements under 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.

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.

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.

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.

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, Economic Times, Business Standard, The Financial Express, Hindustan (Hindi), Amar Ujala (Hindi), The Hindu Business Line, Dainik Jagran (Hindi), Indian Express, etc., the same are also available on the website of the Company, viz. 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, 2017, October 30, 2017, February 12, 2018 and May 25, 2018. (Copy enclosed at **Annexure B**)

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.

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, 2018."

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

a) Annual General Meeting

Date	Time	Venue
September 11, 2018	10.30 A.M.	Talkatora Indoor Stadium

b) Financial calendar for FY 2018-19 (Tentative)

Particulars	Date
Financial year	April 1, 2018 to March 31, 2019
Un-audited financial results for the first three quarters Audited FinancialResults	1st Quarter will be announced within 75 days and 2nd and 3rd Quarter will be announced within 45 days from the end of Quarter. Audited Financial Results will be announced on or before May 30, 2019.
AGM (Next year)	September 2019

c) Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from September 01, 2018 to September 11, 2018 inclusive of both days.

d) Payment of Dividend

First and second Interim Dividend of ₹ 6 per equity share and ₹ 1.80 per equity share respectively on paid up equity share capital of ₹ 2,640.08 crore was paid on November 23, 2017 and March 19, 2018 respectively.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Dividend Distribution Policy" annexed herewith at **Annexure C** 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.

e) Dividend History

Year	Total Paid-up Capital (₹ in crore)	Total Amount of Dividend paid (₹ in crore)	Rate of Dividend (%)	Date of Payment (Interim & Final)
2012-13	1320.00 (Interim)	792.01	60	February 13, 2013
	1320.00 (Final)	132.00	10	October 7, 2013
	Total	**924.01**	**70**	-
2013-14	1320.03 (Interim)	1161.63	88	February 17, 2014
	1320.04 (Final)	26.40	2	October 10, 2014
	Total	**1188.04**	**90**	-
2014-15	1320.04 (Interim)	1122.04	85	March 13, 2015
	1320.04 (Final)	79.20	6	October 8, 2015
	Total	**1201.24**	**91**	-
2015-16	1320.04 (1st Interim)	1161.64	88	January 4, 2016
	1320.04 (2nd Interim)	594.02	45	February 24, 2016
	1320.04 (Final)	79.20	6	September 1, 2016
	Total	**1834.86**	**139**	-
2016-17	2640.08 (Interim)	1320.04	50	April 7, 2017
	Total	**1320.04**	**50**	-

f) Listing on Stock Exchanges

PFC shares are listed on the following stock exchanges:

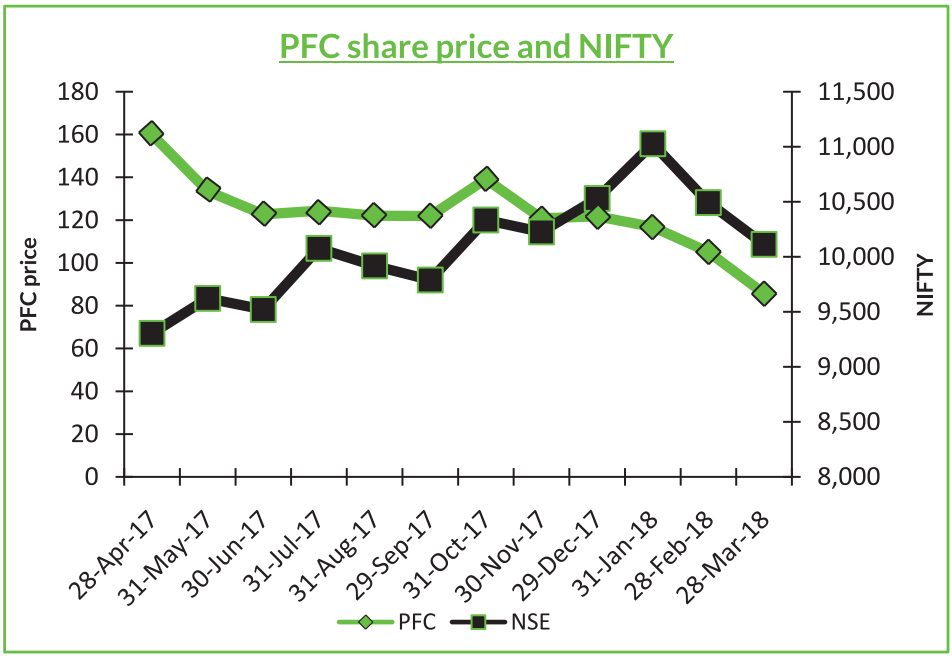
National Stock Exchange of India Limited (NSE)	**Bombay Stock Exchange Limited (BSE)**
Scrip Code: PFC EQ	Scrip Code: 532810
Stock Code (ISIN) : INE134E01011	

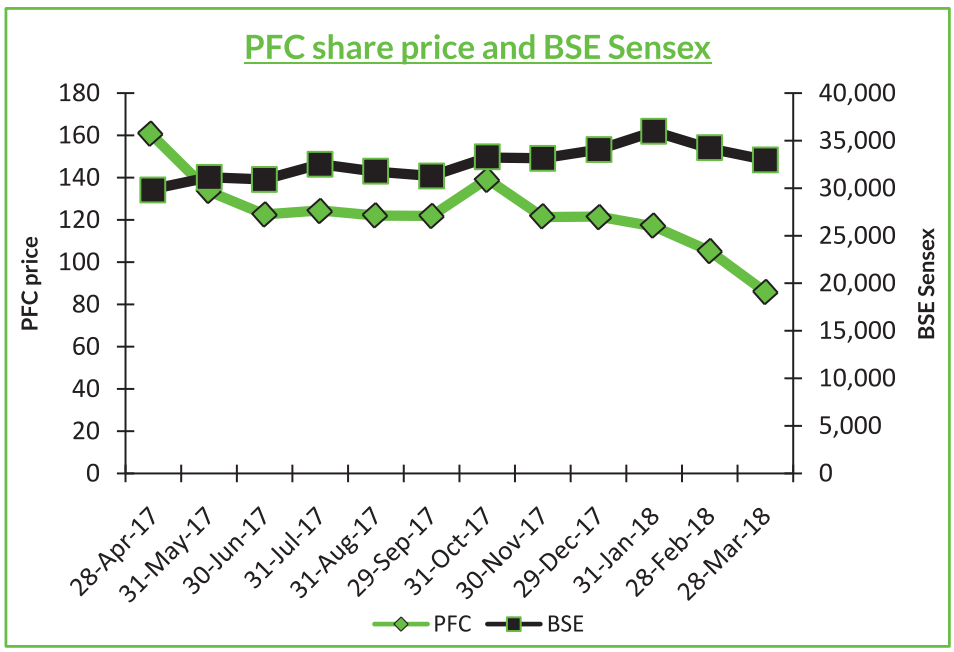
The annual listing fees for the FY 2018-19 have been paid to NSE and BSE.

g) Market Price Data

Month	High (₹)		Low (₹)		Closing (₹)	
	NSE	BSE	NSE	BSE	NSE	BSE
April'17	168.90	169.00	145.50	145.75	160.00	159.50
May'17	168.40	168.00	122.20	122.25	133.55	133.50
June'17	134.75	134.55	117.20	117.20	122.70	122.55
July'17	129.25	129.00	121.00	121.10	124.40	124.45
August'17	139.65	139.75	115.30	115.10	122.10	122.00
September'17	136.35	136.30	119.65	119.90	121.90	121.85
October'17	149.65	149.30	118.85	119.00	139.25	139.35
November'17	148.20	148.15	120.30	120.50	120.85	121.30
December'17	125.50	125.10	112.70	112.75	121.75	121.55
January'18	129.25	129.45	115.00	115.15	116.80	116.85
February'18	119.00	119.00	103.30	103.00	105.10	105.25
March'18	105.60	105.60	83.30	83.35	85.65	85.90

h) Performance in comparison to indices





i) Registrar and Transfer Agent for Equity Shares

Communication Address

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, Website: www.karvycomputershare.com

j) Share Transfer System

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

k) Details of Demat Suspense Account

The details of shares in the Demat Suspense account as on March 31, 2018 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, 2017	41	8966
Number of shareholders who approached the Company for transfer of shares from suspense account during the year 2017-18	3	574
Less: Number of shareholders to whom shares were transferred from suspense account during the year 2017-18	3	574
Less: Number of shares which were transferred to IEPF Account during the year 2017-18	34	6800
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2018	4	1592

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

l) Distribution of shareholding

- Distribution of shareholding as on March 31, 2018

S. No.	Amount	No. of shareholders	% of shareholders	Amount (₹)	% of shares
1	1-5000	2,46,883	83.42	36,52,14,950	1.38
2	5001-10000	26,716	9.03	21,42,67,520	0.81
3	10001-20000	12,470	4.21	18,45,95,770	0.70
4	20001-30000	3,463	1.17	8,85,94,520	0.34
5	30001-40000	1,559	0.52	5,64,22,220	0.21
6	40001-50000	1,110	0.38	5,21,98,370	0.20
7	50001-100000	1,840	0.62	13,29,43,270	0.50
8	100001 and above	1,912	0.65	25,30,65,77,460	95.86
	Total	**2,95,953**	**100**	**26,40,08,14,080**	**100**

- Shareholding pattern as on March 31, 2018

Category	Total No. of shares	% to Equity
President of India	1,74,02,16,107	65.92
Foreign Portfolio Investors	36,77,91,484	13.93
Insurance Companies	16,56,42,654	6.27
Mutual Funds	15,86,77,531	6.01
Resident Individuals	12,85,78,623	4.87
Bodies Corporate	3,26,89,336	1.24
Banks	1,20,31,722	0.46
Indian Financial Institutions	87,24,187	0.33
HUF	67,91,645	0.26
Clearing Members	52,07,426	0.20
Trusts	38,38,261	0.14
Non Resident Indians	32,77,676	0.12
Non Resident Indian non repatriable	21,32,401	0.08
Foreign Institutional Investors	17,36,309	0.07
Employees	13,66,141	0.05
NBFC's	13,51,346	0.05
IEPF	23,184	0.00
Beneficial Holdings under MGT-4	5,375	0.00
Total	**2,64,00,81,408**	**100**

m) Dematerialization of shares

Number of shares held in dematerialized form with NSDL, CDSL and physical mode as on March 31, 2018.

Description	No. of Shares	% to total Capital Issued
NSDL	2,58,84,20,976	98.04
CDSL	5,16,07,311	1.95
Physical	53,121	0
Total	**2,64,00,81,408**	**100**

n) Outstanding GDR and ADR Warrants or any convertible instruments, conversion date and likely impact on equity

No GDR and ADR Warrants/Convertible Instruments have been issued by the Company.

o) 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.

p) Address for Correspondence

Registered Office
'Urjanidhi',
1, Barakhamba Lane,
Connaught Place,
New Delhi- 110001

Company Secretary
Shri Manohar Balwani
Tel: +91 11 23456020
Fax: +91 11 23456786
e-mail: investorsgrievance@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.

Annexure B of Report on Corporate Governance

Certificate to the Board of Directors under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby certify to the Board of Directors that:

We have reviewed financial statements and the cash flow statement for the year ended 31.03.2018 and that to the best of our knowledge and belief:

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee:-

i) Significant changes in internal control over financial reporting during the year;

ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii) Instances of significant fraud of which we have become aware:

A fraud committed by a borrower with an outstanding exposure of ₹ 442.26 crore has been fully provided for. Audit Committee of Directors and Board of Directors have been informed in their respective meeting held on 12.02.2018 and the matter has been reported to Fraud Monitoring Cell of RBI. Neither management nor employee was involved in the said fraud.

Sd/-
(N. B. Gupta)
Director (Finance) / CFO
DIN - 00530741

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

Annexure C of Report on Corporate Governance

Dividend Distribution Policy of Power Finance Corporation Limited

I Background

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

Since PFC is amongst the top 500 listed entities as per the criteria as at March 31, 2016, the dividend distribution policy has been formulated.

II Policy Framework

The policy has been framed broadly in line with the provisions of the Companies Act and also taking into consideration, guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises, SEBI and other guidelines, to the extent applicable.

III Factors in consideration

PFC has been consistently paying dividends and is committed to deliver sustainable value to all stakeholders. Dividend is declared at the Annual General Meeting of the shareholders of the Company, based on the recommendations of the Board of Directors. It is at the discretion of the Board to recommend dividend. The Board may also declare interim dividend.

The decision regarding dividend pay-out is a crucial decision as it balances the amount of profit to be distributed among shareholders of the company with the requirement of deployment of internal accruals for its sustenance and growth plans. The factors generally considered before recommending/declaring dividend are as follows:

A. Circumstances under which the shareholders of the Company may or may not expect dividend

The factors that may generally be considered by the Board before making any recommendations for the dividend include, but are not limited to, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.

B. Financial Parameters that shall be considered while declaring dividend

Being a Central Public Sector Enterprise, the Company endeavors to declare the dividend as per the guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by DIPAM, Govt. of India on 27.05.2016, mandating every CPSE to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permissible under the extant legal provisions. Nonetheless, Company is expected to pay the maximum dividend permissible under the Act under which it has been set up, unless lower dividend proposed to be paid is justified on a case to case basis at the level of Ministry of Power after considering the following financial parameters:

(i) Net-worth and Capacity to borrow;

(ii) Long-term borrowings;

(iii) CAPEX/Business Expansion needs;

(iv) Retention of profit for further leveraging in line with the CAPEX needs; and

(v) Cash and bank balance.

C. Internal and External factors that shall be considered for declaration of dividend

C.1 Internal Factors

C.1.1 Capital to Risk-weighted Assets Ratio

Being an IFC, PFC is required to maintain a CRAR at a certain level. Accordingly, the expected figure for CRAR is also taken into consideration while declaring dividend so that it does not breach the prescribed figure.

C.1.2 Net Worth of the Company

As per the extant guidelines issued by DIPAM, Govt. of India, every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permissible under the extant legal provisions. Being a Government Company, PFC is required to comply with these guidelines.

Apart from the above parameters, the Company may also consider various other internal factors, which inter alia include:

- Present & future capital requirements of the existing businesses;
- Additional investments in subsidiaries/associates of the Company;
- Any other factor as deemed fit by the Board.

C.2 External Factors

C.2.1 Economic Environment

In case of uncertain or recessionary economic and business conditions, the Company will endeavor to retain larger part of profits to build up reserves to sustain future updowns.

C.2.3 Statutory Provisions and Guidelines

The Company will adhere to the restraints imposed by Companies Act with regard to declaration of dividend. Further, being a Government Company, the Company shall also consider the guidelines in force in respect of dividend declaration as issued from time to time by the Govt. of India or by any other statutory bodies.

D. Utilization of Retained Earnings

The Company is engaged into financing the Power Sector. The retained earnings will be deployed in line with the objects of the Company as detailed in the Memorandum of Association of the company, thus contributing to the growth of the business and operations of the Company.

E. Parameters to be adopted with regard to various classes of shares

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividends. Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

Other provisions

In case of any subsequent changes in any Statutory Act, Rules, Regulations etc. which makes any of the provisions in this policy inconsistent with them, then the provisions of the Statutory Act, Rules, Regulations etc. would prevail over the policy.

CMD is authorized to approve any minor modifications/ deviations to the policy and will be the competent authority for any interpretation regarding the policy.

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 31st March, 2018, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C and D of Schedule V of SEBI (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 and D of Schedule V of SEBI (LODR) 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, 2018, 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 7 Directors, which includes 4 whole time Members of the Board , 1 Part Time Government Nominee Director and 2 Non-Official Part Time Independent Directors.

(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 19 (1) (b) & (c) of the SEBI (LODR) Regulations, 2015 and Para 5.1 of the DPE Guidelines on Corporate Governance, all members of the Nomination & Remuneration Committee shall be non-executive directors.

(iv) 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 separately on 21.03.2018 during the period of Audit. At the said meeting, the Independent Directors assessed the quality, quantity and timeliness of flow of information, as required under Regulation 25 (4) (c) of SEBI (LODR) Regulations, 2015. As regards performance Evaluation, the independent Directors, considering that the matter has been taken up with SEBI by Department of Public Enterprises (DPE) through Department of Economic Affairs (DEA) based on recommendations of Committee of Company Secretaries of CPSEs constituted by DPE, as also the practice being followed in peer companies, decided to keep the matter on "hold" till issue is finally decided by SEBI.

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 24, 2018
Place: New Delhi

Annexure H of Board's Report

Business Responsibility Report

Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L65910DL1986GOI024862
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	2017-18
Sector(s) that the Company is engaged in (industrial activity code-wise)	64920 (Other Financial Services and Activities - Other Credit Granting)
List three key services that the Company provides	(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, 2018)

Paid up Capital (INR)	₹ 2,640.08 crore
Total Turnover (INR) (Revenue from Operations)	₹ 26,414.47 crore
Total profit after taxes (INR)	₹ 5,855.22 crore
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.02% (₹ 118.18 crore) of Profit After Tax (PAT) during FY 2017-18
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?	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?	No

Section D: BR Information

1. Details of Director responsible for BR

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

DIN Number	02271398
Name	Shri C. Gangopadhyay
Designation	Director (Projects)

b) Details of the BR Head

Sl. 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 policies

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 are as 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.

Sl. 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
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	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	-	-	Y	Y
3.	Does the policy conform to any national / international standards?	Y	-	Y	Y	-	-	-	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	-	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	Y
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	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	-	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	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	Y

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

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

Sl. 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									

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.**

  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 2017-18 and shall be available on company's website: www.pfcindia.com.

Section E: Principle-wise Performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? 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.

The above said policies also cover our subsidiaries.

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 2017-18.

The Company had received a total of 3,485 complaints from the shareholders and bondholders of the Company during the FY 2017-18 in addition to 1 complaint pending at the beginning of the year. Out of which 3480 (99.83%) were resolved by March 31, 2018 leaving 6 complaints pending out of which 1 is subjudice.

Under PFC's Citizen Charter, total 43 complaints were received from customers/consumers during the FY 2017-18 in addition to 3 complaints pending at the beginning of the year. Out of which 44 (95.65%) were resolved by March 31, 2018 leaving 2 complaints pending.

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. including financing of renewable energy projects which are sustainable and environmentally benign. While sanctioning loans, PFC stipulates conditions including interalia 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:

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?

PFC, being a Financial Institution, is relatively less resource intensive in terms of material inputs. We are also following the Government of India's directives, issued from time to time, in respect of reservation for Micro, Small & Medium Enterprises in procurements.

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?

The Company, being a Financial Institution, has limited applicability of mechanism to recycle products and waste. However, the Company has installed an Organic Composting machine in the office premises for recycling organic waste generated on routine basis in the office canteen etc. and the compost produced by the machine is being used for plants in the PFC complex.

Principle 3

1. Please indicate the total number of employees.

As on March 31, 2018 there were 498 employees in PFC.

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

During the FY 2017-18, PFC hired 14 employees on temporary/contractual/casual basis.

3. Please indicate the number of permanent women employees.

As on March 31, 2018, there were 101 permanent women employees on the rolls of the company.

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

As on March 31, 2018, 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.

Sl. No.	Category	No of complaints filed during the financial year 2017-18	No of complaints pending as on March 31, 2018
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 48%
- Permanent Women Employees 43%
- Casual/Temporary/Contractual Employees Nil
- Employees with Disabilities 36%

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. However, it is embedded in company's various HR policies and practices.

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 2017-18 are given herein below:

Particulars	No. of Complaints			
	Equity Shareholders	Bondholders	Under Anti-Fraud Policy	Under Citizen Charter
Pending at the beginning	1	0	Nil	3
Received during the year	831	2654	Nil	43
Disposed off during the year	831	2649	Nil	44
Lying unresolved at the end of the year	1	5	Nil	2
% of Complaints resolved	99.88%	99.81%	Nil	95.65%

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. The Company has undertaken various Clean Technology/Renewable energy/Energy Efficiencyetc. initiatives in FY 2017-18 as mentioned below:

Sl. No.	Clean Technology/Energy Efficient Projects
1	Extending Clean Energy Solutions to 25000 nos. of households across backward districts of Bihar
2	LED based Solar Home Lighting Systems (SHS) in 8589 nos. households in districts of Arunachal Pradesh
3	Implementation of 500 nos. of solar based LED Street Lighting System in Pilibhit
4	Installation and commissioning of 544 nos. of LED based Solar PV Street Lighting System in Giridih, Bokaro and Dhandbad districts of Jharkhand
5	Implementation of 500 nos. of solar based LED Street Lighting System in Basti
6	Solar Community Irrigation Schemes for 1000 Hectares area in Chhattisgarh
7	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Bhadohi (SantRavidas Nagar) district
8	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages in Pali
9	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System in Giridih
10	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Sitamarhi
11	Supply, Installation & Commissioning of LED based Solar Street Lighting System in villages of 8 districts of Arunachal Pradesh
12	Supply, Installation and Commissioning of 450 nos. of LED based Solar Street Lighting System (SLS) in various villages in Bijnor, Uttar Pradesh

In addition to above, during FY 2017-18, PFC issued sanctions of ₹ 7,678 crore to Hydro Generation and disbursed ₹ 1,577 crore. Further, PFC sanctioned ₹8,057 crore to renewable energy projects and disbursed an amount of ₹ 9,011 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, 2018.

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 a socially responsible corporate entity committed to improving the quality of life of the society at large.

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.

As a socially responsible corporate entity, PFC endeavors 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.

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 2017-18 is as tabulated:

Sl. No.	Particulars	Area
1	Impact assessment study through Andhra University on 'Impact of vocational skill development training provided by CIPET to unprivileged/unemployed youth (2000 Nos.) of SC/ST/OBC/Women & EWS of society.	All over India
2	Impact assessment study on 'Impact of LED based solar street Lighting systems (SSLSs) and solar Home Lighting Systems (SHLSs) in select district/villages of Arunachal Pradesh'.	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 2017-18, 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	60.43	54.44
Skill Development and Education	29.91	30.00
Solar Application	10.46	21.42
Environment/Tree Plantation	9.55	4.00
Health Sector	1.63	0.78
Others (Impact Studies, Admin. Overheads, Sports, Statue of Unity etc.)	16.67	14.70
Total	**128.65**	**125.34**

Spread across various CSR initiatives (inclusive of Community Development projects), PFC disbursed ₹ 125.34 crore (including Administrative overheads) and received ₹ 4.40 crore as refund during the FY 2017-18.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The projects sanctioned by PFC are implemented by Govt./Semi Govt./Quasi-Govt. Implementing agencies and other reputed organisations. During Skill development training programmes, placement of around 70% is ensured. In projects such as environment sustainability, renewable energy etc. assets are created, transferred to beneficiaries 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?**

   Under PFC's Citizen Charter, total 43 complaints were received from customers/consumers during the FY 2017-18 in addition to 3 complaints pending at the beginning of the year. Out of which 44 (95.65%) were resolved by March 31, 2018 leaving 2 complaints pending.

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, 2018.**

   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.

Annexure I to Business Responsibility Report

List of activities in which expenditure has been incurred:

Sl. No.	Name of Projects (Details of ₹ 118.18 crore)
1	Upgradation of Adult Education Centers (AECs) to Model AECs under Saakshar Bharat Programme of Ministry of HRD
2	Construction of Toilets in the Government Schools of Andhra Pradesh under Swachh Bharat Swachh Vidyalaya Abhiyan (8100 toilets)
3	Construction of Toilets in the Government Schools of Rajasthan under Swachh Bharat Swachh Vidyalaya Abhiyan (1100 toilets)
4	Providing the services of Automatized Sweeping Collection & Transportation of Municipal Solid Waste (MSW) in Fourteen wards of Varanasi Municipal Area
5	Supply and Installation of 500 nos. India Mark II Hand Pumps for Drinking Water purposes in Rural Areas of Machhalishahar Region, Jaunpur
6	Contribution to 'Swachh Bharat Kosh'
7	Skill Development Programme for OBC/ Women/ Minorities/ other weaker sections and backward classes in selected states (2700 persons)
8	Skill Development Programme for 900 Woman Safai Karamchari & their dependents
9	Skill Development Training Programmes for youth belonging to Scheduled Castes (4750 persons)
10	Employment Oriented Training and Skill Development programme for SC/ ST/ OBC/ Women & EWS of society for 2000 persons
11	Skill Development programme for persons belonging to SC/ ST/ OBC/ Women/ PWD & EWS of society for 3000 persons
12	Skill Development Training Programme for SC/ ST/ OBC/ PWD/ Women & EWS of society for 2500 candidates-phase-I
13	Skill Development programme for SC/ ST/ OBC/ Women/ PWD & EWS of society for 900 persons
14	Employment oriented Skill Development Programme for SC/ ST/ OBC/ Women & EWS for 1200 persons
15	Skill Development Training Programme for SC/ ST/ OBC/ PWD/ Women & EWS of society for 2500 candidates-phase-II
16	Extending Clean Energy Solutions to 25000 nos. of households across backward districts of Bihar
17	LED based Solar Home Lighting Systems (SHS) in 8589 nos. households in districts of Arunachal Pradesh
18	Implementation of 500 nos. of solar based LED Street Lighting System in Pilibhit
19	Installation and commissioning of 544 nos. of LED based Solar PV Street Lighting System in Giridih, Bokaro and Dhandbad districts of Jharkhand
20	Implementation of 500 nos. of solar based LED Street Lighting System in Basti
21	Solar Community Irrigation Schemes for 1000 Hectares area in Chhattisgarh
22	Implementation of 500 nos. of Solar based LED Street Lighting System (SLS) in Bhadohi (Sant Ravidas Nagar) district

23	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages in Pali
24	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System in Giridih
25	Supply, installation and commissioning of 500 nos. of LED based Solar Street Lighting System (SLS) in various villages of Sitamarhi
26	Development of Park (Pocket 7A) at Deen Dayal Upadhyay Marg, Delhi
27	Multi Therapy Unit under Integrated Muscular Dystrophy Rehabilitation Centre (IMDRC) at Solan
28	Supply, Installation & Commissioning of LED based Solar Street Lighting System in villages of 8 districts of Arunachal Pradesh
29	Project for Provisioning of Hi-End Prosthetic & Orthotic Artificial Limbs to Persons with Disabilities (PwDs) in Mumbai and its suburb areas i.e Thane. Kalyan, Raigad, Uraan.
30	Project for Plantation in Nagpur Region of NH-7
31	Fitment of cochlear Implants to 100 nos. Hearing Impaired Children
32	Supply, Installation and Commissioning of 450 nos. of LED based Solar Street Lighting System (SLS) in various villages in Bijnor, Uttar Pradesh
33	Impact Assessment/ Training/ 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	http://www.pfcindia.com/DocumentRepository/ckfinder/files/CSR/CSR_Policy_26082016.pdf	http://pfcindia.com/hnsite/DocumentRepository/ckfinder/files/CSR/PFC_CSR_POLICY_HND_20092016.pdf
Fair Practice Code	http://www.pfcindia.com/Home/VS/62	http://pfcindia.com/hnsite/Home/VS/62
Code of Business Conduct and Ethics	http://www.pfcindia.com/Home/VS/63	http://pfcindia.com/hnsite/Home/VS/63
Anti-Fraud Policy	http://www.pfcindia.com/Home/VS/65	http://pfcindia.com/hnsite/Home/VS/65
Whistle Blower Policy	http://www.pfcindia.com/Default/ViewFile/?id=1490188785276_WBP.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1490268719103_wbpHND.pdf&path=Page
Policy on Related Party Transactions	http://www.pfcindia.com/Default/ViewFile/?id=1490186033556_Policy on Related Party Transactions.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1490267088709_PFC_Policy_Hindi.pdf&path=Page
Policy on Material Subsidiary	http://www.pfcindia.com/Default/ViewFile/?id=1490186004628_Policy on Material Subsidiary.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1490266955530_material_subsideiry_HND.pdf&path=Page
Dividend Distribution Policy	http://www.pfcindia.com/Default/ViewFile/?id=1500569967022_Dividend Distribution Policy of Power Finance Corporation Limited-Final Version.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1500987575423_Dividend_Distribution_Policy_of_pfc_hindi.pdf&path=Page
Code of Conduct for Regulating & Reporting Trading by Insiders and for Fair Disclosure, 2015	http://www.pfcindia.com/Default/ViewFile/?id=1471519901217_PFCs_Code_of_Conduct_for_regulating_reporting_trading_by_insiders_and_for_fair_disclosure_2015.pdf&path=Page	http://pfcindia.com/hnsite/Default/ViewFile/?id=1490270610504_CODE_OF_CONDUCT_FOR_INSIDER_TRADING_HND.pdf&path=Page
Policy for Determination of Materiality of Events	http://www.pfcindia.com/Default/ViewFile/?id=1472556452570_Circular%20Policy%20for%20Determination%20of%20Materiality%20of%20Events.pdf&path=Page&Name=Policy for Determination of Materiality of Events	http://pfcindia.com/hnsite/DocumentRepository/ckfinder/files/Statutory_investor/DoMEvents_hi.pdf

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

Annexure I of Board's Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

{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 31st March, 2018 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 31st March, 2018 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 and 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 Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations & 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 178(1) of the Companies Act, 2013; Para 5.1 of DPE Guidelines on Corporate Governance and Regulation 19 (1) & (2) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 w.r.t. to the composition of the Nomination and Remuneration Committee.

Remark: *At present, 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 comprises of 7 Directors, which includes 4 whole time Members of the Board , 1 Part Time Government Nominee Director and 2 Non-Official Part Time Independent Directors. Accordingly, the composition of the Nomination & Remuneration Committee is not in compliance with the provisions of Companies Act, 2013, DPE Guidelines on Corporate Governance and Securities and Exchange Board of India (Listing Obligations & 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 2:

In terms of Regulation 25 (3) & (4) of Securities and Exchange Board of India (Listing Obligations & 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 and Exchange Board of India (Listing Obligations & 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 separately on 21.03.2018 during the period of Audit. At the said meeting, the Independent Directors assessed the quality, quantity and timeliness of flow of information, as required under Regulation 25 (4) (c) of SEBI (LODR) 2015. As regards performance Evaluation, the independent Directors, considering that the matter has been taken up with SEBI by Department of Public Enterprises (DPE) through Department of Economic Affairs (DEA) based on recommendations of Committee of Company Secretaries of CPSEs constituted by DPE, as also the practice being followed in peer companies, decided to keep the matter on "hold" till issue is finally decided by SEBI.

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 and Exchange Board of India (Listing Obligations & 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 are two Independent Directors on the Board of the Company. The Company is not compliant with provisions of appointment of 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, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For Agarwal S. & Associates,
Company Secretaries,
Sd/-
CS Sachin Agarwal
Partner
FCS No. : 5774
C.P. No. : 5910

Date: July 06, 2018
Place: New Delhi

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.

"Annexure A"

To,

The Members,

Power Finance Corporation Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for 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 and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.

4. Wherever 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 are the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.

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

Date: July 06, 2018
Place: New Delhi

Observations of the Secretarial Auditors alongwith explanations to the same required to be included in the Directors Report to the shareholders for the FY 2017-18

Sl. No.	Observation	Explanation
1.	In terms of Regulation 17(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:- 1. The Board of Directors of 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 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:** *At Present, 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 7 Directors, which included 4 whole time Member of the Board, 1 Part Time Government Nominee Director and 2 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) Regulation, 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.*	Further to the remarks of Secretarial Auditor, it is stated that in terms of Clause 86 of Articles of Association (AoA) of PFC, 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 the Companies Act, 2013, SEBI (LODR), Regulations 2015 and DPE guidelines.

Sl. No.	Observation	Explanation
2.	*In terms of Regulation 25(3) & (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:-* *(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 and 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 separately on 21.03.2018 during the period of Audit. At the said meeting, the Independent Directors assessed the quality, quantity and timeliness of flow of information, as required under Reg. 25(4)(c) of SEBI (LODR) 2015. As regards performance Evaluation, the independent Directors, considering that the matter has been taken up with SEBI by Department of Public Enterprises (DPE) through Department of Economic Affairs (DEA) based on recommendations of Committee of Company Secretaries of CPSEs constituted by DPE, as also the practice being followed in peer companies, decided to keep the matter on "hold" till issue is finally decide by SEBI*	Further to the remarks of Secretarial Auditor, the Independent Directors in their Separate Meeting noted that Department of Public Enterprises (DPE) vide its OM dated 20th June, 2013 and Ministry of Corporate Affairs vide its notification dated 5th July, 2017 have exempted the Government companies from (a) Review the performance of non-independent directors and the Board of Directors as a whole and (b) Review the performance of the chairperson of the company, taking into account the views of executive directors and non-executive directors. However, they are still applicable under the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015. The Independent Directors also noted that DPE on the request of CPSEs had constituted a Committee of Company Secretaries of CPSEs to prepare a statement on exemptions required to be given to Government Companies from certain provisions of SEBI (LODR) Regulations, 2015 (including provisions relating to performance evaluation of Directors and Board), in-line with exemptions granted under the Companies Act, 2013. The recommendations of the said committee were submitted to SEBI by DPE through Department of Economic Affairs (DEA). However, SEBI declined the said request. The matter was again forwarded to the Committee of Company Secretaries of CPSEs by DPE through DEA for examination and comments. The Committee of Company Secretaries of CPSEs has further examined the matter and has submitted its recommendations to DPE to be taken up with SEBI through DEA. The matter is under consideration since the reply in the matter is still awaited. In view of above, the ID's deliberated and decided to keep the matter on "hold" till issue is finally decided by SEBI. Once the matter is decided by SEBI and the Independent Directors give further directions, the Company will take further necessary action in this regard.

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, 2018, 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 Sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 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 sub-section 10 of Section 143 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 standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 March, 2018 and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

2. The Comptroller and Auditor General of India has issued the directions and sub directions indicating the areas to be examined in term of Sub-section 5 of Section 143 of the Act, the compliance of which is set out in **Annexure "B".**

3. As required by Sub-section 3 of Section 143 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) In terms of Notification No. GSR 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Sub-section 2 of Section 164 of the Act, are not applicable to the Company, being a government company.

   (f) For internal financial controls with reference to financial statements 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, as amended, 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. The Company did not have any long-term contracts including derivative contracts for which there were 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.

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 GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 25.05.2018
Place: New Delhi

Annexure A to Independent Auditor's Report on the Standalone Financial Statements

(Referred to in our report of even date to the members of Power Finance Corporation Limited on the financial statements for the year ended 31 March, 2018)

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 once in a year. 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 Sub-section 1 of Section 148 of the Act, for any of the services rendered by the Company. Accordingly, clause 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, Value Added Tax, Goods & Service 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 March, 2018, 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 (₹)	Amount paid under protest (₹)	Total Disputed Amount (₹)	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 April, 2011 to 31 December, 2015	CESTAT, Delhi
		16,91,418/-	Nil	16,91,418/-	01 January, 2016 to 30th November, 2016	Commissioner, CE& ST, LTU, New Delhi
Income Tax Act, 1961	Income Tax	50,32,39,912/-	12,58,09,978/-	62,90,49,890/-	AY 2015-16	CIT (Appeals), New Delhi
Income Tax Act, 1961	Penalty	12,74,40,510/-	Nil*	12,74,40,510/-	AY 2012-13	CIT (Appeals-22), New Delhi
Income Tax Act, 1961	Penalty	17,79,83,470/-	Nil*	17,79,83,470/-	AY 2013-14	CIT (Appeals-22), New Delhi

*The due date of payment of penalty amount is 26.04.2018 against which stay has been granted upon payment of 20% of total demand, till 31.12.2018 or till disposal of Company's appeal before CIT(A), whichever is earlier. Accordingly an amount of ₹ 6,10,84,798/- (20% of total demand) has been deposited by the Company on 26.04.2018.

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 the Company 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 by the Company or any fraud on the Company by its officers and employees 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, clause 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 under section 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 GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 25.05.2018
Place: New Delhi

Annexure-B to Independent Auditors' Report on the Standalone Financial Statements

(Referred to in our report of even date to the members of Power Finance Corporation Limited on the financial statements for the year ended 31 March, 2018)

As required under the Sub-section 5 of Section 143 of the Companies Act 2013, 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 of and the amount involved.	i. Commitment charges aggregating to ₹ 0.80 crore were waived off in respect of four borrowers as per the request of the borrower and extant delegation of powers. ii. Additional Interest aggregating to ₹ 22.80 crore were waived off in respect of three borrowers as per the request of the borrowers and extant delegation of powers. iii. Interest on Interest aggregating to ₹ 5.46 crore were waived off in respect of four borrowers as per the request of the borrowers and extant delegation of powers. iv. Penal Interest aggregating to ₹ 1.10 crore were waived off in respect of five 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.	The Company follows RBI Master Directions for provisioning requirement of Restructured, Rescheduled or Renegotiated loans and accordingly adequate provision has been created. Security valuation is not required on loan assets under reference. Accordingly, the sub-direction is not applicable to that extent. A system for periodical assessment of realizable value of securities available is in place, wherever required by RBI Master Directions.

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 GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 25.05.2018
Place: New Delhi

Annexure – C to the Independent Auditors' Report on the Standalone Financial Statements

(Referred to in our report of even date to the members of Power Finance Corporation Limited on the financial statements for the year ended 31 March, 2018)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Power Finance Corporation Limited ("the Company") as of 31 March, 2018 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 with reference to financial statements 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 with reference to financial statements 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 prescribed under Sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements 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 internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2018, 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

Date: 25.05.2018
Place: New Delhi

FOR GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

To
Board of Directors
Power Finance Corporation Limited
Urjanidhi, 1, 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 31.03.2018.
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. The Company is registered as Non-deposit accepting Infrastructure Finance Company with RBI. The Board of Directors has not passed any resolution during the year 2017-18 for non-acceptance of any public Deposit.

   Further, Board of Directors has passed resolution in meeting held on 25.05.2018 for non-acceptance of any public deposit.
4. Company has not accepted any public deposits during the year 2017-18.
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. RBI vide notification dated 15.03.2018 has brought Government owned NBFCs under the purview of Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016. As per information and explanation given to us, the statement of capital funds, risk assets / exposures and risk asset ratio (NBS-7 return) has been filed by company for the quarter ended 31.12.2017 and 31.03.2018 based on financial results drawn on the date of filing with in the stipulated period including CRAR in compliance with RBI norms. Further, CRAR based on audited financial statements for the year ended 31.03.2018 has been correctly arrived at and it is in compliance with minimum prescribed CRAR by RBI.

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 GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 25.05.2018
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, 2018

The preparation of financial statements of Power Finance Corporation Limited for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 May, 2018.

I, on 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, 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory 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/-
(Vikram D. Murugaraj)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Date: 12 July 2018

POWER FINANCE CORPORATION LIMITED
CIN L65910DL1986GOI024862
BALANCE SHEET AS AT 31 MARCH, 2018

(₹ in Crore)

Description				Note Part	As at 31.03.2018		As at 31.03.2017	
A	**EQUITY AND LIABILITIES**							
	(1)	**Shareholders' Funds**						
		(i)	Share Capital	A-1	2,640.08		2,640.08	
		(ii)	Reserves & Surplus	A-2	37,220.59	39,860.67	33,830.13	36,470.21
	(2)	**Non-Current Liabilities**						
		(i)	Long Term Borrowings	A-3				
			Secured		13,350.64		20,106.17	
			Un-secured		1,78,148.04	1,91,498.68	1,54,735.19	1,74,841.36
		(ii)	Deferred Tax Liabilities (Net)	C-26		300.90		250.51
		(iii)	Other Long Term Liabilities	A-4		5,917.82		6,142.58
		(iv)	Long Term Provisions	A-5		2,245.82		2,662.83
	(3)	**Current Liabilities**						
		(i)	Short -Term Borrowings	A-3				
			Secured		0.00		2,400.79	
			Un-secured		6,924.74		0.00	
		(ii)	Other Current Liabilities					
		a)	Current Maturity of Long Term Borrowings	A-3				
			Secured		7,050.94		3.70	
			Un-secured		24,063.99		25,342.19	
		b)	Other Short Term Liabilities	A-4	7,879.18		8,420.17	
		(iii)	Short Term Provisions	A-5	722.43	46,641.28	1,927.11	38,093.96
			Total			**2,86,465.17**		**2,58,461.45**
B	**ASSETS**							
	(1)	**Non-Current Assets**						
		(i)	Fixed Assets	A-6				
		a)	Tangible Assets		109.03		106.51	
			Less: Accumulated Depreciation		45.09	63.94	44.63	61.88
		b)	Intangible Assets		9.46		8.95	
			Less: Accumulated Amortization		8.57	0.89	8.26	0.69
		c)	Intangible Assets under Development			0.00		0.00
		(ii)	Non-Current Investments	A-7				
			Trade		465.60		465.60	
			Others		800.00	1,265.60	1,800.00	2,265.60
		(iii)	Long Term Loans	A-8				
			Secured		1,55,786.78		1,38,306.30	
			Un-Secured		79,033.75	234,820.53	62,026.71	2,00,333.01
		(iv)	Other Non-Current Assets	A-9		5,891.71		5,568.49
	(2)	**Current Assets**						
		(i)	Current Investments	A-10	1,070.76		1,325.53	
		(ii)	Cash and Bank Balances	A-11	553.20		3,573.15	
		(iii)	Short Term Loans	A-8				
			Secured		6,351.65		1,490.49	
			Un-Secured		5,083.77		4,468.71	
		(iv)	Other Current Assets					
		a)	Current Maturity of Long Term Loans	A-8				
			Secured		21,429.53		28,635.13	
			Un-Secured		5,126.68		5,241.68	
		b)	Others	A-9	4,806.91	44,422.50	5,497.09	50,231.78
			Total			**2,86,465.17**		**2,58,461.45**

SIGNIFICANT ACCOUNTING POLICIES **Part B**
OTHER NOTES ON ACCOUNTS **Part C**
Notes from Part A to Part C form integral part of Financial Statements.

For and on behalf of the Board of Directors

Sd/-
(MANOHAR BALWANI)
Company Secretary

Sd/-
(N. B. GUPTA)
Director (Finance)
DIN – 00530741

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's Regn. No. 01411N
Sd/-
(CA M. K. AGGARWAL)
PARTNER
Membership No - 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm's Regn. No. 000458N
Sd/-
(CA BHUPINDER SINGH)
PARTNER
Membership No - 092867

Place: New Delhi
Date: 25.05.2018

POWER FINANCE CORPORATION LIMITED
CIN L65910DL1986GOI024862
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Crore)

Sl. No.	Description	Note Part	Year ended 31.03.2018		Year ended 31.03.2017	
I.	**Revenue from Operations**	A-12				
	Interest		25,820.86		26,270.08	
	Other Operating Income		271.37		321.11	
	Other Financial Services		322.24	26,414.47	316.34	26,907.53
II.	**Other Income**					
	Other Income	A-13		323.27		111.04
III.	**Total Income (I + II)**			**26,737.74**		**27,018.57**
IV.	**Expenses**					
	Finance Costs	A-14		17,204.85		16,432.69
	Borrowing Expenses	A-15		28.16		26.58
	Employee Benefit Expenses	A-16		166.78		114.97
	Provisions	C-12		560.83		5,101.08
	Provision for decline in value of investments	A-10		254.51		(7.51)
	Depreciation and Amortization expenses	A-6		6.41		5.56
	CSR Expenses	C-18		118.18		166.15
	Other Expenses	A-17		71.00		67.79
	Prior Period Items (Net)	A-18		0.07		1.47
	Total Expenses			**18,410.79**		**21,908.78**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**			**8,326.95**		**5,109.79**
VI.	Exceptional Items			0.00		0.00
VII.	**Profit before extraordinary items and tax (V-VI)**			**8,326.95**		**5,109.79**
VIII.	Extraordinary Items			0.00		0.00
IX.	**Profit Before Tax (VII-VIII)**			**8,326.95**		**5,109.79**
X.	**Tax Expenses**					
	(1) Current Tax					
	Current Year		2,421.76		3,074.39	
	Earlier Years		(0.42)	2,421.34	(0.09)	3,074.30
	(2) Deferred Tax liability(+) / Asset(-)	**C-26**		50.39		(90.90)
XI.	**Profit (Loss) for the year from continuing operations (IX-X)**			**5,855.22**		**2,126.39**
XII.	**Earnings per equity share of par value of ₹10/- each**	**C-27**				
	Basic (₹)			22.18		8.05
	Diluted (₹)			22.18		8.05

SIGNIFICANT ACCOUNTING POLICIES **Part B**
OTHER NOTES ON ACCOUNTS **Part C**
Notes from Part A to Part C form integral part of Financial Statements.

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**
(MANOHAR BALWANI)	**(N. B. GUPTA)**	**(RAJEEV SHARMA)**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN – 00530741	DIN – 00973413

Signed in terms of our report of even date attached

For M. K. Aggarwal & Co.	**For Gandhi Minocha & Co.**
Chartered Accountants	Chartered Accountants
Firm's Regn. No. 01411N	Firm's Regn. No. 000458N
Sd/-	**Sd/-**
(CA M. K. AGGARWAL)	**(CA BHUPINDER SINGH)**
PARTNER	PARTNER
Membership No - 014956	Membership No - 092867

Place: New Delhi
Date: 25.05.2018

POWER FINANCE CORPORATION LIMITED
CIN L65910DL1986GOI024862
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Crore)

Sl. No.	Description	Note Part	Year ended 31.03.2018		Year ended 31.03.2017	
I.	**Cash Flow from Operating Activities :-**					
	Net Profit before Tax and Extraordinary items		**8,326.95**		**5,109.79**	
	ADD: Adjustments for					
	Loss on Sale of Fixed Assets (net)		0.42		0.16	
	Profit on sale of Investments	A-13	(0.78)		(0.50)	
	Depreciation / Amortization (including Prior period depreciation)	A-6	6.41		5.78	
	Amortization of Zero Coupon Bonds & Commercial Papers		(66.41)		99.49	
	Foreign Exchange Translation Loss		229.55		221.48	
	Net Change in Fair Value of Derivatives	A-14	132.45		(178.15)	
	Provision for decline in value of investments		254.51		(7.51)	
	Provisions	C-12	560.83		5,101.08	
	Dividend on investment	A-13	(146.32)		(93.77)	
	CSR Expenses		0.00		166.15	
	Interest Subsidy Fund		6.31		2.22	
	Provision for interest under IT Act		0.00		0.69	
	Excess Liabilities & Provisions written back	A-13	(164.92)		(0.12)	
	Provision for Retirement Benefits / Other Welfare Expenses / Wage revision		72.39		18.59	
	Operating profit before Working Capital Changes:		**9,211.39**		**10,445.38**	
	Increase / Decrease :					
	Loan Assets (Net)		(33,387.74)		(6,939.35)	
	Other Assets		13.78		(4,625.63)	
	Foreign Currency Monetary Item Translation Difference A/c	A-2(C)(v)	(1.09)		92.18	
	Liabilities and provisions		(746.51)		6,347.39	
	Cash flow before extraordinary items		**(24,910.17)**		**5,319.97**	
	Extraordinary items		0.00		0.00	
	Cash Inflow / Outflow from operations before Tax		**(24,910.17)**		**5,319.97**	
	Income Tax paid		(2,619.53)		(3,302.04)	
	Income Tax Refund		1.36		68.61	
	Net Cash flow from Operating Activities			**(27,528.34)**		**2,086.54**
II.	**Cash Flow From Investing Activities :**					
	Sale / adjustment of Tangible / Intangible Assets		0.23		0.09	
	Purchase of Tangible / Intangible Assets	A-6	(9.32)		(4.51)	
	Increase / decrease in Intangible assets under development	A-6	0.00		(0.02)	
	Dividend on investment		146.23		93.77	
	Purchase / Sale of Other Investments		1,001.04		(564.55)	
	Net Cash Used in Investing Activities			**1138.18**		**(475.22)**
III.	**Cash Flow From Financing Activities :**					
	Issue of Bonds (including premium) (Net)		4,046.30		18,570.20	
	Raising of Long Term Loans (Net)		8,525.00		(9,000.00)	

Sl. No.	Description	Note Part	Year ended 31.03.2018		Year ended 31.03.2017	
	Foreign Currency Loans (Net)		9,584.90		(2,559.98)	
	Commercial paper (Net)		7,030.00		(5,350.00)	
	Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)		(2,400.79)		115.59	
	Unclaimed Bonds (Net)		3.41		(3.32)	
	Unclaimed Dividend (Net)		1.20		(0.29)	
	Payment of Final Dividend of Previous year		0.00		(79.20)	
	Payment of Interim Dividend of Current / Previous year*		(2,505.30)		0.00	
	Payment of Corporate Dividend Tax		(471.59)		(217.64)	
	Net Cash in-flow from Financing Activities			**23,813.13**		**1,475.36**
	Net Increase / Decrease in Cash & Cash Equivalents			**(2,577.03)**		**3,086.68**
	Add : Cash & Cash Equivalents at beginning of the financial year			3,114.74		28.06
	Cash & Cash Equivalents at the end of the financial year			**537.71**		**3,114.74**
Details of Cash & Cash Equivalents at the end of the year:		**A-11**				
i)	Balances in current accounts with:					
	Reserve Bank of India		0.02		0.02	
	Scheduled Banks		4.74	4.76	42.84	42.86
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)			532.95		3,071.88
	Sub Total (I)			**537.71**		**3,114.74**
Details of Earmarked Cash and Bank Balances at the end of the year:		**A-11**				
i)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.			11.04		458.41
ii)	IPDS / R-APDRP					
	Balances in current account with schedule banks			4.45		0.00
	Sub Total (II)			**15.49**		**458.41**
	Total Cash and Bank Balance at the end of the year (I+II)			**553.20**		**3,573.15**

* Out of interim dividend provision of ₹ 1320.04 crore as on 31.03.2017, ₹ 874 crore has been adjusted against advance paid to GoI & remaining ₹ 446.04 crore has been paid during the current year.

For and on behalf of the Board of Directors

Sd/-
(MANOHAR BALWANI)
Company Secretary

Sd/-
(N. B. GUPTA)
Director (Finance)
DIN – 00530741

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's Regn. No. 01411N
Sd/-
(CA M. K. AGGARWAL)
Partner
Membership No - 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm's Regn. No. 000458N
Sd/-
(CA BHUPINDER SINGH)
Partner
Membership No - 092867

Place: New Delhi
Date: 25.05.2018

NOTE - Part A - 1

SHARE CAPITAL

(₹ in Crore)

	Description	As at 31.03.2018	As at 31.03.2017
A	**Authorized :**		
	10,00,00,00,000 Equity shares of par value of ₹ 10/- each (Previous year 10,00,00,00,000 equity shares of par value of ₹ 10/- each)	10,000.00	10,000.00
	Total	**10,000.00**	**10,000.00**
B	**Issued, subscribed and fully paid up :**		
	2,64,00,81,408 Equity shares of ₹ 10/- each fully paid-up (Previous year 2,64,00,81,408 equity shares of ₹ 10/- each fully paid up)	2,640.08	2,640.08
	Total	**2,640.08**	**2,640.08**

Notes:-

1. During the year, the Company has neither issued nor bought back any shares.
2. 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.
3. Redeemable preference shares as on 31.03.2018 stand at Nil (Previous year Nil).
4. During the year, no shares have been allotted under ESOP scheme.
5. 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 31.03.2018	As at 31.03.2017
President of India	% of Share Holding	65.92	66.35
	No. of Shares Held	1,74,02,16,107	1,75,16,31,394
Life Insurance Corporation of India	% of Share Holding	5.96	8.65
	No. of Shares Held	15,74,76,305	22,82,52,101

6. During the year, Government of India (GoI) has transferred 1,14,15,287 number of equity shares held in the Company, in connection with New Fund Offer, to the Asset Management Company (AMC) of Bharat 22 ETF.
7. 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/- each with rights at par with existing equity shares in the ratio of 1:1	1,32,00,40,704	2016-17

NOTE - Part A - 2
RESERVES & SURPLUS

(₹ in Crore)

		Description	As at 31.03.2018		As at 31.03.2017	
(A)		**Securities Premium Account**				
		Opening balance	2,776.54		4,096.58	
		Less: Utilization for Bonus Issue	0.00	2,776.54	1,320.04	2776.54
(B)		**Debenture Redemption Reserve (Refer Note No. 4(A) of Part-C - Other Notes on Accounts)**				
		Opening balance	1,434.17		1,172.55	
		Add : Transfer from Surplus	292.65		298.02	
		Less: Transfer to Surplus on account of utilization	0.00	1,726.82	36.40	1,434.17
(C)		**Others**				
	(i)	**Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act,1961**				
		Opening balance	3,014.69		2,547.14	
		Add : Transfer from Surplus	368.30	3,382.99	467.55	3,014.69
	(ii)	**Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97**		599.85		599.85
	(iii)	**Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98**				
		Opening balance	14,310.69		12,506.91	
		Add : Transfer from Surplus	1,585.24	15,895.93	1,803.78	14,310.69
	(iv)	**General Reserve**				
		Opening balance	5,438.68		5,364.33	
		Add : Transfer from Surplus	1,000.00		0.00	
		Add : Gain - Change in fair value of derivatives	0.00	6,438.68	74.35	5,438.68
	(v)	**Foreign Currency Monetary Item Translation Difference A/c (Refer Note No. 5(C) of Part-C - Other Notes on Accounts)**				
		Opening balance	(647.56)		(739.74)	
		Add : Net addition during the year	(1.09)	(648.65)	92.18	(647.56)
	(vi)	**Interest Differential Reserve - KFW Loan**				
		Opening balance	0.00		0.00	
		Add : Transfer from Surplus (net)*	57.90	57.90	0.00	0.00
(D)		**Surplus**				
		Opening balance	6,903.07		8,898.37	
		Add : Profit after tax for the year	5,855.22		2,126.39	
		Less : Transfer to / from Reserves				
		Transfer to Reserve for Bad & Doubtful Debts u/s 36(1)(viia)(c) of Income Tax Act, 1961	368.30		467.55	
		Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	1,585.24		1,803.78	
		Transfer to Debenture Redemption Reserve	292.65		298.02	
		Transfer to General Reserve	1000.00		0.00	
		Transfer to Interest Differential Reserve - KFW Loan (net)*	57.90		0.00	
		Less : Dividend & Corporate Dividend Tax				
		Interim Dividend (Refer Note No. 28(A) of Part-C - Other Notes on Accounts)	2,059.26		1,320.04	
		Corporate Dividend Tax on Interim Dividend	404.41		268.73	
		Adjustments during the Year				
		Add: Transfer from Debenture Redemption Reserve on account of utilization	0.00		36.40	
		Add: Adjustment made during the year	0.00	6,990.53	0.03	6,903.07
		Total (A) + (B) + (C) +(D)		**37,220.59**		**33,830.13**

* Transfer to Surplus on account of utilisation amounts to ₹ 1.51 crore (Previous year Nil)

NOTE - Part A - 3
BORROWINGS

(₹ in Crore)

Description				As at 31.03.2018			As at 31.03.2017		
				Current	Non-Current	Total	Current	Non-Current	Total
A.	**Long Term Borrowings**								
	I.	**Secured**							
			Bonds						
			Infrastructure Bonds (Refer Note No.I)	40.94	243.38	**284.32**	3.70	281.06	**284.76**
			Tax Free Bonds (Refer Note No. II)	0.00	12,275.11	**12,275.11**	0.00	12,275.11	**12,275.11**
			Other Taxable Bonds (Refer Note No. III)	7,010.00	540.00	**7,550.00**	0.00	7,550.00	**7,550.00**
			Capital Gain Tax Exemption Bonds (Refer Note No. IV)	0.00	292.15	**292.15**	0.00	0.00	**0.00**
			Sub Total (I)	**7,050.94**	**13,350.64**	**20,401.58**	**3.70**	**20,106.17**	**20,109.87**
	II.	**Unsecured**							
		a)	**Bonds**						
			Other Bonds / Debentures (Refer Note No. V & VI)	21,705.00	1,47,921.95	**169,626.95**	24,155.40	1,41,678.10	**165,833.50**
			Subordinated Bonds (Refer Note No. VII)	0.00	3,800.00	**3,800.00**	0.00	3,800.00	**3,800.00**
			Foreign Currency Notes (Refer Note No. VIII)	0.00	2,607.00	**2,607.00**	1,167.30	0.00	**1,167.30**
				21,705.00	**1,54,328.95**	**1,76,033.95**	**25,322.70**	**1,45,478.10**	**1,70,800.80**
		b)	**Foreign Currency Loans**						
			Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India) (Refer Note No. IX)	21.19	180.29	**201.48**	19.49	184.74	**204.23**
			Syndicated Foreign Currency Loans from Banks & Financial Institutions (Refer Note No. X)	0.00	12,462.05	**12,462.05**	0.00	7,072.35	**7,072.35**
			Foreign Currency Loans (FCNR(B) from banks) (Refer Note No. XI)	2,337.80	651.75	**2,989.55**	0.00	0.00	**0.00**
				2,358.99	**13,294.09**	**15,653.08**	**19.49**	**7,257.09**	**7,276.58**
		c)	**Rupee Term Loans**						
			Rupee Term Loans (From Banks / Financial Institutions) (Refer Note No XII & XIII)	0.00	10,525.00	**10,525.00**	0.00	2,000.00	**2,000.00**
				0.00	**10,525.00**	**10,525.00**	**0.00**	**2,000.00**	**2,000.00**
			Sub Total (II)	**24,063.99**	**1,78,148.04**	**2,02,212.03**	**25,342.19**	**1,54,735.19**	**1,80,077.38**
B.	**Short Term Borrowings**								
	I.	**Secured**							
			Loan against FD (From Banks)	0.00	0.00	**0.00**	2,400.79	0.00	**2,400.79**
			Sub Total (I)	**0.00**	**0.00**	**0.00**	**2,400.79**	**0.00**	**2,400.79**
	II.	**Unsecured**							
			Commercial Paper (Refer Note No. XIV)	6,924.74	0.00	**6,924.74**	0.00	0.00	**0.00**
			Sub Total (II)	**6,924.74**	**0.00**	**6,924.74**	**0.00**	**0.00**	**0.00**
			Total (A) + (B)	**38,039.67**	**1,91,498.68**	**2,29,538.35**	**27,746.68**	**1,74,841.36**	**2,02,588.04**

Notes:-

I. Details of Infrastructure Bonds outstanding as at 31.03.2018 are as follows:

Sl. No.	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 C Series	30.03.2012	8.72%	0.87	30-Mar-27	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%
2	Infrastructure Bonds 86 D Series	30.03.2012	8.72%	2.40	30-Mar-27	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.		
3	Infrastructure Bonds 86 A Series	30.03.2012	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%
4	Infrastructure Bonds 86 B Series	30.03.2012	8.43%	15.47	30-Mar-22	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.		
5	Infrastructure Bonds (2011-12) Series-I	21.11.2011	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%
6	Infrastructure Bonds (2011-12) Series-II	21.11.2011	8.50%	36.34	21-Nov-21	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.		
7	Infrastructure Bonds (2010-11) Series-1	31.03.2011	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 31.03.2016 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.	100%
8	Infrastructure Bonds (2010-11) Series-2	31.03.2011	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.		
9	Infrastructure Bonds (2011-12) Series-III	21.11.2011	8.75%	3.23	22-Nov-18	On exercise of put 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%
10	Infrastructure Bonds (2011-12) Series - IV	21.11.2011	8.75%	8.83	22-Nov-18	On exercise of put 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 (2010-11) Series-3	31.03.2011	8.50%	6.13	1-Apr-18	On exercise of put 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 31.03.2016 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.	100%
12	Infrastructure Bonds (2010-11) Series-4	31.03.2011	8.50%	22.75	1-Apr-18	On exercise of put 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.		
		Total		**284.32**				

II. Details of Tax Free Bonds outstanding as at 31.03.2018 are as follows:

Sl. No.	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		
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		
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		
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		
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%	7.78	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%	61.43	28-Mar-28		
24	Tax Free Bonds (2012-13) tranche - I - Series II	4-Jan-13	7.36%	155.22	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%	201.77	4-Jan-28		
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	22-Nov-12	7.38%	25.00	22-Nov-27		
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		
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		
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%

Sl. No.	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security	Extent of Security
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		
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%	50.93	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%	45.23	28-Mar-23		
39	Tax Free Bonds (2012-13) tranche - I - Series I	4-Jan-13	7.19%	189.57	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%	153.18	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-Feb-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		
		Total		**12,275.11**			

III. The details of Other Taxable Bonds (Secured) outstanding as at 31.03.2018 are as follows:

Sl. No.	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%
		Total		**7,550.00**			

IV. Details of of Capital Gain Tax Exemption Bonds outstanding as at 31.03.2018 are as follows:

51	PFC Capital Gain Bonds Series 1 (2017-18)	Amount (₹ in crore)	Nature of Security	Extent of Security
	5.25% Reedemable at par during financial year 2020-21	292.15	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%
	Total	**292.15**		

V. Details of Zero Coupon Bonds as on 31.03.2018 are as follows :

Sl. No.	Bond Series	Face Value (₹ in crore)	Date of Redemption	Amount (₹ in crore)
	Zero Coupon unsecured Taxable Bonds 2022-XIX Series (net of Unamortized Interest of ₹ 231.55 crore)	750.00	30-Dec-22	518.45

VI. Details of Other Unsecured Taxable Bonds as on 31.03.2018 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 172	7.74%	29-Jan-28	850.00
8	Series 171	7.62%	15-Dec-27	5,000.00
9	Series 170B	7.65%	22-Nov-27	2,001.00
10	Series 169B	7.30%	7-Aug-27	1,500.00
11	Series 168B	7.44%	11-Jun-27	1,540.00
12	Series 155	7.23%	5-Jan-27	2,635.00
13	Series 152	7.55%	25-Sep-26	4,000.00
14	Series 151B	7.56%	16-Sep-26	210.00
15	Series 77-B	9.45%	1-Sep-26	2,568.00
16	Series 150B	7.63%	14-Aug-26	1,675.00
17	Series 76-B	9.46%	1-Aug-26	1,105.00
18	Series 147	8.03%	2-May-26	1,000.00
19	Series 71	9.05%	15-Dec-25	192.70
20	Series 141-B	8.40%	18-Sep-25	1,000.00
21	Series 66-B	8.75%	15-Jun-25	1,532.00
22	Series 65	8.70%	14-May-25	1,337.50
23	Series 130-C	8.39%	19-Apr-25	925.00
24	Series 64-III	8.95%	30-Mar-25	492.00

Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
25	Series 131-C	8.41%	27-Mar-25	5,000.00
26	Series 63-III	8.90%	15-Mar-25	184.00
27	Series 128	8.20%	10-Mar-25	1,600.00
28	Series 62-B	8.80%	15-Jan-25	1,172.60
29	Series 126	8.65%	4-Jan-25	5,000.00
30	Series 125	8.65%	28-Dec-24	2,826.00
31	Series 61	8.50%	15-Dec-24	351.00
32	Series 124-C	8.48%	9-Dec-24	1,000.00
33	Series 120-A	8.98%	8-Oct-24	961.00
34	Series 120-B	8.98%	8-Oct-24	950.00
35	Series 118-B-II	9.39%	27-Aug-24	460.00
36	Series 117-B	9.37%	19-Aug-24	855.00
37	Series 57-C	8.60%	7-Aug-24	866.50
38	Series 85-D	9.26%	15-Apr-23	736.00
39	Series 102-A(II)	8.90%	18-Mar-23	403.00
40	Series 102-B	8.87%	18-Mar-23	70.00
41	Series 100-B	8.84%	4-Mar-23	1,310.00
42	Series 176B	7.99%	20-Dec-22	1,295.00
43	Series 170A	7.35%	22-Nov-22	800.00
44	Series 92-C	9.29%	21-Aug-22	640.00
45	Series 169A	7.10%	8-Aug-22	3,395.00
46	Series 91-B	9.39%	29-Jun-22	2,695.20
47	Series 168A	7.28%	10-Jun-22	1,950.00
48	Series 88-C	9.48%	15-Apr-22	184.70
49	Series 154	7.27%	22-Dec-21	1,101.00
50	Series 124-B	8.55%	9-Dec-21	1,200.00
51	Series 123-C	8.66%	27-Nov-21	200.00
52	Series 153	7.40%	30-Sep-21	1,830.00
53	Series 78-B	9.44%	23-Sep-21	1,180.00
54	Series 151A	7.47%	16-Sep-21	2,260.00
55	Series 150A	7.50%	16-Aug-21	2,660.00
56	Series 76-A	9.36%	1-Aug-21	2,589.40
57	Series 115-III	9.20%	7-Jul-21	700.00
58	Series 75-C	9.61%	29-Jun-21	2,084.70
59	Series 74	9.70%	9-Jun-21	1,693.20
60	Series 28	8.85%	31-May-21	600.00
61	Series 146	8.05%	27-Apr-21	300.00
62	Series 73	9.18%	15-Apr-21	1,000.00
63	Series 175	7.75%	15-Apr-21	600.00
64	Series 173B	7.73%	5-Apr-21	1,325.00
65	Series 173A	7.73%	12-Mar-21	505.00
66	Series 72-B	8.99%	15-Jan-21	1,219.00
67	Series 71	9.05%	15-Dec-20	192.70
68	Series 70	8.78%	15-Nov-20	1,549.00

Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
69	Series 141-A	8.46%	18-Sep-20	1,000.00
70	Series 163	7.50%	17-Sep-20	2,435.00
71	Series 140-B	8.36%	4-Sep-20	1,250.00
72	Series 138	8.45%	10-Aug-20	1,000.00
73	Series 137	8.53%	24-Jul-20	2,700.00
74	Series 68-B	8.70%	15-Jul-20	1,424.00
75	Series 167	7.30%	30-Jun-20	1,560.00
76	Series 165	7.42%	26-Jun-20	3,605.00
77	Series 66-A	8.65%	15-Jun-20	500.00
78	Series 166	7.46%	5-Jun-20	1,180.00
79	Series 149	8.04%	30-May-20	100.00
80	Series 159	7.05%	15-May-20	2,551.00
81	Series 65	8.70%	14-May-20	1,337.50
82	Series 131-B	8.38%	27-Apr-20	1,350.00
83	Series 130-B	8.42%	18-Apr-20	200.00
84	Series 157	6.83%	15-Apr-20	2,000.00
85	Series 85-C	9.30%	15-Apr-20	79.50
86	Series 64-II	8.95%	30-Mar-20	492.00
87	Series 87-D	9.42%	20-Mar-20	650.80
88	Series 63-II	8.90%	15-Mar-20	184.00
89	Series 100-A	8.86%	4-Mar-20	54.30
90	Series 127	8.36%	26-Feb-20	4,440.00
91	Series 99-B	8.82%	20-Feb-20	733.00
92	Series 176A	7.53%	20-Jan-20	1,500.00
93	Series 62-A	8.70%	15-Jan-20	845.40
94	Series 61	8.50%	15-Dec-19	351.00
95	Series 124-A	8.52%	9-Dec-19	1,220.00
96	Series 123-B	8.65%	28-Nov-19	836.00
97	Series 60-B	1YINCMTBMK+179 bps (floating rate)	20-Nov-19	925.00
98	Series 122	8.76%	7-Nov-19	1,000.00
99	Series 121-B	8.96%	21-Oct-19	1,100.00
100	Series 59-B	8.80%	15-Oct-19	1,216.60
101	Series 119-B	9.32%	17-Sep-19	1,591.00
102	Series 118-B-I	9.39%	27-Aug-19	460.00
103	Series 57-B	8.60%	7-Aug-19	866.50
104	Series 115-II	9.15%	7-Jul-19	100.00
105	Series 135-B	8.50%	29-Jun-19	1,500.00
106	Series 174	7.80%	7-Jun-19	3,300.00
107	Series 148	7.95%	13-May-19	1,915.00
108	Series 145	7.85%	15-Apr-19	2,928.00
109	Series 143	8.12%	28-Feb-19	700.00
110	Series 98-III	8.72%	8-Feb-19	324.00
111	Series 82-C	9.70%	15-Dec-18	2,060.00

Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
112	Series 52-C	11.25%	28-Nov-18	1,950.60
113	Series 142-B	8.00%	22-Oct-18	1,000.00
114	Series 51-C	11.00%	15-Sep-18	3,024.40
115	Series 140-A	8.28%	4-Sep-18	1,930.00
116	Series 139-C	8.17%	18-Aug-18	800.00
117	Series 49-B	10.85%	11-Aug-18	428.60
118	Series 161	6.90%	16-Jul-18	1,850.00
119	Series 162	6.90%	16-Jul-18	1,060.00
120	Series 48-C	10.55%	15-Jul-18	259.70
121	Series 135-A	8.40%	29-Jun-18	1,210.00
122	Series 130-A	8.40%	19-Jun-18	1,175.00
123	Series 129-A	8.29%	13-Jun-18	980.00
124	Series 129B	8.29%	13-Jun-18	100.00
125	Series 47-C	9.68%	9-Jun-18	780.70
126	Series 134-B	8.39%	28-May-18	1,500.00
127	Series 132-B	8.09%	16-May-18	200.00
128	Series 131-A	8.34%	27-Apr-18	100.00
129	Series 132-A	8.03%	9-Apr-18	272.00
			Total*	**169,108.50**

*As at 31.03.2018, Bonds of ₹ 5.40 crore (previous year ₹ 5.60 crore) are held by PFC Ltd. Employees Provident Fund Trust and Bonds of ₹ 0.60 crore (previous year ₹ 0.60 crore) are held by PFC Ltd. Employees Gratuity Trust.

VII. Details of Unsecured Subordinated Bonds as on 31.03.2018 are as follows :

Sl. No.	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
			Total	**3,800.00**

VIII. Details of Foreign currency notes outstanding as at 31.03.2018 are as follows:

Sl. No.	Loan	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	3.75% USD Green Bonds 2027	3.75%	6-Dec-27	2,607.00
			Total	**2,607.00**

IX. Details of Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India) outstanding as at 31.03.2018 are as follows:

Sl. No.	Particulars	Amount (₹ in crore)
1	KFW I Loan - carrying fixed interest @ 0.75% p.a., repayable in semi-annual instalments due on 30th June & 31st December every year. Last instalment will be due on 30-Jun-2035	53.04
2	ADB (New Loan) - carrying floating interest @ 6m USD LIBOR + 0.60% p.a. repayable in semi-annual instalments due on 15th April & 15th October every year. Last instalment will be due on 15-Oct-2028	87.36
3	Credit National France- carrying fixed interest @ 2% p.a.repayable in semi-annual instalments due on 30th June & 31st December every year . Last instalment will be due on 30-Jun-2028	61.08
	Total	**201.48**

Note: In case of ADB (new loan) a variable rebate is offered by ADB at the time of reset.

X. Details of Syndicated Foreign Currency Loans from banks / Financial Institutions outstanding as at 31.03.2018 are as follows:

Sl. No.	Loan	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	SLN XXIII	6m USD LIBOR + 0.65%	22-Mar-23	1,629.38
2	SLN XXII	6m USD LIBOR + 0.70%	28-Feb-23	1,629.37
3	SLN XXI	6m USD LIBOR + 0.70%	12-Dec-22	1,955.25
4	SLN XVIII	6m JPY LIBOR + 0.75%	4-Nov-22	895.27
5	SLN XVIII	6m JPY LIBOR + 0.75%	8-Nov-21	895.27
6	SLN XXIV-(III)	6m USD LIBOR + 0.75%	24-Sep-21	977.62
7	SLN XXIV-(II)	6m USD LIBOR + 0.75%	26-Mar-21	977.62
8	SLN XVIII	6m JPY LIBOR + 0.75%	06-Nov-20	895.27
9	SLN XXIV-(I)	6m USD LIBOR + 0.75%	28-Sep-20	977.62
10	SLN XVI	6m USD LIBOR + 1.55%	04-Dec-19	1,629.38
			Total	**12,462.05**

XI. Details of FCNR (B) loans from banks outstanding as at 31.03.2018 are as follows:

Sl. No.	Loan	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	ICICI Bank FCNR(B)	3m USD LIBOR + 1.95%	26-Apr-19	651.75
2	SBI FCNR(B)	3m USD LIBOR + 1.70%	28-Mar-19	1,629.38
3	Bank of Baroda FCNR(B) - II	3m USD LIBOR + 1.70%	22-Feb-19	201.32
4	Bank of Baroda FCNR(B) - I	3m USD LIBOR + 1.70%	15-Feb-19	507.10
			Total	**2,989.55**

XII. Details of Rupee Term Loans (from Banks) outstanding as at 31.03.2018 are as follows:

Sl. No.	Name of Bank	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	Vijaya Bank	7.90%	13-Mar-23	1,000.00
2	HDFC Bank	7.95%	30-Sep-20	750.00
3	Andhra Bank	7.90%	30-Sep-19	277.07
4	Andhra Bank	7.90%	29-Sep-19	1,722.93
5	Vijaya Bank	7.90%	05-Sep-19	1,000.00
6	Allahabad Bank	7.85%	28-May-19	2,000.00
7	State Bank of India	7.85%	30-Apr-19	2,000.00
8	State Bank of India	7.85%	19-Apr-19	1,000.00
			Total	**9,750.00**

XIII. Details of Rupee Term Loans (from Financial Institutions) outstanding as at 31.03.2018 are as follows:

Sl. No.	Name of Financial Institution	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	India Infrastructure Finance Company Limited	7.70%	30-Sep-19	775.00

XIV. Details of Commercial Paper outstanding as at 31.03.2018 are as follows:

Sl. No.	Loan	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	CP series 90	6.65%	10-Aug-18	1,925.00
2	CP series 94	7.00%	25-Jun-18	2,000.00
3	CP series 93B	7.40%	15-Jun-18	1,100.00
4	CP series 85	6.80%	15-May-18	1,105.00
5	CP series 93A	7.30%	27-Apr-18	900.00
	Less- Unamortised Financial Charges*			(105.26)
			Total	**6,924.74**

* Unamortised Financial Charges on Commercial Paper as on 31.03.2018 amounts to ₹ 105.26 crore (Previous year Nil)

NOTE - Part A - 4

OTHER LONG TERM & SHORT TERM LIABILITIES

(₹ in Crore)

	Description	As at 31.03.2018			As at 31.03.2017		
		Short Term	Long Term	Total	Short Term	Long Term	Total
i	Interest Subsidy Fund from GOI (Refer Note No. 10(A) of Part-C - Other Notes on Accounts)	1.95	114.05	**116.00**	3.59	106.10	**109.69**
ii	Interest Differential Fund - KFW$	0.00	0.00	**0.00**	0.00	63.88	**63.88**
iii	Advance received / amount payable to Subsidiaries (including interest payable thereon) (Refer Note No. 8(A)(ii) of Part-C - Other Notes on Accounts)	196.63	268.88	**465.51**	193.38	249.04	**442.42**
iv	**Other Bonds (Amount payable-Bonds fully serviced by GoI)***						
	a) Principal	0.00	5,000.00	**5,000.00**	0.00	5,000.00	**5,000.00**
	b) Interest accrued but not due	38.21	0.00	**38.21**	38.21	0.00	**38.21**
	Sub Total (I)	**236.79**	**5,382.93**	**5,619.72**	**235.18**	**5,419.02**	**5,654.20**
v	**Interest Accrued but not due :**						
	On Bonds	7,320.79	141.87	**7,462.66**	7,226.02	288.23	**7,514.25**
	On Loans	66.35	0.00	**66.35**	27.14	0.00	**27.14**
	Sub Total (II)	**7,387.14**	**141.87**	**7,529.01**	**7,253.16**	**288.23**	**7,541.39**
vi	**Unpaid / Unclaimed**						
	Bonds	3.93	0.00	**3.93**	0.52	0.00	**0.52**
	Interest on Bonds	14.10	0.00	**14.10**	14.17	0.00	**14.17**
	Dividend	2.63	0.00	**2.63**	1.43	0.00	**1.43**
	Sub Total (III)	**20.66**	**0.00**	**20.66**	**16.12**	**0.00**	**16.12**
vii	Others	234.59	393.02	**627.61**	915.71	435.33	**1,351.04**
	Sub Total (IV)	**234.59**	**393.02**	**627.61**	**915.71**	**435.33**	**1,351.04**
	Grand Total (I+II+III+IV)	**7,879.18**	**5,917.82**	**13,797.00**	**8,420.17**	**6,142.58**	**14,562.75**

Notes :-

$Interest Differential Fund - KFW has been reversed in the current year in line with clarification received from KFW-Germany

*Details of Other Unsecured Taxable Bonds as on 31.03.2018 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
Total				**5,000.00**

NOTE - Part A - 5

PROVISIONS - LONG TERM AND SHORT TERM

(₹ in Crore)

Description		As at 31.03.2018			As at 31.03.2017		
		Short Term	Long Term	Total	Short Term	Long Term	Total
I.	**Employee Benefits**						
	Economic Rehabilitation of Employees	0.18	1.49	**1.67**	0.17	1.46	**1.63**
	Leave Encashment	1.34	19.88	**21.22**	1.78	28.90	**30.68**
	Staff Welfare Expenses	6.35	4.91	**11.26**	3.98	4.92	**8.90**
	Gratuity / Superannuation Fund	1.57	0.00	**1.57**	1.28	0.00	**1.28**
	Proposed Pay Revision	48.94	0.00	**48.94**	9.94	0.00	**9.94**
	Bonus / Incentive	11.18	0.00	**11.18**	5.58	0.00	**5.58**
	Sub Total (I)	**69.56**	**26.28**	**95.84**	**22.73**	**35.28**	**58.01**
II.	**Others**						
	Income Tax (net)	0.00	0.00	**0.00**	0.00	12.05	**12.05**
	Provision for Tax for demands under contest (Refer Note No. 3 of Part C - Other Notes on Accounts)	0.00	129.97	**129.97**	0.00	118.39	**118.39**
	CSR Expenses (Refer Note No. 18 of Part-C - Other Notes on Accounts)	0.00	0.00	**0.00**	100.20	0.00	**100.20**
	Provision against Standard Assets (Refer Note No. 12(A)(i) of Part-C - Other Notes on Accounts)	411.29	926.98	**1,338.27**	99.96	457.88	**557.84**
	Provisions against Restructured Standard Assets (Refer Note No. 12(A)(ii) of Part-C - Other Notes on Accounts)	241.58	1,162.59	**1,404.17**	317.00	2,039.23	**2,356.23**
	Interim Dividend (Refer Note No. 28(A) of Part-C - Other Notes on Accounts)	0.00	0.00	**0.00**	1,320.04	0.00	**1,320.04**
	Corporate Dividend Tax on Interim Dividend	0.00	0.00	**0.00**	67.18	0.00	**67.18**
	Sub Total (II)	**652.87**	**2,219.54**	**2,872.41**	**1,904.38**	**2,627.55**	**4,531.93**
	Grand Total (I+II)	**722.43**	**2,245.82**	**2,968.25**	**1,927.11**	**2,662.83**	**4,589.94**

NOTE - Part A - 6

FIXED ASSETS

(₹ in Crore)

	Description	GROSS BLOCK				DEPRECIATION						NET BLOCK	
		Opening Balance as at 01.04.2017	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2018	Opening Balance as at 01.04.2017	For the period 01.04.2017 to 31.03.2018	Adjustment	Prior period Adjustments	On Assets Sold/Written off from books	Closing Balance as at 31.03.2018	As at 31.03.2018	As at 31.03.2017
I.	**Tangible Assets*:**												
	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	10.43	0.71	0.00	0.00	0.00	11.14	13.78	14.49
	EDP Equipment	15.16	3.92	2.01	17.07	13.01	2.71	0.06	0.00	1.86	13.92	3.15	2.15
	Office and other equipment	17.21	3.25	4.14	16.32	14.08	2.34	0.06	0.00	3.82	12.66	3.66	3.13
	Furniture & Fixtures	7.77	1.64	0.14	9.27	6.97	0.32	0.01	0.00	0.09	7.21	2.06	0.80
	Vehicles	0.20	0.00	0.00	0.20	0.14	0.02	0.00	0.00	0.00	0.16	0.04	0.06
	Total	**106.51**	**8.81**	**6.29**	**109.03**	**44.63**	**6.10**	**0.13**	**0.00**	**5.77**	**45.09**	**63.94**	**61.88**
	Previous year	**105.13**	**4.51**	**3.13**	**106.51**	**42.57**	**4.72**	**0.00**	**0.22**	**2.88**	**44.63**	**61.88**	
II.	**Intangible Assets*:**												
	Purchased Software	**8.95**	**0.51**	**0.00**	**9.46**	**8.26**	**0.31**	**0.00**	**0.00**	**0.00**	**8.57**	**0.89**	**0.69**
	Previous year	**8.77**	**0.18**	**0.00**	**8.95**	**7.42**	**0.84**	**0.00**	**0.00**	**0.00**	**8.26**	**0.69**	
III.	**Intangible assets under development**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Previous year	**0.16**	**0.02**	**0.18**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	

*Refer Note No. 21 of Part-C - Other Notes on Accounts
**Refer Note No. 23 of Part-C - Other Notes on Accounts

NOTE - Part A - 7

NON- CURRENT INVESTMENTS

(₹ in Crore)

Description		As at 31.03.2018			As at 31.03.2017		
		Number	Amount		Number	Amount	
Long Term Investments							
(A)	**Trade Investments (Face value of ₹ 10/- each fully paid up - unless otherwise stated)**						
I.	**Equity Instruments (Quoted)**						
	- Valued at Cost						
	PTC India Ltd.	1,20,00,000		12.00	1,20,00,000		12.00
II.	**Equity Instruments (Unquoted)***						
	- Valued at Cost (Less diminution, if any, other than temporary)						
	Power Exchange India Ltd.	32,20,000	3.22		32,20,000	3.22	
	Less : Provision for Diminution		3.22	0.00		3.22	0.00
	Energy Efficiency Services Ltd (Refer Note No. 7 (A) of Part-C - Other Notes on Accounts)	14,65,00,000		146.50	14,65,00,000		146.50
	Subsidiaries (Refer Note No. 7 (A) of Part-C - Other Notes on Accounts)	10,09,50,000		100.95	10,09,50,000		100.95
III.	**Preference Shares (Unquoted)***						
	- Valued at Cost						
	10% Fully Convertible Preference shares of Subsidiary (Refer Note No. 7 (A) of Part-C - Other Notes on Accounts)	20,00,00,000		200.00	20,00,00,000		200.00
IV.	**Others (Unquoted)***						
	Units of "Small is Beautiful" Fund of KSK Investment Advisor Pvt. Ltd.**	61,52,200		6.15	61,52,200		6.15
	Sub Total (I)			**465.60**			**465.60**
(B)	**Other Investment -Bonds (Quoted) (Face value of ₹ 10,00,000/- each fully paid up - unless otherwise stated)**						
	8000 Bonds of Andhra Bank (Previous year : 10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank)	8,000		800.00	18,000		1,800.00
	Sub Total (II)			**800.00**			**1,800.00**
	Grand Total (I+II)			**1,265.60**			**2,265.60**

Notes :-

(₹ in Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Aggregate of Quoted Investments		
Net Book Value	812.00	1,812.00
Market Value***	904.88	1,912.08
Aggregate of Un-Quoted Investments		
Net Book Value	453.60	453.60
Aggregate Provision for Diminution in value	3.22	3.22

*Being Unquoted Investments, market value is not available.

**NAV as on 31-Mar-2018 is ₹10.17 per unit (31-Mar-2017 ₹10.24 per unit). The fluctuation in NAV is considered as temporary.

***8000 Bonds of Andhra Bank are listed on NSE platform, however, market price as at 31.03.2018 is not available on NSE platform and the bonds have not been traded in the market till 31.03.2018. Accordingly, the face value of the above bonds has been considered as market price.

NOTE - Part A - 8
LOANS*

(₹ in Crore)

Description	As at 31.03.2018						As at 31.03.2017					
	Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	
A. Long Term Loans												
I Secured Loans												
a) Considered Good												
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments	14,332.17		128,297.24		**1,42,629.41**		18,719.04		91,769.20		**1,10,488.24**	
RTLs to Independent Power Producers	1,911.33		11,023.49		**12,934.82**		6,630.50		22,578.26		**29,208.76**	
Foreign Currency Loans to Independent Power Producers	0.00		0.00		**0.00**		5.03		0.00		**5.03**	
Buyer's Line of Credit	118.58		1,372.38		**1,490.96**		67.48		1,376.96		**1,444.44**	
Lease Financing to Borrowers	0.00		0.00		**0.00**		8.62		185.70		**194.32**	
RTLs to Equipment Manufacturers	66.03	16,428.11	857.77	141,550.88	**923.80**	**1,57,978.99**	18.95	25,449.62	870.05	116,780.17	**889.00**	**1,42,229.79**
b) Others												
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA	311.41		4,704.49		**5,015.90**		2,323.18		21,064.92		**23,388.10**	
Less: Provision for contingencies	32.18	279.23	500.58	4,203.91	**532.76**	**4,483.14**	328.58	1,994.60	2,134.66	18,930.26	**2,463.24**	**20,924.86**
RTL to Independent Power Producers - NPA	6,576.18		11,340.22		**17,916.40**		1,689.43		3,237.05		**4,926.48**	
Less: Provision for contingencies	1,971.10	4,605.08	1,466.88	9,873.34	**3,437.98**	**14,478.42**	527.87	1,161.56	708.42	2,528.63	**1,236.29**	**3,690.19**
Lease Financing to Borrowers - NPA**	18.04		176.28		**194.32**		0.00		0.00		**0.00**	
Less: Provision for contingencies	1.80	16.24	17.63	158.65	**19.43**	**174.89**	0.00	0.00	0.00	0.00	**0.00**	**0.00**
FCL to Independent Power Producers - NPA	201.75		0.00		**201.75**		58.70		134.48		**193.18**	
Less: Provision for contingencies	100.88	100.87	0.00	0.00	**100.88**	**100.87**	29.35	29.35	67.24	67.24	**96.59**	**96.59**
Sub Total (I)		**21,429.53**		**1,55,786.78**		**1,77,216.31**		**28,635.13**		**138,306.30**		**1,66,941.43**
II. Un-Secured Loans												
a) Considered Good												
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments #	4,040.49		63,821.72		**67,862.21**		3,799.06		57,954.91		**61,753.97**	
RTLs to Independent Power Producers	539.69		14,464.39		**15,004.08**		1,127.87		3,413.96		**4,541.83**	
Buyer's Line of Credit#	62.03	4,642.21	74.97	78,361.08	**137.00**	**83,003.29**	72.35	4,999.28	70.17	61,439.04	**142.52**	**66,438.32**
b) Others												
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA #	0.00		0.00		**0.00**		269.33		373.83		**643.16**	
Less: Provision for contingencies	0.00	0.00	0.00	0.00	**0.00**	**0.00**	26.93	242.40	127.20	246.63	**154.13**	**489.03**
RTL to Independent Power Producers - NPA	1,518.79		1,058.62		**2,577.41**		369.85		828.95		**1,198.80**	

(₹ in Crore)

Description	As at 31.03.2018						As at 31.03.2017					
	Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	
Less : Provision for contingencies	1,060.82	457.97	697.55	361.07	**1,758.37**	**819.04**	369.85	0.00	828.95	0.00	**1,198.80**	**0.00**
FCL to Independent Power Producers - NPA	39.23		0.00		**39.23**		0.00		61.91		**61.91**	
Less: Provision for contingencies	39.23	0.00	0.00	0.00	**39.23**	**0.00**	0.00	0.00	61.91	0.00	**61.91**	**0.00**
Sub Total (II)		**5,100.18**		**78,722.15**		**83,822.33**		**5,241.68**		**61,685.67**		**66,927.35**
Total A (I + II)		**26,529.71**		**234,508.93**		**261,038.64**		**33,876.81**		**199,991.97**		**233,868.78**
B. Bonds												
I Un-secured Bonds / Debentures												
Bonds / Debentures from State Power Corporations		0.00		311.60		**311.60**		0.00		311.60		**311.60**
Bonds / Debentures from Independent Power Producers-NPA***	29.44		0.00		**29.44**		0.00		29.44		**29.44**	
Less : Provision for contingencies	2.94	26.50	0.00	0.00	**2.94**	**26.50**	0.00	0.00	0.00	29.44	**0.00**	**29.44**
Total B		**26.50**		**311.60**		**338.10**		**0.00**		**341.04**		**341.04**
C. Short Term Loans												
I Secured Loans												
a) Considered Good												
Working Capital Loans to State Electricity Boards and State Power Corporations		6,123.12		0.00		**6,123.12**		1,467.91		0.00		**1,467.91**
Working Capital Loans to Independent Power Producers		212.46		0.00		**212.46**		22.58		0.00		**22.58**
b) Others												
Working Capital Loans to Independent Power Producers -NPA	17.86		0.00		**17.86**		0.00		0.00		**0.00**	
Less : Provision for contingencies	1.79	16.07	0.00	0.00	**1.79**	**16.07**	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Sub Total (I)		**6,351.65**		**0.00**		**6,351.65**		**1,490.49**		**0.00**		**1,490.49**
II Un-Secured Loans												
a) Considered Good												
Working Capital Loans to State Electricity Boards, State Power Corporations and to Government Companies #	4,543.96		0.00		**4,543.96**		3,806.69		0.00		**3,806.69**	
Working Capital Loans to Independent Power Producers	38.67	4,582.63	0.00	0.00	**38.67**	**4,582.63**	516.73	4,323.42	0.00	0.00	**516.73**	**4,323.42**
b) Others												
Working Capital Loans to Independent Power Producers - NPA	364.89		0.00		**364.89**		0.00		0.00		**0.00**	
Less : Provision for contingencies	36.49	328.40	0.00	0.00	**36.49**	**328.40**	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Other Loans - NPA$	345.47		0.00		**345.47**		290.58		0.00		**290.58**	
Less : Provision for contingencies	172.73	172.74	0.00	0.00	**172.73**	**172.74**	145.29	145.29	0.00	0.00	**145.29**	**145.29**
Sub Total (II)		**5,083.77**		**0.00**		**5,083.77**		**4,468.71**		**0.00**		**4,468.71**
Total C (I + II)		**11,435.42**		**0.00**		**11,435.42**		**5,959.20**		**0.00**		**5,959.20**
Grand Total (A+B+C)		**37,991.63**		**234,820.53**		**272,812.16**		**39,836.01**		**200,333.01**		**240,169.02**

*Refer Note No. 12(A) of Part-C - Other Notes on Accounts

**Refer Note No. 9(A) of Part-C - Other Notes on Accounts

#Loans guaranteed by respective State Governments amounts to ₹24,335.12 crore (Previous Year ₹23,353.40 crore).

$ Counter guaranteed by State Government

***Bonds under issue (Categorised as NPA during the current year)

NOTE - Part A - 9

OTHER ASSETS

(₹ in Crore)

Description				As at 31.03.2018						As at 31.03.2017					
				Current		Non-Current		Total		Current		Non-Current		Total	
A	**LOANS & ADVANCES**														
	I	**Loans (considered good)***													
		a)	to Employees (Secured)	2.09		9.79		**11.88**		2.25		11.94		**14.19**	
		b)	to Employees (Unsecured)	10.19	12.28	45.53	55.32	**55.72**	**67.60**	9.76	12.01	48.22	60.16	**57.98**	**72.17**
	II	**Advances (Unsecured considered good)**													
		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)	324.73		147.17		**471.90**		262.04		133.72		**395.76**	
		b)	to Employees*	1.06		0.01		**1.07**		0.82		0.01		**0.83**	
		c)	Prepaid Expenses	2.04		0.00		**2.04**		1.95		0.00		**1.95**	
		d)	Others	294.03		156.77		**450.80**		1,226.78		6.31		**1,233.09**	
		e)	Advance Income Tax and Tax Deducted at Source (net)	0.00		368.94		**368.94**		0.00		162.08		**162.08**	
		f)	Tax deposited on demands under contest	73.11		138.13		**211.24**		33.16		183.79		**216.95**	
		g)	Security Deposits	0.55	695.52	0.30	811.32	**0.85**	**1,506.84**	0.42	1,525.17	0.38	486.29	**0.80**	**2,011.46**
B	**Amount Recoverable on account of Bonds fully serviced by GoI (Unsecured considered good)**														
		a)	Principal	0.00		5,000.00		**5,000.00**		0.00		5,000.00		**5,000.00**	
		b)	Interest	38.21	38.21	0.00	5,000.00	**38.21**	**5,038.21**	38.21	38.21	0.00	5,000.00	**38.21**	**5,038.21**
C	**OTHER ASSETS**														
	I	**Accrued but not due :**													
		a)	Interest on Loan Assets	3,967.99		0.00		**3,967.99**		3,723.25		0.00		**3,723.25**	
		b)	Interest on Loans to Employee	0.76		25.07		**25.83**		0.60		22.04		**22.64**	
		c)	Interest on Deposits and Investments	9.93	3,978.68	0.00	25.07	**9.93**	**4,003.75**	30.33	3,754.18	0.00	22.04	**30.33**	**3,776.22**
	II	**Accrued and due :**													
			Incomes accrued & due on loans	82.22	82.22	0.00	0.00	**82.22**	**82.22**	167.52	167.52	0.00	0.00	**167.52**	**167.52**
D	**Loans & Advances (Unsecured - Others) (Refer Note No. 12(B)(i) of Part-C - Other Notes on Accounts)**														
			Non Performing Assets (NPAs)	2.51		0.00		**2.51**		16.40		0.00		**16.40**	
			Less : Provision for contingencies	2.51	0.00	0.00	0.00	**2.51**	**0.00**	16.40	0.00	0.00	0.00	**16.40**	**0.00**
			Total		**4,806.91**		**5,891.71**		**10,698.62**		**5,497.09**		**5,568.49**		**11,065.58**

*Includes:

Description	Balance as at 31.03.2018	Balance as at 31.03.2017
Loans & Advances given to KMPs (Refer Note No. 6 of Part-C - Other Notes on Accounts)	0.52	0.50

NOTE - Part A -10

CURRENT INVESTMENTS

(₹ in Crore)

	Description	As at 31.03.2018			As at 31.03.2017		
		Number	Amount		Number	Amount	
I.	**Equity Instruments (Quoted) (Face value of ₹10/- each fully paid up) - Valued for category at lower of cost or market value**						
	PGCIL (Cost Price ₹ 52 per Share)	3,89,349	2.02		4,39,349	2.28	
	REC Ltd. (Cost Price ₹ 52.50 per Share)	95,904	0.50		95,904	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)	26,05,42,051	567.50		26,05,42,051	567.50	
	Less : Provision for diminution on Equity Instruments (Quoted)		0.00	1,070.76		0.00	1,071.02
II.	**Equity Instruments (Borrower Companies) (Un-quoted) (Face value of ₹10/- each fully paid up) - Valued in accordance with Para - 5.2 of Note Part - B - Significant Accounting Policies**						
	Shree Maheshwar Hydel Power Corporation Ltd. (NPA Borrower)	13,18,46,779	66.10		13,18,46,779	66.10	
	Less : Provision for diminution on Equity Instruments (Un-quoted)		66.10	0.00		66.10	0.00
	GMR Chhattisgarh Energy Ltd.*	27,50,00,000	275.00		27,50,00,000	275.00	
	Less : Provision for diminution on Equity Instruments (Un-quoted)		275.00	0.00		20.49	254.51
	Total			**1,070.76**			**1,325.53**

Notes :-

Description	As at 31.03.2018	As at 31.03.2017
Aggregate of Quoted Investments		
Net Book Value	1,070.76	1,071.02
Market Value	1,126.04	1,258.02
Aggregate of Unquoted Investments		
Net Book Value	0.00	254.51
Aggregate Provision for Diminution in value	341.10	86.59

*Borrower has been categorised as NPA during the current year.

NOTE - Part A -11
CASH AND BANK BALANCES

(₹ in Crore)

Description			As at 31.03.2018		As at 31.03.2017	
I	**Cash and Cash Equivalents:**					
	i)	Balances in current accounts with:				
		Reserve Bank of India	0.02		0.02	
		Scheduled Banks	4.74	4.76	42.84	42.86
	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)		532.95		3,071.88
		Sub Total (I)		**537.71**		**3,114.74**
II	**Earmarked Balances:**					
	i)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.		11.04		458.41
	ii)	IPDS / R-APDRP				
		Balances in current account with scheduled banks		4.45		0.00
		Sub Total (II)		**15.49**		**458.41**
		Grand Total (I+II)		**553.20**		**3,573.15**

NOTE - Part A - 12
REVENUE FROM OPERATIONS

(₹ in Crore)

Description		Year ended 31.03.2018		Year ended 31.03.2017	
I.	**Interest**				
	Interest on Loans	26,203.32		26,587.14	
	Less : Rebate for Timely Payment to Borrowers	381.37		316.65	
	Less : Post COD Timely Payment Rebate	7.81	25,814.14	22.39	26,248.10
	Lease income		6.72		21.98
	Sub Total (I)		**25,820.86**		**26,270.08**
II.	**Other Operating income**				
	Income from surplus funds		56.70		112.37
	Interest received on advances given to subsidiaries		17.87		12.10
	Interest on bonds		196.80		196.64
	Sub Total (II)		**271.37**		**321.11**
III.	**Other Financial Services**				
	Prepayment Premium on Loans		179.10		201.77
	Upfront fee on Loans		46.03		37.87
	Management, Agency & Guarantee Fee		64.47		48.13
	Commitment charges on Loans		2.25		5.17
	Fee on account of GoI Schemes:				
	Nodal Agency Fee - R-APDRP	0.65		2.24	
	Nodal Agency Fee - IPDS	29.74	30.39	21.16	23.40
	Sub Total (III)		**322.24**		**316.34**
	Grand Total (I+II+III)		**26,414.47**		**26,907.53**

NOTE - Part A - 13
OTHER INCOME

(₹ in Crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Dividend Income*	146.23	99.11
Profit on sale of Fixed Assets	0.00	0.03
Profit on sale of Current Investments	0.78	0.50
Interest on Income Tax Refund	4.78	3.88
Miscellaneous Income	6.56	7.40
Excess Liabilities & Provisions written back	164.92	0.12
Total	**323.27**	**111.04**

*Includes dividend income from Mutual Funds ₹ 6.63 crore (previous year ₹ 5.34 crore).

NOTE - Part A - 14
FINANCE COSTS

(₹ in Crore)

	Description	Year ended 31.03.2018		Year ended 31.03.2017	
I.	**Interest**				
	On Bonds	16,040.21		15,592.33	
	On Loans	318.64		322.15	
	GOI on Interest Subsidy Fund	9.32		9.06	
	Financial Charges on Commercial Paper	482.71		389.72	
	Swap Premium (Net)	(34.95)	16,815.93	(23.42)	16,289.84
II.	**Other Charges**				
	Commitment & Agency Fee	0.39		0.65	
	Guarantee, Listing & Trusteeship Fee	2.17		2.17	
	Management Fee on Foreign Currency Loans	4.29		0.01	
	Bank / Other Charges	0.00		0.00	
	Interest paid on advances received from subsidiaries	5.93	12.78	6.35	9.18
III.	Net Translation / Transaction Exchange Loss (+) / Gain (-)		243.69		311.82
IV.	Net Change in Fair Value of Derivatives - Loss (+) / Gain (-)		132.45		(178.15)
	Total		**17,204.85**		**16,432.69**

NOTE - Part A - 15
BORROWING EXPENSES

(₹ in Crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Interest on Application Money	0.03	0.00
Credit Rating Fee	4.96	4.65
Other Issue Expenses	15.47	14.04
Stamp Duty Fee	7.70	7.89
Total	**28.16**	**26.58**

NOTE - Part A - 16
EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Salaries, Wages and Bonus	130.59	83.41
Contribution to Provident and other funds	16.90	13.94
Staff Welfare	13.84	12.01
Rent for Residential accommodation of employees (Refer Note No. 9(B) of Part-C - Other Notes on Accounts)	5.45	5.61
Total	**166.78**	**114.97**

NOTE - Part A - 17
OTHER EXPENSES

(₹ in Crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Office Rent (Refer Note No. 9(B) of Part-C - Other Notes on Accounts)	0.50	0.50
Electricity & Water charges	1.68	1.50
Insurance	0.18	0.16
Repairs & Maintenance	4.50	3.30
Stationery & Printing	2.11	1.88
Travelling & Conveyance	16.27	10.04
Postage, Telegraph & Telephone	2.49	2.25
Professional & Consultancy charges	1.92	2.02
Miscellaneous Expenses #	31.37	39.97
Loss on sale of Fixed Assets	0.42	0.19
Loss on Disposal of Investment	0.00	0.98
Auditors' Remuneration#	0.84	0.60
Service Tax	1.44	2.58
Rates & Taxes	1.55	1.41
Goods & Services Tax	5.45	0.00
Contribution to PMC (MoP)	0.28	0.41
Total	**71.00**	**67.79**
# Note :-		
1) Miscellaneous Expenses include :		
Legal & Filing Fee	2.94	17.42
Books & Periodicals	0.05	0.07
Advertisement	4.64	5.28
Membership & Subscription	0.99	1.09
Entertainment	1.75	0.97
Conference & Meeting Expenses	3.01	2.63
Security Expenses	2.91	1.60
Training	1.63	1.55
Other EDP Expenses	3.75	3.01
Business Promotion / Related Expenses	0.52	0.62
Interest on income tax	0.00	0.69

Description	Year ended 31.03.2018	Year ended 31.03.2017
2) Auditors' Remuneration includes :		
Audit fee	0.38	0.35
Tax Audit Fee	0.07	0.06
Other certification services	0.38	0.19
Reimbursement of Expenses	0.01	0.00

Note - Part A -18

PRIOR PERIOD ITEMS (NET)

(₹ in Crore)

Description	Year ended 31.03.2018		Year ended 31.03.2017	
Prior Period Expenses :				
Interest & other Charges	0.00		0.24	
Personnel & Administration Expenses - Others	0.06		0.77	
Depreciation	0.00	0.06	0.22	1.23
Less: Prior Period Income :				
Interest Income	0.00		(0.20)	
Other Income	(0.01)	(0.01)	(0.04)	(0.24)
Total		**0.07**		**1.47**

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, 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 As per applicable RBI directions, 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 As per applicable RBI directions, 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, zero coupon bonds (deep discount bonds) and discount on bonds under external commercial borrowings are amortized proportionately over the period of its tenure.

2.4 Arrangement fee in connection with long-term foreign currency borrowings are amortized to the Statement of Profit and Loss over the tenure of the loan.

2.5 Expenditure on issue of shares is charged to the securities premium account.

2.6 As per applicable RBI directions, 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.

2.7 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.8 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 As per applicable RBI directions, 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 credit facilities 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
31st 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.
31st 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) 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.

(iii) The classification of project loans as a sub-standard asset is also done as per the RBI norms for restructured advances. 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 (as exempted by RBI till 31.03.2022).

(iv) A lease asset, in respect of which installment / rental remains overdue 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 is classified as NPA if it remains overdue for a period of 3 months or more.

6.2 PROVISIONING AGAINST STANDARD ASSETS, RESTRUCTURED STANDARD ASSETS AND NPAs

6.2.1 The provisioning is made in respect of loans and other credit facilities as under:

Sl. No.	Description	Rate of Provision
1.	Standard Asset	0.40%
2.	Restructured Standard Assets	5%
3.	Sub-standard Asset	10%
4.	Doubtful Asset Secured portion of Doubtful assets Upto one year More than one year to upto three years More than three years Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	 20% 30% 50% 100%
5.	Loss Asset if not written off	100%

6.2.2 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.

6.2.3 Provisioning on restructured / rescheduled / renegotiated loan assets is done as per RBI norms and specific RBI directions.

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 – 11:

(i) Expenses and income in foreign currency; and

(ii) 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 – 11:

(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 accordance with the paragraph 46A of the Accounting Standard (AS) 11, 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 – 11.

8.4 Derivative contracts not covered by Accounting Standard 11 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)

Sl. No	Description	As at 31.03.2018	As at 31.03.2017
(i)	Guarantees issued in domestic currency	153.75	190.11
(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	1,694.60	1,640.56
	Total	**1,848.35**	**1,830.67**

(B) Income Tax Demands

Additional demands raised by the Income Tax Department totaling to ₹ 85.87 crore (Previous year ₹ 40.53 crore) of earlier years are being contested. Out of the said demands, an amount of ₹ 5.01 crore (Previous year ₹ 40.53 crore) has been paid. 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 ₹ 165.39 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 or show cause notices raised by Service Tax Department totaling to ₹ 1.04 crore (Previous year ₹ 23.51 crore) 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. Management does not consider it necessary to make provision, as the liabilities are not considered probable.

2.2 Other Commitments

Estimated amount of contracts remaining to be executed on account of capital account, not provided for is ₹ 473.77 crore as on 31.03.2018 (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)

Sl. No.	Description	Year ended 31.03.2018	Year ended 31.03.2017
1.	Opening Balance	118.39$	95.39
2.	Addition during the year	11.58	23.90
3.	Reversal during the year	-	(0.90)
4.	Closing Balance	129.97*	118.39

*Pertaining to Assessment Year 2001-02 to 2015-16.

$Pertaining to Assessment Year 2001-02 to 2014-15.

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 – CL.V 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 31.03.2018.

5. A. Foreign currency expenditure and earning:

(₹ in crore)

Sl. No.	Description	For the Year ended 31.03.2018	For the Year ended 31.03.2017
A.	**Expenditure in foreign currency**		
(i)	Interest on foreign currency loans *	258.43	270.32
(ii)	Financial & Other charges*	9.03	1.97
(iii)	Traveling Expenses	0.30	-
(iv)	Training Expenses	0.35	0.29
B.	**Earning in foreign currency**	**-**	**-**

*including withholding tax

B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2018		As at 31.03.2017	
	Millions in respective currency	₹ in crore	Millions in respective currency	₹ in crore
USD	942	6,140.13	581	3,764.80
EURO	14	114.12	16	108.03
JPY*	43,668	2,685.80	43,668	2,532.85
Total		**8,940.05**		**6,405.68**

*Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for USD 45 million / ₹ 293.29 crore (Previous year USD / INR leg for USD 45 million / ₹ 291.83 crore).

C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consezquently, as at 31.03.2018 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 648.65 crore (Previous year debit balance ₹ 647.56 crore).

D. Liabilities and assets denominated in foreign currency have been translated at FEDAI spot rate at year end as given below:

Sl. No.	Exchange Rates	As at 31.03.2018	As at 31.03.2017
(i)	USD / INR	65.1750	64.8500
(ii)	JPY / INR	0.615050	0.580025
(iii)	EURO / INR	80.8075	69.2925

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 R Nagarajan, Director (Finance) and CFO	with effect from 31.07.2009 till 31.05.2017
Shri N. B. Gupta, Director (Finance) and CFO	with effect from 18.08.2017
Shri C. Gangopadhyay, Director (Projects)	with effect from 01.01.2017
Shri D. Ravi, Director (Commercial)	with effect from 16.11.2015
Shri Manohar Balwani, CS	with effect from 01.04.2014

(B) Transactions with Key Management Personnel (KMP):

Managerial remuneration of KMP for the year ended 31.03.2018 is ₹ 3.45 crore (Previous year ₹ 3.50 crore). Loans & Advances given to KMP is ₹ 0.52 crore as on 31.03.2018 (Previous year ₹ 0.50 crore).

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:

Sl. No.	Name of the companies	Date of investment	No. of equity shares subscribed (as at 31.03.2018)	% of ownership as at 31.03.2018	Amount as at 31.03.2018 (₹ in crore)	Amount as at 31.03.2017 (₹ in crore)
(a)	**Subsidiary Companies (i)**					
(i)	PFC Consulting Limited (PFCCL)(ii)	09.04.2008	50,000	100%	0.05	0.05
(ii) (a)	PFC Green Energy Limited (PFCGEL) (Equity Shares) (iii)	29.07.2011 08.12.2011 29.03.2012 21.03.2013 18.06.2013 07.10.2013	50,000 44,50,000 4,90,000 2,10,00,000 1,36,00,000 6,04,10,000	100%	100.00	100.00
(ii) (b)	PFCGEL (Preference Shares) (iii)	21.03.2013 18.06.2013 07.10.2013	8,40,00,000 5,44,00,000 6,16,00,000	100%	200.00	200.00
(iii)	PFC Capital Advisory Services Limited (PFCCAS)(ii)	01.09.2011	1,00,000	100%	0.10	0.10
(iv)	Power Equity Capital Advisors (Private) Limited (PECAP)(iv)	15.04.2008 11.10.2011	15,000 35,000	100%	0.05	0.05
	Sub-Total (A)				**300.20**	**300.20**
(b)	**Subsidiary Companies promoted as SPVs for UMPPs (v)**					
(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

Sl. No.	Name of the companies	Date of investment	No. of equity shares subscribed (as at 31.03.2018)	% of ownership as at 31.03.2018	Amount as at 31.03.2018 (₹ in crore)	Amount as at 31.03.2017 (₹ in crore)
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited (CSPL)(vi)	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)(vii)	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)	Cheyyur 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
	Sub-Total (B)				**0.75**	**0.75**
(c)	**Joint venture Companies(i)**					
	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	146.50
	Sub-Total (C)				**146.50**	**146.50**
	TOTAL (viii) (A+ B+ C)				**447.45**	**447.45**

(i) Financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures.

(ii) Subsequent to decision by the Board of Directors of respective subsidiaries, merger of PFCCAS with PFCCL is under progress.

(iii) In continuation to decision taken in meeting dated 09th August, 2016, Board of Directors of the Company in its meeting held on 29th September, 2017, has approved scheme for the merger of PFCGEL with the Company subject to sanction by the Ministry of Corporate Affairs.

(iv) Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

(v) 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 required to be consolidated in terms of paragraph 11 of Accounting Standard-21.

(vi) MoP vide its OM dated 16th January, 2017 has informed for the winding up of CSPL. The related proceedings are under way.

(vii) MoP vide its OM dated 21st June, 2016 has conveyed its approval for the winding up of TAMPL. The related proceedings are under way.

(viii) Maximum amount of investment during the year is same as investment at the year-end for each of the entities.

(B) The Company's share of assets, liabilities, contingent liabilities and capital commitment as at 31.03.2018 and income and expenses for the period ending 31.03.2018 in respect of EESL (Company's joint venture entity), based on unaudited provisional financial statements are given below:

(₹ in crore)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
	Ownership (%)	**31.71**	**31.71**
A	Assets		
	Non-Current assets	774.52	336.90
	Current assets	769.10	510.19
	Total	**1543.62**	**847.09**
B	Liabilities		
	Non-Current Liabilities	570.30	263.59
	Current Liabilities	770.15	399.32
	Total	**1340.45**	**662.91**
C	Contingent liabilities	68.65	11.74
D	Capital commitments	83.64	103.95
E	**Income & Expenses**	**For the Year ended**	
		31.03.2018	**31.03.2017**
	Total Income	461.78	410.10
	Total Expenses	438.66	386.08

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 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
Coastal Maharashtra Mega Power Limited	12.24	11.10	12.24	11.10
Orissa Integrated Power Limited	182.09	138.93	182.09	138.93
Coastal Karnataka Power Limited	5.63	4.95	5.63	4.95
Coastal Tamil Nadu Power Limited	133.06	113.60	133.06	113.60
Chhattisgarh Surguja Power Limited	91.49	89.07	91.49	89.07
Sakhigopal Integrated Power Company Limited	7.84	7.12	7.84	7.12
Ghogarpalli Integrated Power Company Limited	6.71	6.08	6.71	6.11
Tatiya Andhra Mega Power Limited	9.47	9.36	9.47	9.36
Deoghar Mega Power Limited	14.82	10.69	14.82	10.69
PFC Green Energy Limited	0.12	0.11	0.12	0.36
PFC Capital Advisory Services Limited	0.00	0.03	0.03	0.20
Cheyyur Infra Limited	0.06	0.04	0.06	0.04

Name of the Subsidiary Companies	As at 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
Odisha Infra Power Limited	0.24	0.20	0.24	0.22
Bihar Infra Power Limited	0.03	0.02	0.05	0.18
Bihar Mega Power Limited	7.81	4.28	7.81	5.73
Deoghar Infra Limited	0.25	0.15	0.40	0.15
Jharkhand Infrapower Limited	0.04	0.03	0.04	0.03
PFC Consulting Limited	0.00	0.00	0.84	0.79
Total*	**471.90**	**395.76**	**472.94**	**398.63**

* 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 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
PFC Consulting Limited	6.50	1.06	6.50	6.40
Coastal Maharashtra Mega Power Limited	67.97	65.50	67.97	65.50
Orissa Integrated Power Limited	92.32	87.66	92.32	87.66
Coastal Tamil Nadu Power Limited	82.92	78.26	82.92	78.26
Chhattisgarh Surguja Power Limited	75.70	75.70	75.70	75.70
Sakhigopal Integrated Power Company Limited	27.46	26.30	27.46	26.30
Ghogarpalli Integrated Power Company Limited	25.98	24.88	25.98	24.88
Tatiya Andhra Mega Power Limited	26.94	26.36	26.94	26.36
Bihar Mega Power Limited	44.50	42.64	45.13	42.64
PFC Green Energy Limited	0.00	0.00	0.00	0.51
PFC Capital Advisory Services Limited	0.00	0.04	0.04	0.04
Deoghar Mega Power Limited	15.22	14.02	15.22	14.02
Total	**465.51**	**442.42**	**466.18**	**448.27**

(iii) Loans and Advances, in the nature of loans, to subsidiaries are given below:

(₹ in crore)

Name of the Firms / companies	Outstanding as at 31.03.2018	Outstanding as at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
PFC Green Energy Limited	268.41	252.69	275.06	255.06

B. None of the related party loanee is holding any equity investment in the Company as on 31.03.2018 (Previous year Nil).

9. 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 31.03.2018	As at 31.03.2017
Total of future minimum lease payments recoverable (Gross Investments)	328.15	335.79
Present value of lease payments recoverable	194.32	194.32
Unearned finance income	**133.83**	**141.47**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	51.84	27.11
Later than one year and not later than 5 years	128.52	107.10
Later than five years	147.79	201.58
Total	**328.15**	**335.79**
Break up of present value of lease payments recoverable:-		
Not later than one year	18.04	8.62
Later than one year and not later than 5 years	61.77	43.17
Later than five years	114.51	142.53
Total	**194.32**	**194.32**

(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 ₹ 0.44 crore as on 31.03.2018 (Previous year ₹ 0.89 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 Nil as on 31.03.2018 (Previous year ₹ 3.45 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 started on 01.04.2014 and was completed on 08.06.2017 on prepayment of secondary period lease rental.

(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 Nil as on 31.03.2018 (Previous year ₹ 3.74 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 started on 01.04.2015 and was completed on 09.06.2017 on prepayment of secondary period lease rental.

(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 31.03.2018 (Previous year ₹ 327.71 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 ₹ 5.45 crore (Previous year ₹ 5.61 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.

10. 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 ₹ 9.64 crore and ₹ 103.09 crore as on 31.03.2018 (Previous year ₹ 8.67 crore and ₹ 93.56 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 31.03.2018	Year ended 31.03.2017
Opening Balance	109.69	107.47
Add : Received during the period	-	-
: Interest credited during the period	9.32	9.06
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	3.01	6.84
: 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	-	-
Closing Balance	**116.00**	**109.69**

(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.

The amount recoverable from borrowers & payable to GoI under R – APDRP scheme stands at ₹ 14,645.44 crore as on 31.03.2018 (₹ 12,749.20 crore as on 31.03.2017).

(ii) The Company receives nodal agency fee and reimbursement of expenditure under R-APDRP scheme for operationalization and associated service for implementation of R – APDRP from 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.

Total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company stands at ₹ 301.94 crore as on 31.03.2018 (₹ 280.72 crore as on 31.03.2017).

(C) Integrated Power Development Scheme (IPDS)

The Company has been designated as Nodal Agency for operationalization and implementation of IPDS scheme also 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.

Amount of GOI grant administered to the eligible utilities till 31.03.2018 is ₹ 5,329.82 crore (₹ 2,561.01 crore as on 31.03.2017).

The Company is eligible for nodal agency fee totaling to 0.50% (to be accrued in phases as per scheme) of total project cost approved by Monitoring Committee or award cost, whichever is lower.

11. (a) As regards RBI 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.

(b) 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 were regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms are applicable for any future restructuring undertaken in these loans.

12. Loan Assets, Other assets and provisions thereon:

(₹ in crore)

Sl. No.	Asset Classification	As at 31.03.2018			As at 31.03.2017		
		Principal Outstanding	Provision for the year ended 31.03.2018	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision
(A) Classification of Loan Assets and provision thereon							
(i)	Standard Assets	228,107.39	780.43	1,338.27	159,382.44	(39.57)	557.84
(ii)	Restructured Standard Assets	24,104.70*	(952.06)	1,404.17	55,440.62	1,227.03	2,356.23
(iii)	Sub-standard Assets	17,350.52	(640.11)	1,735.05	23,751.56	1,887.40	2,375.16
(iv)	Doubtful Assets	8,637.05	944.20	3,652.45	6,677.81	1,986.27	2,708.25
(v)	Loss Assets	715.10	442.26	715.10	272.84	24.56	272.84
(B) Other Assets and provision thereon							
(i)	Other Assets - NPA	2.51	(13.89)	2.51	16.40	15.39	16.40
	Grand Total	**2,78,917.27**	**560.83**	**8,847.55**	**245,541.67**	**5,101.08**	**8,286.72**

*₹ 4,937.59 crore in private sector and ₹ 19,167.11 crore in Govt. sector (Previous year ₹ 19,445.92 crore in private sector and ₹ 35,994.70 crore in Govt. sector).

13. In case of a loan asset, fraud has been committed by the borrower; the amount outstanding of ₹ 442.26 crore as on 31.03.2018 has been classified as loss asset and has been fully provided for (no such incidences in previous year).

14. 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 categorization is done on the basis of security status obtained from the lead lender.

15. Details of Restructured Accounts along-with provisions thereon are given below:

(₹ in crore)

Sl. No.	Type of Restructuring		Under CDR / SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2017	No. of borrowers	Nil					**21**	**2**	**7**	**-**	**30**	**21**	**2**	**7**	**-**	**30**
		Amount outstanding						**55,440.62**	**15,001.83**	**4,768.24**	**-**	**75,210.69**	**55,440.62**	**15,001.83**	**4,768.24**	**-**	**75,210.69**
		Provision Thereon						**2,356.23**	**1,500.18**	**1,662.61**		**5,519.02**	**2,356.23**	**1,500.18**	**1,662.61**		**5,519.02**
2	Categorised as restructured during the year	No. of borrowers	Nil					5	-	-	-	**5**	5	-	-	-	**5**
		Amount outstanding						709.42	-	-	-	**709.42**	709.42	-	-	-	**709.42**
		Provision Thereon						35.47	-	-	-	**35.47**	35.47	-	-	-	**35.47**
3	Up gradations to restructured standard category during the year	No. of borrowers	Nil					2	(2)	-	-	**-**	2	(2)	-	-	**-**
		Amount outstanding						12,016.83	(15,001.83)	-	-	**(2,985.00)**	12,016.83	(15,001.83)	-	-	**(2,985.00)**
		Provision Thereon						600.84	(1,500.18)	-		**(899.34)**	600.84	(1,500.18)	-		**(899.34)**
4	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 (including Pre-payment of loan)	No. of borrowers	Nil					(10)	-	-	-	**(10)**	(10)	-	-	-	**(10)**
		Amount outstanding						(34,774.80)	-	-	-	**(34,774.80)**	(34,774.80)	-	-	-	**(34,774.80)**
		Provision Thereon						(1,481.84)	-	-	-	**(1,481.84)**	(1,481.84)	-	-	-	**(1,481.84)**
5	Down gradation of restructured accounts during the year	No. of borrowers	Nil					(6)	4	2	-	**-**	(6)	4	2	-	**-**
		Amount outstanding						(10,558.39)	9,069.61	2,121.12	-	**632.33**	(10,558.39)	9,069.61	2,121.12	-	**632.33**
		Provision Thereon						(448.73)	906.96	424.22	-	**882.45**	(448.73)	906.96	424.22	-	**882.45**
6	Write-offs restructured accounts during the year	No. of borrowers	Nil					-	-	-	-	**-**	-	-	-	-	**-**
		Amount outstanding						-	-	-	-	**-**	-	-	-	-	**-**
		Provision Thereon						-	-	-	-	**-**	-	-	-	-	**-**
7	Movement from restructured doubtful to doubtful category during the year	No. of borrowers	Nil					-	-	(1)	-	**(1)**	-	-	(1)	-	**(1)**
		Amount outstanding						-	-	(615.67)	-	**(615.67)**	-	-	(615.67)	-	**(615.67)**
		Provision Thereon						-	-	(382.55)	-	**(382.55)**	-	-	(382.55)	-	**(382.55)**
8	Restructured accounts as on 31st March, 2018	No. of borrowers	Nil					**12**	**4**	**8**	**-**	**24**	**12**	**4**	**8**	**-**	**24**
		Amount outstanding						**24,104.70**	**9,069.61**	**6,697.52**	**-**	**39,871.83**	**24,104.70**	**9,069.61**	**6,697.52**	**-**	**39,871.83**
		Provision Thereon						**1,404.17**	**906.96**	**2,469.68**	**-**	**4,780.81**	**1,404.17**	**906.96**	**2,469.68**	**-**	**4,780.81**

16. Asset classification of loan accounts of one of the borrower has been maintained as standard as on 31.03.2018 in view of ad-interim stay from jurisdictional Hon'ble High Court, vide order dated 17.06.2015 followed by legal opinion. However, interest on this loan is being recognized on realisation basis. Accordingly, Interest / income of ₹ 573.18 crore accrued and remaining unrealised has not been recognized during year ended 31.03.2018 (previous year ₹ 413.03 crore). Further, provision in this account stands at ₹ 515.46 crore as on 31.03.2018 (Previous year ₹ 163.17 crore).

17. 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 ₹ 20 lakh per employee.

C. Pension

The Company has a defined contribution pension scheme till 31.12.2017 which was managed by a separate trust. Employee and Employer contribution to the fund has been contributed on monthly basis. The Company has switched to National Pension System w.e.f. 01.01.2018.

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 as per Company rules. 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. 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 31.03.2018 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	1.62 (1.82)	1.02 (0.78)	3.54 (2.93)
Interest cost on benefit obligation	1.74 (1.66)	1.64 (1.43)	2.37 (2.15)
Expected return on plan assets	-1.93 (-1.84)	-1.45 (-1.01)	0.00 (0.00)
Past Service Cost	10.87 -	- -	- -
Net actuarial (gain) / loss recognised in the year	-10.80 (-0.23)	5.46 (2.84)	3.65 (2.41)
Expenses recognised in Statement of Profit & Loss Account*	1.50 (1.41)	6.67 (4.04)	9.56 (7.49)

*During the year, the expenses include ₹ 0.07 crore (previous year ₹ 0.09 crore), ₹ 0.41 crore (previous year ₹ 0.43 crore) and ₹ 0.33 crore (previous year ₹ 0.29 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 31.03.2018 (i)	25.57 (22.95)	27.81 (21.82)	21.22 (30.68)
Fair value of plan assets as at 31.03.2018 (ii)	24.07 (21.74)	22.20 (18.15)	0.00 (0.00)
Difference (ii) – (i)	-1.50 (-1.21)	-5.61 (-3.67)	-21.22 (-30.68)
Net asset / (liability) recognized in the Balance Sheet	-1.50 (-1.21)	-5.61 (-3.67)	-21.22 (-30.68)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2017	22.96 (20.74)	21.82 (17.83)	30.68 (26.89)
Interest cost	1.74 (1.66)	1.64 (1.43)	2.37 (2.15)
Current service cost	1.62 (1.82)	1.02 (0.78)	3.54 (2.93)
Benefits paid	-0.82 (-0.98)	-2.36 (-1.09)	-19.02 (-3.70)
Past Service Cost	10.87 -	- -	- -
Net actuarial (gain)/loss on obligation	-10.80 (-0.29)	5.69 (2.87	3.65 (2.41)
Present value of the defined benefit obligation as at 31.03.2018	25.57 (22.95)	27.81 (21.82)	21.22 (30.68)

iv) Changes in fair value of plan assets

(₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2017	21.74 (20.47)	18.15 (0.00)	0.00 (0.00)
Expected return on plan assets	1.93 (1.84)	1.45 (1.01)	0.00 (0.00)
Contributions by employer	1.22 (0.47)	4.07 (17.93)	0.00 (0.00)
Benefit paid	-0.82 (-0.98)	-1.71 (-0.83)	0.00 (0.00)
Actuarial gain / (loss)	- (-0.06)	0.24 (0.04)	0.00 (0.00)
Fair value of plan assets as at 31.03.2018	24.07 (21.74)	22.2 (18.15)	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%	3.21	0.27
Cost decrease by 1%	3.09	0.26

vi) During the year, Company has provided liability of ₹ 1.50 crore, ₹ 6.67 crore, ₹ 9.56 crore and ₹ 0.07 crore (previous year ₹ 1.41 crore, ₹ 4.04 crore, ₹ 7.49 crore and Nil) towards contribution to the Gratuity Trust, PRMS, Leave and towards Pension respectively. Above amount includes ₹ 0.07 crore, ₹ 0.41 crore and ₹ 0.33 crore (previous year ₹ 0.09 crore, ₹ 0.43 crore and ₹ 0.29 crore) for Gratuity, Leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.12 crore (previous year ₹ 0.21 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.75 crore (previous year ₹ 0.59 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 ₹ 0.05 crore) allocated to subsidiary companies.

J. (I) Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2018 are given below:

(₹ in crore)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
i)	Government Securities	14.11	12.95
ii)	Corporate bonds / debentures[1]	8.66	7.86
iii)	Other Investments & Bank balances	0.78	0.31
	Total	**23.55**	**21.12**

[1]As at 31.03.2018, Bonds of the Company amounting to ₹ 0.60 crore (previous year ₹ 0.60 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.87%
Expected rate of return on assets – Gratuity	7.94%
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 31.03.2018 are as follows:-

(₹ in crore)

Sl.No.	Description	As at 31.03.2018	As at 31.03.2017
i)	Government Securities	10.11	8.07
ii)	Corporate bonds / debentures	10.46	8.54
iii)	Other Investments & Bank Balances	1.14	0.97
	Total	**21.71**	**17.58**

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.87%
Expected rate of return on assets – PRMS	7.76%
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)

Gratuity*	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	25.57	22.95	20.74	19.36	17.98
Fair value of plan assets as at	24.07	21.74	20.47	19.14	17.12
Surplus/(Deficit)	(1.50)	(1.21)	(0.27)	(0.21)	(0.86)
Experience adjustment on plan liabilities (loss)/gain	9.27	1.38	1.09	1.10	0.31
Experience adjustment on plan assets (loss)/gain	0.00	(0.06)	0.02	0.09	0.26

*The Company's best estimate of contribution towards gratuity for financial year 2018-19 is ₹ 3.31 crore (previous year ₹ 1.16 crore). Actual return on plan assets during the year ended 31.03.2018 is ₹ 1.93 crore (previous year ₹ 1.79 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*	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	27.81	21.82	17.83	14.58	11.75
Fair value of plan assets as at	22.20	18.15	-	-	-
Surplus/(Deficit)	(5.61)	(3.67)	(17.83)	(14.58)	(11.75)
Experience adjustment on plan liabilities (loss)/gain	(6.46)	(1.34)	(2.36)	(2.11)	(1.54)
Experience adjustment on plan assets (loss)/gain	0.24	0.03	-	-	-

*The Company's best estimate of contribution towards PRMS for financial year 2018-19 is ₹ 5.62 crore (Previous year ₹ 4.97 crore). Actual return on plan assets during the year ended 31.03.2018 is ₹ 1.69 crore (Previous year ₹ 1.04 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)

Leave	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	21.22	30.68	26.89	23.42	20.66
Experience adjustment on plan liabilities (loss)/gain	(4.75)	(1.04)	(2.18)	(1.18)	(2.63)

(₹ in crore)

LSA	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	5.30	4.99	4.74	4.49	4.04
Experience adjustment on plan liabilities (loss)/gain	(0.25)	1.18	1.10	0.67	0.46

(₹ in crore)

ERS	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	1.67	1.63	1.50	1.24	1.24
Experience adjustment on plan liabilities (loss)/gain	0.31	0.52	0.02	0.38	0.46

(₹ in crore)

Baggage Allowance	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	0.20	0.13	0.11	0.10	0.09
Experience adjustment on plan liabilities (loss)/gain	0.00	0.00	0.02	0.02	0.01

18. Corporate Social Responsibility:

(a) In line with 'Guidance Note on Accounting for Expenditure on Corporate Social Responsibility (CSR) Activities' issued by The Institute of Chartered Accountants of India, provision on account of unspent CSR expenses as on 31.03.2017 of ₹ 100.20 crore has been reversed during the year ended 31.03.2018. On the basis of expenditure incurred ₹ 118.18 crore has been charged to Profit and Loss Account during the year ended 31.03.2018.

(b) Details of gross amount required to be spent on CSR activities by the Company during the year.

(₹ in crore)

Particulars	FY 2017-18	FY 2016-17
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013	149.21	166.15
Carry forward from previous year	100.20	102.16
Gross amount required to be spent	249.41	268.31
Amount spent during the year	118.18	168.11
Unspent amount	131.23	100.20

(c) Amount spent during the year on CSR activities:

(₹ in crore)

Sl. No.	Particulars	FY 2017-18			FY 2016-17		
		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	60.27	-	60.27	112.52	0.20	112.72
(iib)	Education / Vocational Skill development	26.45	-	26.45	30.32	-	30.32
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	27.12	-	27.12	20.93	0.76	21.69
(iid)	Sports	0	-	0	0.10	-	0.10
(iie)	Others	2.18	-	2.18	1.02	-	1.02
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	2.16	-	2.16	2.02	0.24	2.26
	Total (ii)	**118.18**	**-**	**118.18**	**166.91**	**1.20**	**168.11**
	Grand Total (i) and (ii)			**118.18**			**168.11**

(d) Details of related party transactions w.r.t. CSR activities as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).

(e) Movements in the CSR provision during the year as per AS-29 shown separately at Note Part C - 19.

19. Disclosure of provisions as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	Opening Balance as on 01.04.2017 (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance as on 31.03.2018 5 = (1+2-3-4)
CSR	100.20 (102.16)	- (166.15)	- (168.11)	100.20 (-)	- (100.20)
Proposed Final Dividend	- (79.20)	- (-)	- (79.20)	- (-)	- (-)
Proposed Corporate Dividend Tax	- (16.12)	- (-)	- (16.12)	- (-)	- (-)
Interim Dividend	1,320.04 (-)	2,059.26 (1,320.04)	3,379.30 (-)	- (-)	- (1,320.04)
Corporate Dividend Tax on Interim dividend	67.18 (-)	419.22 (268.73)	471.16 (201.55)	15.24 (-)	- (67.18)

20. Modifications in Significant Accounting Policies (Note - Part – B) having financial impact, during the year ended 31.03.2018, are as follows:

(₹ in crore)

Sl. No.	Significant Accounting Policy		Modifications	Impact on PBT [increase / (decrease)]
	No.	Title		
1.	2.4	Recognition of Income / Expenditure	Inserted to amortise the arrangement fee on long term foreign currency borrowings over its tenure.	120.64
2.	6.2	Provisioning against Standard Assets, Restructured Standard Assets and NPAs.	Rate of provisioning has been enhanced on standard assets from 0.35% to 0.40% as per RBI Norms.	(114.05)
			Rate of provisioning has been enhanced on Restructured Standard Assets from 4.25% to 5% as per RBI norms.	(180.79)
			Policy regarding provisioning requirement of restructured project loans related to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters has been aligned in line with RBI restructuring norms.	(67.83)
3.	7	Foreign Currency Transactions	Exchange difference in case of loan from KfW, Germany has been charged off to Statement of Profit and Loss as against earlier policy of transferring it to Interest Differential Fund Account – KfW.	(1.51)
Total				**(243.54)**

21. Depreciation on assets is provided over the useful life of assets as mentioned below:

Sl. 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	-

Assets as mentioned at Sl. No. 1 to 5 above are depreciated using written down value method and 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 the 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.

22. The Company has no outstanding liability towards Micro, Small and Medium enterprises.

23. Leasehold land is not amortized, as it is a perpetual lease.

24. As required under Section 125 of the Companies Act, 2013, ₹ 0.83 crore, (Previous year ₹ 4.58 crore), became due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2018 and was deposited. Further, an amount of ₹ 2.63 crore (Previous year ₹ 2.03 crore) remains unpaid pending completion of transfer formalities by the claimants.

25. During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2017 to the borrowers. Confirmation for 99.12% of the said balances have been received and confirmation for ₹ 2,291.39 crore is awaited.

26. 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 31.03.2018	As at 31.03.2017
(A) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	15.33	17.30
(B) Deferred Tax Liabilities (-)		
(i) Depreciation	0.80	0.19
(ii) Lease income	(66.64)	(66.00)
(iii) Amortization	(0.31)	(0.24)
(iv) Unamortized Exchange Loss (Net)	(135.61)	(100.76)
(v) Net MTM Receivable from bank against derivative	(55.70)	(101.00)
(vi) Unamortise Exp on Borrowings	(58.77)	-
Net Deferred Tax liabilities (-)/Assets (+)	**(300.90)**	**(250.51)**

27. 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 31.03.2018	During year ended 31.03.2017
Net Profit after tax used as numerator (₹ in crore)	5,855.22	2,126.39
Weighted average number of equity shares used as denominator (basic)	264,00,81,408	264,00,81,408
Diluted effect of outstanding Stock Options	-	-
Weighted average number of equity shares used as denominator (diluted)	264,00,81,408	264,00,81,408
Earning per equity share, face value ₹ 10 each(basic) (₹)	22.18	8.05
Effect of outstanding Stock Options (₹)	-	-
Earning per equity share, face value ₹ 10 each (diluted) (₹)	22.18	8.05

28. A) The status of dividend on equity shares of face value of ₹ 10 each, for the year ended 31.03.2018 is as under:

Particulars	Year ended 31.03.2018			Year ended 31.03.2017		
	% of share capital	Per equity share (₹)	Amount (₹in crore)	% of share capital	Per equity share (₹)	Amount (₹in crore)
First Interim dividend	60%[1]	6.00	1,584.05	50%	5.00	1,320.04
Second Interim dividend	18%[2]	1.80	475.21	-	-	-
Final Dividend	-	-	-	-	-	-
Total Dividend	**78%**	**7.80**	**2,059.26**	**50%**	**5.00**	**1,320.04**

[1]Declared by Board of Directors in their 367th meeting held on 03.11.2017 and paid on 23.11.2017.
[2]Declared by Board of Directors in their 370th meeting held on 26.02.2018 and paid on 19.03.2018.

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	
Year to which the dividend relates	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Number of non-resident shareholders	4,573	3,343	5,237	NA	NA	NA
Number of shares held by them of Face Value of ₹ 10 each	39,29,13,189	41,32,25,284	38,37,17,025	NA	NA	NA
Gross amount of Dividend (₹ in crore)	235.75	206.61	69.07	NA	NA	NA

29. Other key financial parameters:

Description	As at 31.03.2018	As at 31.03.2017
Debt Equity Ratio	5.76	5.55
Net worth (₹ in crore)	39,860.67	36,470.21

30. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

	Items	As at 31.03.2018	As at 31.03.2017
(i)	Capital Fund - a. Tier I (₹ in crore)	36,476.79	33,454.83
	- b. Tier II (₹ in crore)	6,470.46	6,369.90
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items. (₹ in crore)	2,14,881.19	2,06,567.92
(iii)	CRAR	19.99%	19.28%
(iv)	CRAR – Tier I Capital	16.98%	16.20%
(v)	CRAR – Tier II Capital	3.01%	3.08%
		During the year ended 31.03.2018	**During the year ended 31.03.2017**
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

31. Additional disclosures in accordance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(A) Significant Accounting Policies

Reference may be made to Note Part - B.

(B) Capital

Reference may be made to Note Part C - 30 for CRAR.

(C) Investments

(₹ in crore)

Sl. No.	Description			As at 31.03.2018	As at 31.03.2017
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	2,680.68	3,680.94
		(b)	Outside India	-	-
	(ii)	Provisions for Depreciation			
		(a)	In India	344.32	89.81
		(b)	Outside India	-	-
	(iii)	Net Value of Investments			
		(a)	In India	2,336.36	3,591.13
		(b)	Outside India.	-	
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		89.81	97.32
	(ii)	Add : Provisions made during the year		254.51	86.59
	(iii)	Less : Write-off / write-back of excess provisions during the year		-	94.10
	(iv)	Closing balance		344.32	89.81

(D) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
(i)	Notional principal of swap agreements	13,781.48	6,813.10
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	180.81	299.87
(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)	167.60	299.87

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

a. 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.

b. Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps, options 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 managed through various derivative instruments.

c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for as per the accounting standard 11 / Guidance Note on Derivatives issued by ICAI. The mark to market positions mentioned are those as informed by the counterparty banks.

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 31.03.2018		As at 31.03.2017	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging[1]	9,729.73	13,781.48	2,107.63	6,813.10
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	2.78	180.81	0.00	299.87
	b) Liability (-MTM)	226.18	13.21	68.41	0.00
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures[2]	8,940.05	7,391.86	6,405.68	6,296.24

[1]Interest rate derivatives include derivatives on Rupee liabilities of ₹ 5,634.60 crore (Previous year ₹ 6,164.60 crore)

[2]Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 293.29 crore (Previous year covering USD / JPY ₹ 291.83 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 31.03.2018 (Previous year Nil).

II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2018 (Previous year Nil).

III. Company has not undertaken any assignment transaction during the year ended 31.03.2018 (Previous year Nil).

IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2018 (Previous year Nil).

(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in crore)

Description	Up to 30/31 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[1]	532.95	-	-	-	-	-	-	-	**532.95**
Advances[2]	4,485.03	688.44	3,905.59	7,909.22	12,684.38	42,719.38	47,703.98	158,577.76	**278,673.77**
Investments[3]	-	-	-	-	1,070.76	-	-	1,265.60	**2,336.36**
Borrowings[4]	1,275.80	2,805.00	7,345.70	12,457.70	13,056.65	69,867.71	37,178.05	67,628.47	**211,615.08**
Foreign Currency assets	-	-	-	-	-	-	-	240.96	**240.96**
Foreign Currency									
Liabilities	4.67	-	5.93	-	2,348.39	5,174.02	8,024.53	2,702.55	**18,260.08**

[1] Fixed Deposit with Banks

[2] Rupee Loan Assets

[3] Net of provision

[4] 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 31.03.2018	Amount as at 31.03.2017
(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);	1,874.53	1,874.79
(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;	-	-
(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;	-	-
(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);	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(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;	2,700.47	2,772.39
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	6.15
	Total Exposure to Capital Market	**4,581.15**	**4,653.33**

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 2017-18 and FY 2016-17.

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 31.03.2018 (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 31.03.2018, 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 31.03.2018:

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

(K) Net Profit or Loss for the period, prior period items and changes in accounting policies

Reference may be made to Statement of Profit and Loss, Note Part A-18 and Note Part C-20 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

Reference may be made to Note Part C-16

(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

(₹ in crore)

Description	For the year ended 31.03.2018	For the year ended 31.03.2017
Provisions for depreciation on Investment	254.51	(7.51)
Provision towards NPA	732.46	3,913.62
Provision for Standard Assets	780.43	(39.57)
Restructured Standard Assets	(952.06)	1227.03
Provision made towards Income tax	2,421.34	3,074.30

(O) Draw Down from Reserves

Reference may be made to Note Part A – 2 Reserves and Surplus.

(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 31.03.2018	As at 31.03.2017
Total Advances to 20 largest borrowers	1,62,724.45	1,53,506.95
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	58.34%	62.60%

c. Concentration of Exposures:

(₹ in crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Exposure to twenty largest borrowers/customers	2,37,469.89	2,40,892.19
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the Company on borrowers/customers	53.90%	56.23%

d. Concentration of NPAs:

(₹ in crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Outstanding to top four NPA accounts	12,326.29	22,667.83

e. Sector-wise NPAs:

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2018, the percentage of Gross NPAs to total loan assets stands at 9.57% (Previous year 12.50%).

(Q) Movement of NPAs in respect of Loan Assets

(₹ In crore)

Sl. No.	Description		Year ended 31.03.2018	Year ended 31.03.2017
(i)	Net NPAs to Net Advances (%)		7.55	10.55
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	30,702.21	7,519.04
	(b)	Additions during the year	15,477.99	24,573.14
	(c)	Reductions during the year	19,477.53	1,389.97
	(d)	Closing balance	26,702.67	30,702.21
(iii)	Movement of Net NPAs			
	(a)	Opening balance	25,345.96	6,061.02
	(b)	Additions during the year	12,451.96	20,536.64
	(c)	Reductions during the year	17,197.85	1,251.70
	(d)	Closing balance	20,600.07	25,345.96
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	5,356.25	1458.02
	(b)	Provisions made during the year	3,026.02	4,036.50
	(c)	Write-off / write-back of excess provisions	2,279.67	138.27
	(d)	Closing balance	6,102.60	5,356.25

(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 - 7(A)(b) for list of Off-balance Sheet SPVs sponsored by the Company.

(T) Customer Complaints for FY 2017-18

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

32. Disclosure so far as applicable in line with Paragraph 18 of 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 31.03.2018		Amount as on 31.03.2017	
Liabilities Side				**outstanding**	**overdue**	**outstanding**	**overdue**
(1)	**Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:**						
	(a)	Debentures : Secured		20,401.58	0.00	20,109.87	0.00
		: Unsecured		176,033.95	0.00	170,800.80	0.00
	(b)	(i) Rupee Term Loans		10,525.00	0.00	2,000.00	0.00
		(ii) Foreign Currency Loans		15,653.08	0.00	7,276.58	0.00
	(c)	Commercial Paper		6,924.74	0.00	-	0.00
	(d)	Short Term Borrowings		-	0.00	2,400.79	0.00
Assets Side				**Principal Amount Outstanding as on 31.03.2018**		**Principal Amount Outstanding as on 31.03.2017**	
(2)	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :**						
	(a)	Secured		183,404.95		168,251.79	
	(b)	Unsecured		89,590.21		72,039.40	
(3)	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :**						
	(i)	Lease assets including lease rentals under sundry debtors:					
		(a)	Financial lease	174.89		194.32	
(4)	**Break-up of Investments (Net of Provisions)**						
	Current Investments						
	1.	Quoted					
		(i)	Shares				
			(a) Equity	1,070.76		1,071.02	
	2.	Unquoted					
		(i)	Shares				
			(a) Equity	-		254.51	
	Long Term Investments						
	1.	Quoted					
		(i)	Shares				
			(a) Equity	12.00		12.00	
		(ii)	Debentures and Bonds	800.00		1,800.00	

	2.	Unquoted			
		(i)	Shares		
			(a) Equity	247.45	247.45
			(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 31.03.2018)**			**Amount Net of Provisions (as on 31.03.2017)**	
				Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
	1.	Related Parties							
		(a)	Subsidiaries	0.00	557.63	557.63	0.00	496.18	496.18
		(b)	Other related parties	0.03	0.49	0.52	0.04	0.46	0.50
	2.	Other than related parties		183,579.81	89,032.09	272,611.90	168,446.07	71,542.76	239,988.83
		Total		**183,579.84**	**89,590.21**	**273,170.05**	**168,446.11**	**72,039.40**	**240,485.51**

(6)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**				
Category			**As on 31.03.2018**		**As on 31.03.2017**	
			Market value / Break up$ or fair value or NAV	**Book Value (Net of Provisions)**	**Market value / Break up$ or fair value or NAV**	**Book Value (Net of Provisions)**
	1.	Related Parties				
		(a)	Subsidiaries	416.55	300.95	437.91	300.95
		(b)	Companies in the same group	166.78	146.50	183.86	146.50
	2.	Other than related parties					
		(i)	Quoted	2,030.92	1,882.76	3,170.10	2,883.02
		(ii)	Unquoted	342.70	6.15	331.47	260.66
	Total			**2,956.95**	**2,336.36**	**4,123.34**	**3,591.13**

(7)	**Other Information**				
	Particulars			**Amount (as on 31.03.2018)**	**Amount (as on 31.03.2017)**
	(i)	Gross Non-performing Assets			
		(a)	Other than related parties	26,705.18	30,718.61
	(ii)	Net Non-performing Assets			
		(a)	Other than related parties	20,600.07	25,345.95
	(iii)	Assets acquired in satisfaction of debt (Gross value of investment)		341.10	341.10

$In case of negative break-up value, Nil value has been considered.

33. 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.

34. Figures have been rounded off to the nearest crore of rupees with two decimals.

35. 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/-	**Sd/-**	**Sd/-**
(Manohar Balwani)	**(N. B. Gupta)**	**(Rajeev Sharma)**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN – 00530741	DIN – 00973413

Signed in terms of our report of even date attached

For M. K. Aggarwal & Co.	For Gandhi Minocha & Co.
Chartered Accountants	Chartered Accountants
Firm's Regn. No. 01411N	Firm's Regn. No. 000458N
Sd/-	**Sd/-**
(CA M. K. AGGARWAL)	**(CA BHUPINDER SINGH)**
Partner	Partner
Membership No - 014956	Membership No - 092867

Place: New Delhi
Date: 25.05.2018

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 subsidiaries together referred to as "the Group") and joint venture entity, comprising of the Consolidated Balance Sheet as at 31 March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flow 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 joint venture 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 Joint venture 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 joint venture 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 Sub-section 10 of Section 143 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 joint venture entity as at 31 March, 2018 and their consolidated profit and their consolidated cash flows for the year ended on that date.

OTHER MATTERS

(a) We did not audit the financial statements / financial information of four subsidiaries whose financial information reflect total assets of ₹ 919.20 crore as at 31 March, 2018, total revenues of ₹ 151.38 crore and net cash flows amounting to ₹ 86.44 crore for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar 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 joint venture entity whose financial information reflect total assets of ₹ 1,511.35 crore as at 31 March, 2018, total revenues of ₹ 461.78 crore and net cash flows amounting to ₹ 62.17 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 joint venture 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 joint venture 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

1. As required by Sub-section 3 of Section 143 of the Act, we report that:

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

   (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors/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 and records maintained for the purpose of preparation of the Consolidated Financial Statements.

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

   (e) In terms of Notification No. GSR 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Sub-section 2 of Section 164 of the Act, are not applicable to the Group and its joint venture entity, being Government Companies.

(f) For internal financial controls with reference to financial statements of the Group & its joint venture 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, as amended, 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 joint venture entity - Refer Note No. 3(B), 3(C) & 4 of Part-C 'Consolidated Other Notes on Accounts' to the Consolidated Financial Statements;

ii. The group and its joint venture entity does not have any long - term contracts including derivative contracts for which there were 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 group and its joint venture entity incorporated in 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 GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 25.05.2018
Place: New Delhi

Annexure - A to the Independent Auditors' Report on the Consolidated Financial Statements

(Referred to in our report of even date to the members of Power Finance Corporation Limited on the financial statements for the year ended 31 March 2018)

Report on the Internal Financial Controls with reference to financial statements 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, 2018, We have audited the internal financial controls with reference to financial statements of Power Finance Corporation Limited (hereinafter referred to as "the Holding Company"), its subsidiary companies and joint venture 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 joint venture 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 with reference to financial statements 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 with reference to financial statements 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 prescribed under Sub-section 10 of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements 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 internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial control with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 joint venture entity, which are companies incorporated in India have, in all material respects, an internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, 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 Sub-section 3 (i) of Section 143 of the Act, on the internal financial controls with reference to financial statements in so far as applicable to three subsidiary companies, is based on the corresponding reports of the auditors of such companies incorporated in India and in respect of one joint venture 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 joint venture 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 GANDHI MINOCHA & CO.
Chartered Accountants
Firm's Registration No.: 000458N
by the hand of

Sd/-
CA BHUPINDER SINGH
Partner
Membership No.092867

Date: 25.05.2018
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 2018

The preparation of consolidated financial statements of Power Finance Corporation Limited for the year ended 31 March 2018 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 25 May 2018.

I, on 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 2018. We conducted a supplementary audit of the financial statements of Power Finance Corporation Limited but did not conduct supplementary audit of the financial statements of PFC Consulting Limited, PFC Capital Advisory Services Limited, Power Equity Capital Advisors Private Limited, PFC Green Energy Limited and Energy Efficiency Services Limited 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/-
(Vikram D. Murugaraj)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Date: 19 July 2018

POWER FINANCE CORPORATION LIMITED
CIN L65910DL1986GOI024862
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

(₹ in Crore)

Description				Note Part	As at 31.03.2018		As at 31.03.2017	
A	**EQUITY AND LIABILITIES**							
	(1)	**Shareholders' Funds**						
		(a)	Share Capital	A-1	2,640.08		2,640.08	
		(b)	Reserves & Surplus	A-2	37,561.66	40,201.74	34,204.83	36,844.91
	(2)	**Non-Current Liabilities**						
		(a)	Long Term Borrowings	A-3				
			Secured		13,691.52		20,106.17	
			Un-secured		1,78,362.96	1,92,054.48	1,54,997.19	1,75,103.36
		(b)	Deferred Tax Liabilities (Net)	C-26		296.16		247.55
		(c)	Other Long Term Liabilities	A-4		5,931.40		6,143.07
		(d)	Long Term Provisions	A-5		2,252.45		2,667.16
	(3)	**Current Liabilities**						
		(a)	Short -Term Borrowings	A-3				
			Secured		172.82		2,543.48	
			Un-secured		6,953.28		0.00	
		(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		389.29		120.55	
		(c)	Other Current Liabilities					
		(ii)	Current Maturity of Long Term Borrowings	A-3				
			Secured		7,050.94		3.70	
			Un-secured		24,078.90		25,342.20	
		(iii)	Other Short Term Liabilities	A-4	8,052.26		8,592.95	
		(d)	Short Term Provisions	A-5	741.31	47,438.80	1,928.55	38,531.43
			Total			**2,88,175.03**		**2,59,537.48**
B	**ASSETS**							
	(1)	**Non-Current Assets**						
		(a)	Fixed Assets	A-6				
		(i)	Tangible Assets		526.52		393.03	
			Less: Accumulated Depreciation		162.34	364.18	97.87	295.16
		(ii)	Intangible Assets		14.99		9.62	
			Less: Accumulated Amortization		8.99	6.00	8.40	1.22
		(iii)	Intangible Assets under Development			411.88		105.44
		(b)	Non-Current Investments	A-7				
			Trade		76.04		19.50	
			Others		800.00	876.04	1,800.00	1,819.50
		(c)	Long Term Loans	A-8				
			Secured		1,56,427.91		1,38,911.54	
			Un-Secured		79,033.76	2,35,461.67	62,026.71	2,00,938.25
		(d)	Other Non-Current Assets	A-9				
		(i)	Fixed Deposits with Scheduled Banks (original maturity more than twelve months)		111.65		152.17	
		(ii)	Other		5,900.77	6,012.42	5,575.04	5,727.21
	(2)	**Current Assets**						
		(a)	Current Investments	A-10	1,070.78		1,325.67	
		(b)	Trade Receivables	A-19				
			More than Six Months		228.74		166.03	
			Others		156.56		113.53	

Description				Note Part	As at 31.03.2018		As at 31.03.2017	
		(c)	Cash and Bank Balances	A-11	780.54		3,792.83	
		(d)	Short Term Loans	A-8				
			Secured		6,351.65		1,490.49	
			Un-Secured		4,815.36		4,412.41	
		(e)	Other Current Assets					
		(i)	Current Maturity of Long Term Loans	A-8				
			Secured		21,467.78		28,659.49	
			Un-Secured		5,126.66		5,045.28	
		b)	Others	A-9	5,044.77	45,042.84	5,644.97	50,650.70
			Total			**288,175.03**		**259,537.48**

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES **Part B**

CONSOLIDATED OTHER NOTES ON ACCOUNTS **Part C**

Notes from Part A to Part C form integral part of Financial Statements.

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**
(MANOHAR BALWANI)	**(N. B. GUPTA)**	**(RAJEEV SHARMA)**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN – 00530741	DIN – 00973413

Signed in terms of our report of even date attached

	For M. K. Aggarwal & Co.	**For Gandhi Minocha & Co.**
	Chartered Accountants	Chartered Accountants
	Firm's Regn. No. 01411N	Firm's Regn. No. 000458N
	Sd/-	**Sd/-**
	(CA M. K. AGGARWAL)	**(CA BHUPINDER SINGH)**
	Partner	Partner
Place: New Delhi	Membership No - 014956	Membership No - 092867
Date: 25.05.2018		

POWER FINANCE CORPORATION LIMITED
CIN L65910DL1986GOI024862
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Crore)

Sl. No.	Description	Note No.	Year ended 31.03.2018		Year ended 31.03.2017	
I.	**Revenue from Operations**					
	Interest	A-12	25,870.01		26,333.11	
	Consultancy / Advisory Services		179.25		181.44	
	Other Operating Income		604.62		648.51	
	Other Financial Services		322.30	26,976.18	318.10	27,481.16
II.	**Other Income**					
	Other Income	A-13		269.15		130.13
III.	**Total Income (I+II)**			**27,245.33**		**27,611.29**
IV.	**Expenses**					
	Finance Costs	A-14		17,541.41		16,767.64
	Borrowing Expenses	A-15		28.45		26.58
	Employee Benefit Expenses	A-16		192.78		133.24
	Provisions	C-12		570.02		5,112.33
	Provision for decline in value of investments	A-10		254.56		(7.41)
	Depreciation and Amortization Expenses	A-6		70.47		40.82
	CSR Expenses	C-18		120.10		167.64
	Other Expenses	A-17		107.02		105.29
	Prior Period Items (Net)	A-18		1.04		1.47
	Total Expenses			**18,885.85**		**22,347.60**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**			**8,359.48**		**5,263.69**
VI.	Exceptional Items			0.00		0.00
VII.	**Profit before extraordinary items and tax (V-VI)**			**8,359.48**		**5,263.69**
VIII.	Extraordinary Items			0.00		0.00
IX.	**Profit Before Tax (VII-VIII)**			**8,359.48**		**5,263.69**
X.	**Tax Expenses**					
	1) Current Tax					
	Current Year		2,464.74		3,121.71	
	Earlier Years		0.42	**2,465.16**	(0.47)	**3,121.24**
	2) Deferred Tax Liability (+) / Asset (-)	C-26		50.21		(93.65)
XI.	**Profit (Loss) for the year from continuing operations (IX-X)**			**5,844.11**		**2,236.10**
XII.	**Earnings per equity share of par value of ₹10/- each**	C-27				
	(1) Basic (₹)			**22.14**		**8.47**
	(2) Diluted (₹)			**22.14**		**8.47**

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES **Part B**

CONSOLIDATED OTHER NOTES ON ACCOUNTS **Part C**

Notes from Part A to Part C form integral part of Financial Statements.

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**
(Manohar Balwani)	**(N. B. Gupta)**	**(Rajeev Sharma)**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN – 00530741	DIN – 00973413

Signed in terms of our report of even date attached

For M. K. Aggarwal & Co.	**For Gandhi Minocha & Co.**
Chartered Accountants	Chartered Accountants
Firm's Regn. No. 01411N	Firm's Regn. No. 000458N
Sd/-	**Sd/-**
(CA M. K. AGGARWAL)	**(CA BHUPINDER SINGH)**
Partner	Partner
Membership No - 014956	Membership No - 092867

Place: New Delhi
Date: 25.05.2018

POWER FINANCE CORPORATION LIMITED
CIN L65910DL1986GOI024862
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Crore)

Sl. No.	Description	Note Part	Year ended 31.03.2018		Year ended 31.03.2017	
I.	**Cash Flow from Operating Activities :-**					
	Net Profit before Tax and Extraordinary items		**8,359.48**		**5,263.69**	
	ADD: Adjustments for					
	Loss on Sale of Fixed Assets (net)		0.42		0.16	
	Profit on sale of investments	A-13	(0.78)		(0.50)	
	Depreciation / Amortization (including prior period depreciation)	A-6	70.38		41.04	
	Amortization of Zero Coupon Bonds & Commercial Papers		(66.41)		99.49	
	Foreign Exchange Translation Loss		245.45		221.48	
	Net Change in Fair Value of Derivatives	A-14	132.45		(178.15)	
	Provision for decline in value of investments		254.56		(7.41)	
	Provisions	C-12	570.02		5,112.33	
	Dividend on investment	A-13	(65.47)		(90.38)	
	CSR Expenses		0.00		166.15	
	Interest Subsidy Fund		6.31		2.22	
	Provision for interest under IT Act		0.14		0.69	
	Excess Liabilities & Provisions written back	A-13	(164.93)		(0.12)	
	Provision for Retirement Benefits/Other Welfare Expenses/Wage revision		73.00		19.03	
	Interest Received		(25.15)		(22.54)	
	Interest Paid		29.91		15.79	
	Deferred Rent expenses		0.34		0.23	
	Operating profit before working Capital Changes:		**9,419.72**		**10,643.20**	
	Increase / Decrease :					
	Loans Assets (Net)		(33,440.08)		(7,377.60)	
	Other Assets		(159.71)		(4,749.27)	
	Foreign Currency Monetary Item Translation Difference A/c	A-2(C)(vi)	(1.09)		84.46	
	Liabilities and provisions		(455.51)		6,496.07	
	Cash flow before extraordinary items		**(24,636.67)**		**5,096.86**	
	Extraordinary items		0.00		0.00	
	Cash Inflow/Outflow from operations before Tax		**(24,636.67)**		**5,096.86**	
	Income Tax paid		(2,661.28)		(3,370.01)	
	Income Tax Refund		1.83		68.61	
	Net Cash flow from Operating Activities			**(27,296.12)**		**1,795.46**
II.	**Cash Flow From Investing Activities :**					
	Sale / adjustment of Tangible / Intangible Assets		0.30		0.10	
	Purchase of Tangible / Intangible Assets	A-6	(140.92)		(124.36)	
	Increase / decrease in Intangible assets under development & CWIP	A-6	(295.31)		(57.01)	
	Investments in Subsidiaries		0.00		(0.64)	
	Interest Received		23.25		22.28	
	Dividend / Interest on investments		65.38		90.38	
	Purchase / Sale of Other Investments		959.24		(597.67)	
	Capital advances		(1.43)		(0.17)	
	Net Cash Used in Investing Activities			**610.51**		**(667.09)**

Sl. No.	Description	Note Part	Year ended 31.03.2018		Year ended 31.03.2017	
III.	**Cash Flow From Financing Activities :**					
	Issue of Equity Shares		0.00		31.39	
	Issue of Bonds (including premium) (Net)		4,046.30		18,570.20	
	Raising of Long Term Loans (Net)		8,893.27		(8,781.10)	
	Foreign Currency Loans (Net)		9,584.90		(2,559.98)	
	Interest Paid		(29.91)		(15.73)	
	Commercial paper (Net)		7,030.00		(5,350.00)	
	Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)		(2,385.07)		356.70	
	Unclaimed Bonds (Net)		3.41		(3.32)	
	Unclaimed Dividend (Net)		1.20		(0.29)	
	Payment of Final Dividend of Previous year		0.00		(79.20)	
	Payment of Interim Dividend of Current year*		(2,505.30)		0.00	
	Payment of Corporate Dividend Tax		(487.21)		(218.35)	
	Net Cash in-flow from Financing Activities			**24,151.59**		**1,950.32**
	Net Increase / Decrease in Cash & Cash Equivalents			**(2,534.02)**		**3,078.69**
	Add : Cash & Cash Equivalents at beginning of the financial year			3,224.34		145.65
	Cash & Cash Equivalents at the end of the year #			**690.32**		**3,224.34**
Details of Cash & Cash Equivalents at the end of the year:		A-11				
i)	Balances in current accounts with:					
	a) Reserve Bank of India		0.02		0.02	
	b) Scheduled Banks		157.35	157.37	151.18	151.20
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)			532.95		3,073.14
	Sub Total (I)			**690.32**		**3,224.34**
Details of Earmarked & Other Cash and Bank Balances at the end of the year:		A-11				
i)	Earmarked Balances :					
a)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.		0.00		458.41	
b)	IPDS / R-APDRP					
	Balances in current accounts with scheduled banks		0.00		0.00	
	Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)		0.00	0.00	0.00	458.41
ii)	Fixed Deposits with Scheduled Banks (original maturity more than 3 months but up to 12 months)			74.73		110.08
	Sub Total (II)			**74.73**		**568.49**
	Total Cash and Bank Balance at the end of the year. (I+II)			**765.05**		**3,792.83**

* Out of interim dividend provision of ₹ 1320.04 crore as on 31.03.2017, ₹ 874 crore has been adjusted against advance paid to GoI & remaining ₹ 446.04 crore has been paid during the current year.
Includes ₹ 145.84 crore (Previous year ₹ 113.81 crore) share of Joint Venture entity.

For and on behalf of the Board of Directors

Sd/-
(MANOHAR BALWANI)
Company Secretary

Sd/-
(N. B. GUPTA)
Director (Finance)
DIN – 00530741

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's Regn. No. 01411N
Sd/-
(CA M. K. AGGARWAL)
Partner
Membership No - 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm's Regn. No. 000458N
Sd/-
(CA BHUPINDER SINGH)
Partner
Membership No - 092867

Place: New Delhi
Date: 25.05.2018

NOTE - Part A - 1

CONSOLIDATED SHARE CAPITAL

(₹ in Crore)

	Description	As at 31.03.2018	As at 31.03.2017
A	**Authorized :**		
	10,00,00,00,000 equity shares of par value of ₹ 10/- each (Previous year 100,00,00,000 equity shares of par value of ₹ 10/- each)	10,000.00	10,000.00
	Total	**10,000.00**	**10,000.00**
B	**Issued, subscribed and fully paid up :**		
	2,64,00,81,408 Equity shares of ₹ 10/- each fully paid-up (Previous year 2,64,00,81,408 equity shares of ₹ 10/- each fully paid up)	2,640.08	2,640.08
	Total	**2,640.08**	**2,640.08**

Notes:-

1. During the year, the Company has neither issued nor bought back any shares.
2. 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.
3. Redeemable preference shares as on 31.03.2018 stand at Nil (Previous year Nil).
4. During the year, no shares have been allotted under ESOP scheme.
5. 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 31.03.2018	As at 31.03.2017
President of India	% of Share Holding	65.92	66.35
	No. of Shares Held	1,74,02,16,107	1,75,16,31,394
Life Insurance Corporation of India	% of Share Holding	5.96	8.65
	No. of Shares Held	15,74,76,305	22,82,52,101

6. During the year, Government of India (GoI) has transferred 1,14,15,287 number of equity shares held in the Company, in connection with New Fund Offer, to the Asset Management Company (AMC) of Bharat 22 ETF.
7. 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/- each with rights at par with existing equity shares in the ratio of 1:1	1,32,00,40,704	2016-17

NOTE - Part A - 2

CONSOLIDATED RESERVES & SURPLUS

(₹ in Crore)

		Description	As at 31.03.2018		As at 31.03.2017	
(A)		**Securities Premium Account**				
		Opening balance	2,776.54		4,096.58	
		Less: Utilization for Bonus Issue	0.00	2,776.54	1,320.04	2,776.54
(B)		**Debenture Redemption Reserve (Refer Note No. 5(A) of Part-C - Consolidated Other Notes on Accounts)**				
		Opening balance	1,448.71		1,172.56	
		Add : Transfer from Surplus	294.17		312.55	
		Less: Transfer to Surplus on account of Utilization	0.00	1,742.88	36.40	1,448.71
(C)		**Others**				
	(i)	**Reserve for Bad & doubtful debts u/s 36(1)(viia)(c) of Income-Tax Act, 1961**				
		Opening balance	3,014.69		2,547.14	
		Add : Transfer from Surplus	372.10	3,386.79	467.55	3,014.69
	(ii)	**Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97**		599.85		599.85
	(iii)	**Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98**				
		Opening balance	14,325.30		12,512.36	
		Add : Transfer from Surplus for the year	1,595.07		1,812.97	
		Less : Transfer to Surplus*	0.01	15,920.36	0.03	14,325.30
	(iv)	**Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934**				
		Opening balance	16.98		10.95	
		Add : Transfer from Surplus for the year	6.37	23.35	6.03	16.98
	(v)	**General Reserve**				
		Opening balance	5,438.69		5,364.34	
		Add : Transfer from Surplus for the year	1,000.00		0.00	
		Add : Gain - Change in fair value of derivatives	0.00	6,438.69	74.35	5,438.69
	(vi)	**Foreign Currency Monetary Item Translation Difference A/c** (Refer Note No. 6(C) of Part-C - Consolidated Other Notes on Accounts)				
		Opening balance	(647.56)		(739.74)	
		Add : Net addition during the year	(1.09)	(648.65)	92.18	(647.56)
	(vii)	**Interest Differential Fund - KFW Reserve**				
		Opening balance	0.00		0.00	
		Add : Transfer from Surplus (net)^	57.90	57.90	0.00	0.00
(D)		**Surplus**				
		Opening balance	7,241.55		9,144.25	
		Add : Profit after tax for the Year	5,844.11		2,236.10	

		Description	As at 31.03.2018		As at 31.03.2017	
		Less : Transfer to Reserves				
		Transfer to Reserve for Bad & Doubtful Debts u/s 36 (1) (viia) (c) of Income Tax Act, 1961	372.10		467.55	
		Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	1,595.07		1,812.97	
		Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	6.37		6.03	
		Transfer to Debenture Redemption Reserve	294.17		312.55	
		Transfer to General Reserve	1,000.00		0.00	
		Transfer to Interest Differential Reserve - KFW Loan (net)^	57.90		0.00	
		Less : Dividend & Corporate Dividend Tax				
		Interim Dividend (Refer Note No. 28(A) of Part-C - Consolidated Other Notes on Accounts)	2,059.26		1,320.04	
		Corporate Dividend Tax on Interim Dividend	414.59		268.73	
		Proposed Corporate Dividend Tax	6.28		0.00	
		Adjustments during the Year				
		Add : Transfer from Debenture Redemption Reserve on account of utilization	0.00		36.40	
		Add : Adjustments during the current period **	(15.98)		2.72	
		Add : Transfer to/from Special Reserve under Income Tax Act, 1961	0.01	7,263.95	0.03	7,231.63
		Total (A) + (B) + (C) + (D) #		**37,561.66**		**34,204.83**

*Transferred during FY 2017-18 to match the deduction claimed as per Income Tax return for Assessment Year 2017-18.
#Includes ₹ 38.19 crore net (Previous year ₹ 41.07 crore) share of Joint Venture entity.
**Includes amount of ₹ (9.99) crore (Previous year ₹ 1.68 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.
^Transfer to Surplus on account of utilisation amounts to ₹ 1.51 crore (Previous year Nil)

NOTE - Part A - 3

CONSOLIDATED BORROWINGS

(₹ in Crore)

Description	As at 31.03.2018			As at 31.03.2017		
	Current	Non-Current	Total	Current	Non-Current	Total
A. Long Term Borrowings						
I. Secured						
Bonds						
Infrastructure Bonds (Refer Note No. I)	40.94	243.38	284.32	3.70	281.06	284.76
Tax Free Bonds (Refer Note No. II)	0.00	12,275.11	12,275.11	0.00	12,275.11	12,275.11
Other Taxable Bonds (Refer Note No. III)	7,010.00	880.88	7,890.88	0.00	7,550.00	7,550.00
Capital Gain Tax Exemption Bonds (Refer Note No. IV)	0.00	292.15	292.15	0.00	0.00	0.00
Sub Total (I)	**7,050.94**	**13,691.52**	**20,742.46**	**3.70**	**20,106.17**	**20,109.87**
II. Unsecured						
a) Bonds						
Other Bonds / Debentures (Refer Note No. V & VI)	21,705.00	1,47,985.37	1,69,690.37	24,155.40	1,41,836.65	1,65,992.05
Subordinated Bonds (Refer Note No. VII)	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00
Foreign Currency Notes (Refer Note No. VIII)	0.00	2,607.00	2,607.00	1,167.30	0.00	1,167.30
	21,705.00	**1,54,392.37**	**1,76,097.37**	**25,322.70**	**1,45,636.65**	**1,70,959.35**
b) Foreign Currency Loans						
Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India) (Refer Note No. IX)	36.10	331.79	367.89	19.50	288.19	307.69
Syndicated Foreign Currency Loans from Banks & Financial Institutions (Refer Note No. X)	0.00	12,462.05	12,462.05	0.00	7,072.35	7,072.35
Foreign Currency Loans (FCNR(B) from banks) (Refer Note No. XI)	2,337.80	651.75	2,989.55	0.00	0.00	0.00
	2,373.90	**13,445.59**	**15,819.49**	**19.50**	**7,360.54**	**7,380.04**
c) Rupee Term Loans						
Rupee Term Loans (From Banks) (Refer Note No XII & XIII)	0.00	10,525.00	10,525.00	0.00	2,000.00	2,000.00
	0.00	**10,525.00**	**10,525.00**	**0.00**	**2,000.00**	**2,000.00**
Sub Total (II)	**24,078.90**	**1,78,362.96**	**2,02,441.86**	**25,342.20**	**1,54,997.19**	**1,80,339.39**
B. Short Term Borrowings						
I. Secured						
Loan against FD	0.00	0.00	0.00	2,400.79	0.00	2,400.79
Rupee Term Loans (From Banks) (Refer Note No. XIV)	172.82	0.00	172.82	142.69	0.00	142.69
Sub Total (I)	**172.82**	**0.00**	**172.82**	**2,543.48**	**0.00**	**2,543.48**
II. Unsecured						
Commercial Paper (Refer Note No. XV)	6,924.74	0.00	6,924.74	0.00	0.00	0.00
Rupee Term Loans (From Banks) (Refer Note No. XVI)	28.54	0.00	28.54	0.00	0.00	0.00
Sub Total (II)	**6,953.28**	**0.00**	**6,953.28**	**0.00**	**0.00**	**0.00**
Grand Total (A)+(B)#	**38,255.94**	**1,92,054.48**	**2,30,310.42**	**27,889.38**	**1,75,103.36**	**2,02,992.74**

Includes ₹ 774.07 crore net (Previous year ₹ 404.70 crore) share of Joint Venture entity.

Notes:-

I. Details of Infrastructure Bonds outstanding as at 31.03.2018 are as follows:

Sl. No.	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 C Series	30-Mar-12	8.72%	0.87	30-Mar-27	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%
2	Infrastructure Bonds 86 D Series	30-Mar-12	8.72%	2.40	30-Mar-27	Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.		
3	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%
4	Infrastructure Bonds 86 B Series	30-Mar-12	8.43%	15.47	30-Mar-22	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.		
5	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%
6	Infrastructure Bonds (2011-12) Series-II	21-Nov-11	8.50%	36.34	21-Nov-21	Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.		
7	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 31.03.2016 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.	100%
8	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.		
9	Infrastructure Bonds (2011-12) Series-III	21-Nov-11	8.75%	3.23	22-Nov-18	On exercise of put 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%
10	Infrastructure Bonds (2011-12) Series - IV	21-Nov-11	8.75%	8.83	22-Nov-18	On exercise of put 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 (2010-11) Series-3	31-Mar-11	8.50%	6.13	1-Apr-18	On exercise of put 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 31.03.2016 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.	100%
12	Infrastructure Bonds (2010-11) Series-4	31-Mar-11	8.50%	22.75	1-Apr-18	On exercise of put 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.		
		Total		**284.32**				

II. Details of Tax Free Bonds outstanding as at 31.03.2018 are as follows:

Sl. No.	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		
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		
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		
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		
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%	7.78	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%	61.43	28-Mar-28		
24	Tax Free Bonds (2012-13) tranche - I - Series II	4-Jan-13	7.36%	155.22	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%	201.77	4-Jan-28		
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	22-Nov-12	7.38%	25.00	22-Nov-27		
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		
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		

Sl. No.	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security	Extent of Security
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		
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%	50.93	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%	45.23	28-Mar-23		
39	Tax Free Bonds (2012-13) tranche - I - Series I	4-Jan-13	7.19%	189.57	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%	153.18	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-Feb-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		
		Total		**12,275.11**			

III. The details of Other Taxable Bonds (Secured) outstanding as at 31.03.2018 are as follows:

Sl. No.	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security	Extent of Security
46	STRPP C (1250 units of ₹ 20,00,000/- each)	20-Sep-16	8.07%	79.28	20-Sep-23	Secured by pari passu charge on the Stock and Receivables both present and future.	100%
47	Series-II	18-Jul-17	7.80%	142.70	18-Jul-22	Secured by pari passu charge on the Stock and Receivables both present and future.	100%
48	STRPP B (1250 units of ₹ 10,00,000/- each)	20-Sep-16	8.07%	39.63	20-Sep-21	Secured by pari passu charge on the Stock and Receivables both present and future.	100%

Sl. No.	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security	Extent of Security
49	Series-IV	29-Jan-18	8.29%	39.64	28-May-21	Secured by pari passu charge on the Stock and Receivables both present and future.	100%
50	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%
51	STRPP A (1250 units of ₹ 10,00,000/- each)	20-Sep-16	8.07%	39.63	20-Mar-20	Secured by pari passu charge on the Stock and Receivables both present and future.	100%
52	Taxable Bonds Series 112 B	31-Jan-14	9.70%	270.00	31-Jan-20	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%
53	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%
54	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%
55	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%
		Total		**7,890.88**			

IV. Details of of Capital Gain Tax Exemption Bonds outstanding as at 31.03.2018 are as follows:

51	PFC Capital Gain Bonds Series 1 (2017-18)	Amount (₹ in crore)	Nature of Security	Extent of Security
	5.25% Reedemable at par during financial year 2020-21	292.15	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%
	Total	**292.15**		

V. Details of Zero Coupon Bonds as on 31.03.2018 are as follows :

	Bond Series	Face Value (₹ in crore)	Date of Redemption	Amount (₹ in crore)
	Zero Coupon unsecured Taxable Bonds 2022-XIX Series (net of Unamortized Interest of ₹ 231.55 crore)	750.00	30-Dec-22	518.45

VI. Details of Other Unsecured Taxable Bonds as on 31.03.2018 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 172	7.74%	29-Jan-28	850.00
8	Series 171	7.62%	15-Dec-27	5,000.00
9	Series 170B	7.65%	22-Nov-27	2,001.00
10	Series 169B	7.30%	7-Aug-27	1,500.00
11	Series 168B	7.44%	11-Jun-27	1,540.00
12	Series 155	7.23%	5-Jan-27	2,635.00
13	Series 152	7.55%	25-Sep-26	4,000.00
14	Series 151B	7.56%	16-Sep-26	210.00
15	Series 77-B	9.45%	1-Sep-26	2,568.00
16	Series 150B	7.63%	14-Aug-26	1,675.00
17	Series 76-B	9.46%	1-Aug-26	1,105.00
18	Series 147	8.03%	2-May-26	1,000.00
19	Series 71	9.05%	15-Dec-25	192.70
20	Series 141-B	8.40%	18-Sep-25	1,000.00
21	Series 66-B	8.75%	15-Jun-25	1,532.00
22	Series 65	8.70%	14-May-25	1,337.50
23	Series 130-C	8.39%	19-Apr-25	925.00
24	Series 64-III	8.95%	30-Mar-25	492.00
25	Series 131-C	8.41%	27-Mar-25	5,000.00
26	Series 63-III	8.90%	15-Mar-25	184.00
27	Series 128	8.20%	10-Mar-25	1,600.00
28	Series 62-B	8.80%	15-Jan-25	1,172.60
29	Series 126	8.65%	4-Jan-25	5,000.00
30	Series 125	8.65%	28-Dec-24	2,826.00
31	Series 61	8.50%	15-Dec-24	351.00
32	Series 124-C	8.48%	9-Dec-24	1,000.00
33	Series 120-A	8.98%	8-Oct-24	961.00
34	Series 120-B	8.98%	8-Oct-24	950.00
35	Series 118-B-II	9.39%	27-Aug-24	460.00
36	Series 117-B	9.37%	19-Aug-24	855.00
37	Series 57-C	8.60%	7-Aug-24	866.50
38	Series 85-D	9.26%	15-Apr-23	736.00
39	Series 102-A(II)	8.90%	18-Mar-23	403.00
40	Series 102-B	8.87%	18-Mar-23	70.00
41	Series 100-B	8.84%	4-Mar-23	1,310.00
42	Series 176B	7.99%	20-Dec-22	1,295.00
43	Series 170A	7.35%	22-Nov-22	800.00
44	Series 92-C	9.29%	21-Aug-22	640.00

Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
45	Series 169A	7.10%	8-Aug-22	3,395.00
46	Series 91-B	9.39%	29-Jun-22	2,695.20
47	Series 168A	7.28%	10-Jun-22	1,950.00
48	Series 88-C	9.48%	15-Apr-22	184.70
49	Series 154	7.27%	22-Dec-21	1,101.00
50	Series 124-B	8.55%	9-Dec-21	1,200.00
51	Series 123-C	8.66%	27-Nov-21	200.00
52	Series 153	7.40%	30-Sep-21	1,830.00
53	Series 78-B	9.44%	23-Sep-21	1,180.00
54	Series 151A	7.47%	16-Sep-21	2,260.00
55	Series 150A	7.50%	16-Aug-21	2,660.00
56	Series 76-A	9.36%	1-Aug-21	2,589.40
57	Series 115-III	9.20%	7-Jul-21	700.00
58	Series 75-C	9.61%	29-Jun-21	2,084.70
59	Series 74	9.70%	9-Jun-21	1,693.20
60	Series 28	8.85%	31-May-21	600.00
61	Series 146	8.05%	27-Apr-21	300.00
62	Series 73	9.18%	15-Apr-21	1,000.00
63	Series 175	7.75%	15-Apr-21	600.00
64	Series 173B	7.73%	5-Apr-21	1,325.00
65	Series 173A	7.73%	12-Mar-21	505.00
66	Series-III	8.15%	10-Feb-21	63.42
67	Series 72-B	8.99%	15-Jan-21	1,219.00
68	Series 71	9.05%	15-Dec-20	192.70
69	Series 70	8.78%	15-Nov-20	1,549.00
70	Series 141-A	8.46%	18-Sep-20	1,000.00
71	Series 163	7.50%	17-Sep-20	2,435.00
72	Series 140-B	8.36%	4-Sep-20	1,250.00
73	Series 138	8.45%	10-Aug-20	1,000.00
74	Series 137	8.53%	24-Jul-20	2,700.00
75	Series 68-B	8.70%	15-Jul-20	1,424.00
76	Series 167	7.30%	30-Jun-20	1,560.00
77	Series 165	7.42%	26-Jun-20	3,605.00
78	Series 66-A	8.65%	15-Jun-20	500.00
79	Series 166	7.46%	5-Jun-20	1,180.00
80	Series 149	8.04%	30-May-20	100.00
81	Series 159	7.05%	15-May-20	2,551.00
82	Series 65	8.70%	14-May-20	1,337.50
83	Series 131-B	8.38%	27-Apr-20	1,350.00
84	Series 130-B	8.42%	18-Apr-20	200.00
85	Series 157	6.83%	15-Apr-20	2,000.00
86	Series 85-C	9.30%	15-Apr-20	79.50
87	Series 64-II	8.95%	30-Mar-20	492.00
88	Series 87-D	9.42%	20-Mar-20	650.80
89	Series 63-II	8.90%	15-Mar-20	184.00

Sl. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
90	Series 100-A	8.86%	4-Mar-20	54.30
91	Series 127	8.36%	26-Feb-20	4,440.00
92	Series 99-B	8.82%	20-Feb-20	733.00
93	Series 176A	7.53%	20-Jan-20	1,500.00
94	Series 62-A	8.70%	15-Jan-20	845.40
95	Series 61	8.50%	15-Dec-19	351.00
96	Series 124-A	8.52%	9-Dec-19	1,220.00
97	Series 123-B	8.65%	28-Nov-19	836.00
98	Series 60-B	1YINCMTBMK+179 bps (floating rate)	20-Nov-19	925.00
99	Series 122	8.76%	7-Nov-19	1,000.00
100	Series 121-B	8.96%	21-Oct-19	1,100.00
101	Series 59-B	8.80%	15-Oct-19	1,216.60
102	Series 119-B	9.32%	17-Sep-19	1,591.00
103	Series 118-B-I	9.39%	27-Aug-19	460.00
104	Series 57-B	8.60%	7-Aug-19	866.50
105	Series 115-II	9.15%	7-Jul-19	100.00
106	Series 135-B	8.50%	29-Jun-19	1,500.00
107	Series 174	7.80%	7-Jun-19	3,300.00
108	Series 148	7.95%	13-May-19	1,915.00
109	Series 145	7.85%	15-Apr-19	2,928.00
110	Series 143	8.12%	28-Feb-19	700.00
111	Series 98-III	8.72%	8-Feb-19	324.00
112	Series 82-C	9.70%	15-Dec-18	2,060.00
113	Series 52-C	11.25%	28-Nov-18	1,950.60
114	Series 142-B	8.00%	22-Oct-18	1,000.00
115	Series 51-C	11.00%	15-Sep-18	3,024.40
116	Series 140-A	8.28%	4-Sep-18	1,930.00
117	Series 139-C	8.17%	18-Aug-18	800.00
118	Series 49-B	10.85%	11-Aug-18	428.60
119	Series 161	6.90%	16-Jul-18	1,850.00
120	Series 162	6.90%	16-Jul-18	1,060.00
121	Series 48-C	10.55%	15-Jul-18	259.70
122	Series 135-A	8.40%	29-Jun-18	1,210.00
123	Series 130-A	8.40%	19-Jun-18	1,175.00
124	Series 129-A	8.29%	13-Jun-18	980.00
125	Series 129B	8.29%	13-Jun-18	100.00
126	Series 47-C	9.68%	9-Jun-18	780.70
127	Series 134-B	8.39%	28-May-18	1,500.00
128	Series 132-B	8.09%	16-May-18	200.00
129	Series 131-A	8.34%	27-Apr-18	100.00
130	Series 132-A	8.03%	9-Apr-18	272.00
			Total*	**169,171.92**

*As at 31.03.2018, Bonds of ₹ 5.40 crore (previous year ₹ 5.60 crore) are held by PFC Ltd. Employees Provident Fund Trust and Bonds of ₹ 0.60 crore (previous year ₹ 0.60 crore) are held by PFC Ltd. Employees Gratuity Trust.

VII. Details of Unsecured Subordinated Bonds as on 31.03.2018 are as follows :

Sl. No.	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
			Total	**3,800.00**

VIII. Details of Foreign Currency Notes outstanding as at 31.03.2018 are as follows:

Sl. No.	Loan	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	3.75% USD Green Bonds 2027	3.75%	6-Dec-27	2,607.00
			Total	**2,607.00**

IX. Details of Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India) outstanding as at 31.03.2018 are as follows:

Sl. No.	Particulars	Amount (₹ in crore)
1	ADB loan - carrying floating interest @ 6m LIBOR + 0.60% p.a. repayable in semi-annual instalments due on 15th March & 15th September every year. Last instalment will be due on 15-Sep-2036	30.94
2	KFW I Loan - carrying fixed interest @ 0.75% p.a., repayable in semi-annual instalments due on 30th June & 31st December every year. Last instalment will be due on 30-Jun-2035	53.04
3	AFD Loan - carrying fixed interest rate @1.87% p.a. for Euro 37,19,016 & @2.20% p.a. for Euro 12,05,674, repayable in semi-annual instalments due on 30th April & 31st October every year. Last instalment will be due on 30-Apr-2030	12.59
4	ADB (New Loan) - carrying floating interest @ 6m USD LIBOR + 0.60% p.a. repayable in semi-annual instalments due on 15th April & 15th October every year. Last instalment will be due on 15-Oct-2028	87.36
5	Credit National France- carrying fixed interest @ 2% p.a.repayable in semi-annual instalments due on 30th June & 31st December every year . Last instalment will be due on 30-Jun-2028	61.08
6	KFW I Loan - carrying fixed interest @ 1.96% p.a., repayable in semi-annual instalments due on 30th June & 30th December every year. Last instalment will be due on 30-Jun-2026	122.88
	Total	**367.89**

Note: In case of ADB (new loan) a variable rebate is offered by ADB at the time of reset.

X. Details of Syndicated Foreign Currency Loans from banks / Financial Institutions outstanding as at 31.03.2018 are as follows:

Sl. No.	Loan	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	SLN XXIII	6m USD LIBOR + 0.65%	22-Mar-23	1,629.38
2	SLN XXII	6m USD LIBOR + 0.70%	28-Feb-23	1,629.37
3	SLN XXI	6m USD LIBOR + 0.70%	12-Dec-22	1,955.25
4	SLN XVIII	6m JPY LIBOR + 0.75%	4-Nov-22	895.27
5	SLN XVIII	6m JPY LIBOR + 0.75%	8-Nov-21	895.27
6	SLN XXIV-(III)	6m USD LIBOR + 0.75%	24-Sep-21	977.62
7	SLN XXIV-(II)	6m USD LIBOR + 0.75%	26-Mar-21	977.62
8	SLN XVIII	6m JPY LIBOR + 0.75%	6-Nov-20	895.27
9	SLN XXIV-(I)	6m USD LIBOR + 0.75%	28-Sep-20	977.62
10	SLN XVI	6m USD LIBOR + 1.55%	4-Dec-19	1,629.38
			Total	**12,462.05**

XI. Details of FCNR (B) loans from banks outstanding as at 31.03.2018 are as follows:

Sl. No.	Loan	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	ICICI Bank FCNR(B)	3m USD LIBOR + 1.95%	26-Apr-19	651.75
2	SBI FCNR(B)	3m USD LIBOR + 1.70%	28-Mar-19	1,629.38
3	Bank of Baroda FCNR(B) - II	3m USD LIBOR + 1.70%	22-Feb-19	201.32
4	Bank of Baroda FCNR(B) - I	3m USD LIBOR + 1.70%	15-Feb-19	507.10
			Total	**2,989.55**

XII. Details of Rupee Term Loans (from Banks) outstanding as at 31.03.2018 are as follows:

Sl. No.	Name of Bank	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	Vijaya Bank	7.90%	13-Mar-23	1,000.00
2	HDFC Bank	7.95%	30-Sep-20	750.00
3	Andhra Bank	7.90%	30-Sep-19	277.07
4	Andhra Bank	7.90%	29-Sep-19	1,722.93
5	Vijaya Bank	7.90%	05-Sep-19	1,000.00
6	Allahabad Bank	7.85%	28-May-19	2,000.00
7	State Bank of India	7.85%	30-Apr-19	2,000.00
8	State Bank of India	7.85%	19-Apr-19	1,000.00
			Total	**9,750.00**

XIII. Details of Rupee Term Loans (from Financial Institutions) outstanding as at 31.03.2018 are as follows:

Sl. No.	Name of Financial Institution	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	India Infrastructure Finance Company Limited	7.70%	30-Sep-19	775.00

XIV. Details of Secured Rupee Short Term Loans (from Banks) outstanding as at 31.03.2018 are as follows:

Sl. No.	Name of Bank	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	State Bank of India- Tranche II	7.85% p.a. (3 months MCLR)	27-Mar-19	74.51
2	State Bank of India- Tranche I	7.85% p.a. (3 months MCLR)	26-Mar-19	15.86
3	HDFC Bank- Tranche III	7.85% p.a. (3 months MCLR)	27-Feb-19	15.86
4	ICICI Bank- Tranche-IV	8.20% p.a. (1 Year MCLR)	25-Dec-18	6.34
5	ICICI Bank- Tranche-III	8.20% p.a. (1 Year MCLR)	10-Dec-18	9.51
6	ICICI Bank- Tranche-II	8.20% p.a. (1 Year MCLR)	28-Sep-18	25.37
7	ICICI Bank- Tranche-I	8.20% p.a. (1 Year MCLR)	21-Sep-18	6.34
8	HDFC Bank- Tranche II	8.15% p.a. (1 year MCLR)	03-Jul-18	3.17
9	HDFC Bank- Tranche I	8.15% p.a. (1 year MCLR)	30-Jun-18	15.86
			Total	**172.82**

XV. Details of Commercial Paper outstanding as at 31.03.2018 are as follows:

Sl. No.	Loan	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	CP series 90	6.65%	10-Aug-18	1,925.00
2	CP series 94	7.00%	25-Jun-18	2,000.00
3	CP series 93B	7.40%	15-Jun-18	1,100.00
4	CP series 85	6.80%	15-May-18	1,105.00
5	CP series 93A	7.30%	27-Apr-18	900.00
	Less- Unamortised Financial Charges*			(105.26)
			Total	**6,924.74**

*Unamortised Financial Charges on Commercial Paper as on 31.03.2018 amounts to ₹ 105.26 crore (Previous year Nil)

XVI. Details of Unsecured Rupee Term Loans from Banks as at 31.03.2018 are as follows:

Sl. No.	Name of Bank	Rate of Interest p.a. as on 31.03.2018	Date of Repayment	Amount (₹ in crore)
1	CTBC Bank	7.99% p.a. (linked to 3 months MIBOR)	26-Feb-19	12.68
2	Indusind Bank	8.30% p.a. (linked to 3 months MIBOR)	25-Jun-18	15.86
			Total	**28.54**

NOTE - Part A - 4
CONSOLIDATED OTHER LONG TERM & SHORT TERM LIABILITIES

(₹ in crore)

Sl. No.	Description	As at 31.03.2018			As at 31.03.2017		
		Short Term	Long Term	Total	Short Term	Long Term	Total
i.	Interest Subsidy Fund from GOI (Refer Note No.10(A) (ii) of Part-C - Consolidated Other Notes on Accounts)	1.95	114.05	**116.00**	3.59	106.10	**109.69**
ii.	Interest Differential Fund - KFW[$]	0.00	0.00	**0.00**	0.00	63.88	**63.88**
iii.	Advance received / amount payable to Subsidiaries (including interest payable thereon) (Refer Note No. 8(A)(ii) of Part-C - Consolidated Other Notes on Accounts)	190.13	268.88	**459.01**	192.28	249.04	**441.32**
iv.	Other Bonds (Amount Payable-Bonds fully serviced by GoI)*						
	a) Principal	0.00	5,000.00	**5,000.00**	0.00	5,000.00	**5,000.00**
	b) Interest accrued but not due	38.21	0.00	**38.21**	38.21	0.00	**38.21**
	Sub Total (I)	**230.29**	**5,382.93**	**5,613.22**	**234.08**	**5,419.02**	**5,653.10**
v.	Interest Accrued but not due :						
	On Bonds	7,320.79	141.87	**7,462.66**	7,226.02	288.23	**7,514.25**
	On Loans	66.35	0.00	**66.35**	32.42	0.00	**32.42**
	Sub Total (II)	**7,387.14**	**141.87**	**7,529.01**	**7,258.44**	**288.23**	**7,546.67**
vi.	Unpaid / Unclaimed						
	Bonds	3.93	0.00	**3.93**	0.52	0.00	**0.52**
	Interest on Bonds	14.10	0.00	**14.10**	14.17	0.00	**14.17**
	Dividend	2.63	0.00	**2.63**	1.43	0.00	**1.43**
	Sub Total (III)	**20.66**	**0.00**	**20.66**	**16.12**	**0.00**	**16.12**
vii.	Others	414.17	406.60	**820.77**	1,084.31	435.82	**1,520.13**
	Sub Total (IV)	**414.17**	**406.60**	**820.77**	**1,084.31**	**435.82**	**1,520.13**
	Grand Total (I+II+III+IV)#	**8,052.26**	**5,931.40**	**13,983.66**	**8,592.95**	**6,143.07**	**14,736.02**

[$]Interest Differential Fund - KFW has been reversed in the current year in line with clarification received from KFW-Germany

*Details of Other Unsecured Taxable Bonds as on 31.03.2018 are as follows :

Sl. No.	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
	Total				**5,000.00**

[#] Includes ₹ 168.04 crore net (Previous year ₹ 139.29 crore) share of Joint Venture entity.

NOTE - Part A - 5

CONSOLIDATED PROVISIONS - LONG TERM AND SHORT TERM

(₹ in crore)

Sl. No.	Description	As at 31.03.2018			As at 31.03.2017		
		Short Term	Long Term	Total	Short Term	Long Term	Total
I.	**Employee Benefits**						
	Economic Rehabilitation of Employees	0.18	1.49	**1.67**	0.17	1.46	**1.63**
	Leave Encashment	1.39	20.74	**22.13**	1.81	29.42	**31.23**
	Staff Welfare Expenses	6.35	4.91	**11.26**	3.98	4.92	**8.90**
	Gratuity / Superannuation Fund	1.57	0.45	**2.02**	1.29	0.19	**1.48**
	Proposed Pay Revision	50.92	0.00	**50.92**	9.94	0.00	**9.94**
	Bonus / Incentive	14.56	0.00	**14.56**	6.63	0.00	**6.63**
	Sub Total	**74.97**	**27.59**	**102.56**	**23.82**	**35.99**	**59.81**
II.	**Others**						
	Income Tax (net)	12.42	0.00	**12.42**	0.24	12.05	**12.29**
	Provision for Tax for demands uner contest (Refer Note No. 4 of Part C - Other Notes on Accounts)	0.00	129.97	**129.97**	0.00	118.39	**118.39**
	CSR Expenses (Refer Note No. 18 of Part-C - Consolidated Other Notes on Accounts)	0.00	0.00	**0.00**	100.22	0.00	**100.22**
	Provision against Standard Assets (Refer Note No. 12(A)(i) of Part-C - Consolidated Other Notes on Accounts)	411.43	929.22	**1,340.65**	100.05	459.88	**559.93**
	Provisions against Restructured Standard Assets (Refer Note No. 12(A)(ii) of Part-C - Consolidated Other Notes on Accounts)	241.65	1,165.67	**1,407.32**	317.00	2,040.85	**2,357.85**
	Interim Dividend (Refer Note No. 28(A) of Part-C - Consolidated Other Notes on Accounts)	0.00	0.00	**0.00**	1,320.04	0.00	**1,320.04**
	Corporate Dividend Tax on interim dividend	0.00	0.00	**0.00**	67.18	0.00	**67.18**
	Proposed Corporate Dividend Tax	0.84	0.00	**0.84**	0.00	0.00	**0.00**
	Sub Total	**666.34**	**2,224.86**	**2,891.20**	**1,904.73**	**2,631.17**	**4,535.90**
	Grand Total#	**741.31**	**2,252.45**	**2,993.76**	**1,928.55**	**2,667.16**	**4,595.71**

Includes ₹ 14.61 crore net (Previous period ₹ 0.74 crore) share of Joint Venture entity.

NOTE - Part A - 6

CONSOLIDATED FIXED ASSETS

(₹ in Crore)

	Description	GROSS BLOCK				DEPRECIATION						NET BLOCK	
		Opening Balance as at 01.04.2017	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2018	Opening Balance as at 01.04.2017	For the period 01.04.2017 to 31.03.2018	Adjustment	Prior period Adjustments	On Assets Sold/Written off from books	Closing Balance as at 31.03.2018	As at 31.03.2018	As at 31.03.2017
I.	**Tangible Assets* :**												
	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	10.43	0.70	0.00	0.00	0.00	11.13	13.79	14.49
	EDP Equipments	17.77	4.42	2.16	20.03	14.40	3.43	0.01	0.00	1.99	15.85	4.18	3.37
	Office and other equipments	294.52	133.43	4.25	423.70	65.21	64.69	0.57	0.00	3.89	126.58	297.12	229.31
	Furniture & Fixtures	9.78	1.90	0.18	11.50	7.39	0.65	0.01	0.00	0.10	7.95	3.55	2.39
	Vehicles	0.20	0.00	0.00	0.20	0.14	0.02	0.00	0.00	0.00	0.16	0.04	0.06
	Leasehold Improvements	4.59	0.33	0.00	4.92	0.30	0.46	0.00	0.00	0.09	0.67	4.25	4.29
	Total #	**393.03**	**140.08**	**6.59**	**526.52**	**97.87**	**69.95**	**0.59**	**0.00**	**6.07**	**162.34**	**364.18**	**295.16**
	Previous year	256.20	140.12	3.29	393.03	59.18	39.88	1.62	0.22	3.03	97.87	295.16	
II.	**Intangible Assets* #:**												
	Purchased Software	**9.62**	**5.37**	**0.00**	**14.99**	**8.40**	**0.52**	**0.07**	**0.00**	**0.00**	**8.99**	**6.00**	**1.22**
	Previous year	8.90	0.72	0.00	9.62	7.44	0.94	0.01	0.01	0.00	8.40	1.22	
III.	**Others # :**												
	Intangible assets under development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Capital Work in Progress	105.44	575.19	268.75	411.88	0.00	0.00	0.00	0.00	0.00	0.00	411.88	105.44
		105.44	**575.19**	**268.75**	**411.88**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**411.88**	**105.44**
	Previous year	46.63	216.74	157.92	105.44	0.00	0.00	0.00	0.00	0.00	0.00	105.44	

* (Refer Note No. 21 of Part-C - Consolidated Other Notes on Accounts)
** Net Block of FY 2017-18 include amount of ₹15.11 crore in respect of Joint Ventre entity against adjustment of audited financial statements over unaudited financial statement used for consolidation in previous year.
*** (Refer Note No. 23 of Part-C - Consolidated Other Notes on Accounts)
Net Block includes ₹714.54 crore net (Previous year ₹335.76 crore) share of Joint Venture entity.

NOTE - Part A 7

CONSOLIDATED NON- CURRENT INVESTMENTS

(₹ in Crore)

Description		As at 31.03.2018			As at 31.03.2017		
		Number	Amount		Number	Amount	
Long Term Investments							
(A)	**Trade Investments (Face value of ₹10 /- each fully paid up - unless otherwise stated)**						
I.	**Equity Instruments (Quoted)**						
	- Valued at Cost						
	PTC India Ltd.	1,20,00,000		12.00	1,20,00,000		12.00
II.	**Equity Instruments (Unquoted)***						
	- Valued at Cost (Less diminution, if any, other than temporary)						
	Power Exchange India Ltd.	32,20,000	3.22		32,20,000	3.22	
	Less : Provision for diminution		3.22	0.00		3.22	0.00
	Long term investment			57.14			0.60
	Subsidiaries (Refer Note No. 2.1 of Part-C - Consolidated Other Notes on Accounts)	7,50,000		0.75	7,50,000		0.75
III.	**Others (Unquoted)***						
	Units of " Small is Beautiful " Fund of KSK Investment Advisor Pvt. Ltd.**	61,52,200		6.15	61,52,200		6.15
	Sub Total			**76.04**			**19.50**
(B)	**Other Investment -Bonds (Quoted) (Face value of ₹10,00,000/- each fully paid up - unless otherwise stated)**						
	8000 Bonds of Andhra Bank (Previous year :10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank)	8,000		800.00	18,000		1800.00
	Sub Total			**800.00**			**1,800.00**
	Grand Total#			**876.04**			**1819.50**

Notes :-

Particulars	As at 31.03.2018	As at 31.03.2017
Aggregate of Quoted Investments		
Book Value	812.00	1,812.00
Market Value***	904.88	1,912.08
Aggregate of Un-Quoted Investments		
Book Value	6.15	6.90
Aggregate Provision for Diminution in value	3.22	3.22

*Being Unquoted Investments, market value is not available.

**NAV as on 31-Mar-2018 is ₹ 10.17 per unit (31-Mar-2017 ₹ 10.24 per unit). The fluctuation in NAV is considered as temporary.

***8000 Bonds of Andhra Bank are listed on NSE platform, however, market price as at 31.03.2018 is not available on NSE platform and the bonds have not been traded in the market till 31.03.2018. Accordingly, the face value of the above bonds has been considered as market price.

Includes ₹ 57.14 crore (Previous year ₹ 0.60 crore) share of Joint Venture entity.

NOTE - Part A - 8
CONSOLIDATED LOANS *

(₹in crore)

Description			As at 31.03.2018						As at 31.03.2017					
			Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	
A.	**Long Term**													
	I	**Secured Loans**												
	a)	**Considered Good**												
		Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments	14,344.07		1,28,465.16		**1,42,809.23**		18,725.71		91,918.09		**1,10,643.80**	
		RTLs to Independent Power Producers	1,935.12		11,476.35		**13,411.47**		6,648.19		23,034.61		**29,682.80**	
		Foreign Currency Loans to Independent Power Producers	0.00		0.00		**0.00**		5.03		0.00		**5.03**	
		Buyer's Line of Credit	118.58		1,372.38		**1,490.96**		67.48		1,376.96		**1,444.44**	
		Lease Financing to Borrowers	0.00		0.00		**0.00**		8.62		185.70		**194.32**	
		RTLs to Equipment Manufacturers	66.03	16,463.80	857.77	1,42,171.66	**923.80**	**1,58,635.46**	18.95	25,473.98	870.05	1,17,385.41	**889.00**	**142,859.39**
	b)	**Others**												
		RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA	311.41		4,704.48		**5,015.89**		2,323.18		21,064.92		**23,388.10**	
		Less: Provision for contingencies	32.18	279.23	500.58	4,203.90	**532.76**	**4,483.13**	328.58	1,994.60	2,134.66	18,930.26	**2,463.24**	**20,924.86**
		RTL to Independent Power Producers - NPA	6,579.02		11,362.84		**17,941.86**		1,689.43		3,237.05		**4,926.48**	
		Less: Provision for contingencies	1,971.38	4,607.64	1,469.14	9,893.70	**3,440.52**	**14,501.34**	527.87	1,161.56	708.42	2,528.63	**1,236.29**	**3,690.19**
		Lease financing to Borrowers - NPA **	18.04		176.28		**194.32**		0.00		0.00		**0.00**	
		Less: Provision for contingencies	1.80	16.24	17.63	158.65	**19.43**	**174.89**	0.00	0.00	0.00	0.00	**0.00**	**0.00**
		FCL to Independent Power Producers - NPA	201.75		0.00		**201.75**		58.70		134.48		**193.18**	
		Less: Provision for contingencies	100.88	100.87	0.00	0.00	**100.88**	**100.87**	29.35	29.35	67.24	67.24	**96.59**	**96.59**
		Sub-Total I		**21,467.78**		**1,56,427.91**		**1,77,895.69**		**28,659.49**		**1,38,911.54**		**1,67,571.03**
	II.	**Un-Secured Loans**												
	a)	**Considered Good**												
		Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments #	4,040.49		63,821.72		**67,862.21**		3,602.66		57,954.91		**61,557.57**	
		RTLs to Independent Power Producers	539.68		14,464.39		**15,004.07**		1,127.87		3,413.96		**4,541.83**	
		Buyer's Line of Credit #	62.03	4,642.20	74.97	78,361.08	**137.00**	**83,003.28**	72.35	4,802.88	70.17	61,439.04	**142.52**	**66,241.92**
	b)	**Others**												
		RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA #	0.00		0.00		**0.00**		269.33		373.83		**643.16**	
		Less: Provision for contingencies	0.00	0.00	0.00	0.00	**0.00**	**0.00**	26.93	242.40	127.20	246.63	**154.13**	**489.03**
		RTL to Independent Power Producers - NPA	1,518.78		1,058.62		**2,577.40**		369.85		828.95		**1,198.80**	
		Less : Provision for contingencies	1,060.82	457.96	697.54	361.08	**1,758.36**	**819.04**	369.85	0.00	828.95	0.00	**1,198.80**	**0.00**
		FCL to Independent Power Producers - NPA	39.23		0.00		**39.23**		0.00		61.91		**61.91**	
		Less: Provision for contingencies	39.23	0.00	0.00	0.00	**39.23**	**0.00**	0.00	0.00	61.91	0.00	**61.91**	**0.00**
		Sub-Total II		**5,100.16**		**78,722.16**		**83,822.32**		**5,045.28**		**61,685.67**		**66,730.95**
		Total A (I+ II)		**26,567.94**		**2,35,150.07**		**2,61,718.01**		**33,704.77**		**2,00,597.21**		**2,34,301.98**

Description			As at 31.03.2018						As at 31.03.2017					
			Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	
B.	**Bonds**													
	I	**Un-secured Bonds**												
		Bonds / Debentures from State Power Corporations		0.00		311.60		**311.60**		0.00		311.60		**311.60**
		Bonds / Debentures from Independent Power Producers-NPA***	29.44		0.00		**29.44**		0.00		29.44		**29.44**	
		Less : Provision for contingencies	2.94	26.50	0.00	0.00	**2.94**	**26.50**	0.00	0.00	0.00	29.44	**0.00**	**29.44**
		Total B		**26.50**		**311.60**		**338.10**		**0.00**		**341.04**		**341.04**
C.	**Short Term**													
	I	**Secured Loans**												
	a)	**Considered Good**												
		Working Capital Loans to State Electricity Boards and State Power Corporations		6,123.12		0.00		**6,123.12**		1,467.91		0.00		**1,467.91**
		Working Capital Loans to Independent Power Producers		212.46		0.00		**212.46**		22.58		0.00		**22.58**
	b)	**Others**												
		Working Capital Loans to Independent Power Producers -NPA	17.86		0.00		**17.86**		0.00		0.00		**0.00**	
		Less: Provision for contingencies	1.79	16.07	0.00	0.00	**1.79**	**16.07**	0.00	0.00	0.00	0.00	**0.00**	**0.00**
		Sub-Total I		**6,351.65**		**0.00**		**6,351.65**		**1,490.49**		**0.00**		**1,490.49**
	II	**Un-Secured Loans**												
	a)	**Considered Good**												
		Working Capital Loans to State Electricity Boards and State Power Corporations#		4,275.55		0.00		**4,275.55**		3,750.39		0.00		**3,750.39**
		Working Capital Loans to Independent Power Producers		38.67		0.00		**38.67**		516.73		0.00		**516.73**
	b)	**Others**												
		Working Capital Loans to Independent Power Producers - NPA	364.89		0.00		**364.89**		0.00		0.00		**0.00**	
		Less : Provision for contingencies	36.49	328.40	0.00	0.00	**36.49**	**328.40**	0.00	0.00	0.00	0.00	**0.00**	**0.00**
		Other Loans - NPA^	345.47		0.00		**345.47**		290.58		0.00		**290.58**	
		Less : Provision for contingencies	172.73	172.74	0.00	0.00	**172.73**	**172.74**	145.29	145.29	0.00	0.00	**145.29**	**145.29**
		Sub-Total II		**4,815.36**		**0.00**		**4,815.36**		**4,412.41**		**0.00**		**4,412.41**
		Total C (I+ II)		**11,167.01**		**0.00**		**11,167.01**		**5,902.90**		**0.00**		**5,902.90**
		Grand Total (A+B+C) $		**37,761.45**		**2,35,461.67**		**2,73,223.12**		**39,607.67**		**2,00,938.25**		**2,40,545.92**

* (Refer Note No. 12(A) of Part-C - Consolidated Other Notes on Accounts)
** (Refer Note No. 9(A)(i) of Part-C - Consolidated Other Notes on Accounts)
#Loans guaranteed by respective State Governments amounts to ₹24,335.12 crore (Previous Year ₹23,353.40 crore).
***Bonds under issue (categorised as NPA during the current year)
$ Includes Nil (Previous year Nil) share of Joint Venture entity.
^ Counter guaranteed by State Government

NOTE - Part A - 9

CONSOLIDATED OTHER ASSETS

(₹ in Crore)

Description	As at 31.03.2018						As at 31.03.2017					
	Current		Non-Current		Total		Current		Non-Current		Total	
LOANS & ADVANCES												
Loans (considered good) *												
a) to Employees (Secured)	2.09		9.79		**11.88**		2.25		11.94		**14.19**	
b) to Employees (Unsecured)	10.19	12.28	45.53	55.32	**55.72**	**67.60**	9.76	12.01	48.22	60.16	**57.98**	**72.17**
Advances (Unsecured considered good)												
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)	329.66		147.17		**476.83**		264.82		133.59		**398.41**	
Less : Provision for contingencies	2.65		0.00		**2.65**		0.86		0.00		**0.86**	
b) to Employees *	1.71		1.33		**3.04**		1.41		1.28		**2.69**	
c) Prepaid Expenses	16.30		0.00		**16.30**		18.51		0.00		**18.51**	
d) Others	496.88		157.69		**654.57**		1,332.97		6.31		**1,339.28**	
Less : Provision for contingencies	0.00		0.00		**0.00**		0.01		0.00		**0.01**	
e) Advance Income Tax and Tax Deducted at Source (net)	1.96		369.08		**371.04**		2.78		162.66		**165.44**	
f) Tax deposited on demands under contest	73.11		138.13		**211.24**		33.16		183.79		**216.95**	
g) Security Deposits	0.89	917.86	3.04	816.44	**3.93**	**1,734.30**	0.47	1,653.25	1.91	489.54	**2.38**	**2,142.79**
Amount Recoverable on account of Bonds fully serviced by GoI (Unsecured considered good)												
a) Principal	0.00		5,000.00		**5,000.00**		0.00		5,000.00		**5,000.00**	
b) Interest	38.21	38.21	0.00	5,000.00	**38.21**	**5,038.21**	38.21	38.21	0.00	5,000.00	**38.21**	**5,038.21**
OTHER ASSETS												
I Accrued but not due :												
a) Interest on Loan Assets	3,976.60		0.00		**3,976.60**		3,736.71		0.00		**3,736.71**	
b) Interest on Loans to Employee	0.77		25.07		**25.84**		0.60		22.04		**22.64**	
c) Interest on Deposits and Investments	16.83	3,994.20	3.94	29.01	**20.77**	**4,023.21**	35.61	3,772.92	3.30	25.34	**38.91**	**3,798.26**
II Accrued and due :												
Incomes accrued & due on loans	82.22	82.22	0.00	0.00	**82.22**	**82.22**	168.58	168.58	0.00	0.00	**168.58**	**168.58**
III Fixed Deposits with Scheduled Banks ** (original maturity more than twelve months)	0.00	0.00	111.65	111.65	**111.65**	**111.65**	0.00	0.00	152.17	152.17	**152.17**	**152.17**
Loans & Advances (Unsecured - Others) (Refer Note No. 12(B)(i) of Part-C-Consolidated Other Notes on Accounts)												
Non Performing Assets (NPAs)	2.61		0.00		**2.61**		16.40		0.00		**16.40**	
Less : Provision for contingencies	2.61	0.00	0.00	0.00	**2.61**	**0.00**	16.40	0.00	0.00	0.00	**16.40**	**0.00**
Total #		**5,044.77**		**6,012.42**		**11,057.19**		**5,644.97**		**5,727.21**		**11,372.18**

Additions during the year includes ₹216.19 crore net (Previous year ₹118.84 crore) share of Joint Venture entity.

*Includes:

Description	Balance as at 31.03.2018	Balance as at 31.03.2017
Loans & Advances given to KMPs (Refer Note No. 7(B) of Part-C-Consolidated Other Notes on Accounts)	0.52	0.51

** Includes ₹ 17.22 crore of Joint Venture entity, which is given as security and not available for use.

NOTE - Part A -10

CONSOLIDATED CURRENT INVESTMENTS

(₹ in Crore)

Description		As at 31.03.2018			As at 31.03.2017		
		Number	Amount		Number	Amount	
A.	**Equity Instruments (Quoted) (Face value of ₹ 10/- each fully paid up) - Valued for category at lower of cost or market value**						
	PGCIL (Cost Price ₹ 52 per Share)	3,89,349	2.02		4,39,349	2.28	
	REC Ltd. (Cost Price ₹ 52.50 per Share)	95,904	0.50		95,904	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)	26,05,42,051	567.50		26,05,42,051	567.50	
	Less : Provision for diminution on Equity Instruments (Quoted)		0.00	1,070.76		0.00	1071.02
B.	**Equity Instruments (Borrower Companies) (Un-quoted) (Face value of ₹10/- each fully paid up) - Valued in accordance with Para - 7.2 of Note Part - B - Consolidated Significant Accounting Policies**						
	Shree Maheshwar Hydel Power Corporation Ltd. (NPA Borrower)	13,18,46,779	66.10		13,18,46,779	66.10	
	Less : Provision for diminution on Equity Instruments (Un-Quoted)		66.10	0.00		66.10	0.00
	GMR Chhattisgarh Energy Ltd.*	27,50,00,000	275.00		27,50,00,000	275.00	
	Less : Provision for diminution on Equity Instruments (Un-Quoted)		275.00	0.00		20.49	254.51
C.	**Equity Instruments (Unquoted)**						
	Subsidiaries (Refer Note No.2.1 of Part-C - Consolidated Other Notes on Accounts)	1,70,000	0.17		2,40,000	0.24	
	Less : Provision for diminution		0.15	0.02		0.10	0.14
	TOTAL#			**1,070.78**			**1,325.67**

Particulars	As at 31.03.2018	As at 31.03.2017
Aggregate of Quoted Investments		
Book Value	1,070.76	1,071.02
Market Value	1,126.04	1,258.02
Aggregate of Un-Quoted Investments		
Book Value	0.02	254.65
Aggregate Provision for Diminution in value	341.25	86.59

*Borrower has been categorised as NPA during the current year

Includes Nil (Previous year Nil) share of Joint Venture entity.

NOTE - Part A 11

CONSOLIDATED CASH AND BANK BALANCES

(₹ in crore)

Description			As at 31.03.2018		As at 31.03.2017	
A	**Cash and Cash Equivalents**					
	i)	Balances in Current accounts with:				
		Reserve Bank of India	0.02		0.02	
		Scheduled Banks	157.35	157.37	151.18	151.20
	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)		532.95		3,073.14
		Sub-total (A)		**690.32**		**3,224.34**
B		**Earmarked Balances:**				
	i)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend etc.		11.04		458.41
	ii)	IPDS / R-APDRP				
		Balances in current accounts with scheduled banks		4.45		0.00
		Sub-total (B)		**15.49**		**458.41**
C		**Other Balances**				
	i)	Fixed Deposits with Scheduled Banks (original maturity more than 3 months but up to 12 months)		74.73		110.08
		Sub-total (C)		**74.73**		**110.08**
		Grand Total (A) + (B) + (C) #		**780.54**		**3,792.83**

Includes ₹ 132.98 crore (Previous year ₹ 117.21 crore) share of Joint Venture entity.

NOTE - Part A - 12

CONSOLIDATED REVENUE FROM OPERATIONS

(₹ in crore)

	Description	Year ended 31.03.2018		Year ended 31.03.2017	
I	**Interest**				
	Interest on Loans	26,252.88		26,650.50	
	Less : Rebate for Timely Payment to Borrowers	381.78		316.98	
	Less : Post COD Timely Payment Rebate	7.81	25,863.29	22.39	26,311.13
	Lease income		6.72		21.98
	Sub Total (I)		**25,870.01**		**26,333.11**
II	**Consultancy / Advisory Services**				
	Income from consultancy assignment		179.25		179.91
	Syndication and Debenture Trustee Fee		0.00		1.53
	Sub Total (II)		**179.25**		**181.44**
III	**Other Operating Income**				
	Income from surplus funds		56.70		112.37
	Interest on bonds		196.80		196.64
	Interest received on advances given to subsidiaries		18.19		12.54
	Sale of goods		332.79		326.72
	Others		0.14		0.24
	Sub Total (III)		**604.62**		**648.51**
IV	**Other Financial Services**				
	Prepayment Premium on Loans		179.10		201.77
	Upfront Fee on Loans		46.03		38.80
	Management, Agency & Guarantee Fee		64.53		48.96
	Commitment charges on Loans		2.25		5.17
	Fee on account of GoI Schemes :-				
	Nodal Agency Fee - R-APDRP	0.65		2.24	
	Nodal Agency Fee - IPDS	29.74	30.39	21.16	23.40
	Sub Total (IV)		**322.30**		**318.10**
	Grand Total (I) + (II) + (III) + (IV) #		**26,976.18**		**27,481.16**

Includes ₹ 451.73 crore (Previous year ₹ 403.52 crore) share of Joint Venture entity.

NOTE - Part A - 13

CONSOLIDATED OTHER INCOME

(₹ in crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Dividend Income*	65.38	95.73
Others	24.84	22.11
Profit on sale of Fixed Assets	0.00	0.03
Profit on sale of Current Investments	0.78	0.50
Interest on Income Tax Refund	4.78	3.88
Miscellaneous Income	8.35	7.62
Excess Liabilities & Provisions written back	165.02	0.26
Total #	**269.15**	**130.13**

*Includes dividend income from Mutual Funds ₹ 6.63 crore (previous year ₹ 5.34 crore).

Includes ₹ 10.05 crore (Previous year ₹ 5.31 crore) share of Joint Venture Entity.

NOTE - Part A - 14
CONSOLIDATED FINANCE COSTS

(₹ in crore)

	Description	Year ended 31.03.2018		Year ended 31.03.2017	
I.	**Interest**				
	On Bonds	16,054.78		15,592.33	
	On Loans	334.25		355.46	
	GOI on Interest Subsidy Fund	9.32		9.06	
	Financial Charges on Commercial Paper	482.71		389.72	
	Swap Premium (Net)	(34.95)	16,846.11	(23.42)	16,323.15
II.	**Other Charges**				
	Commitment & Agency Fee	1.13		0.79	
	Guarantee, Listing & Trusteeship Fee	3.42		3.38	
	Management Fees on Foreign Currency Loans	4.29		0.01	
	Bank / Other charges	0.00		0.00	
	Purchase of goods	267.23		265.68	
	Direct overheads	34.18		35.88	
	Interest paid on advances received from subsidiaries	5.93	316.18	6.35	312.09
III	Net Translation / Transaction Exchange Loss (+) / Gain (-)		246.67		310.55
IV	Net Change in Fair Value of Derivatives - Loss (+) / Gain (-)		132.45		(178.15)
	Total (I + II + III+ IV) #		**17,541.41**		**16,767.64**

Includes ₹ 329.99 crore (Previous year ₹ 314.01 crore) share of Joint Venture entity.

NOTE - Part A - 15
CONSOLIDATED BORROWING EXPENSES

(₹ in crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Interest on Application Money	0.03	0.00
Credit Rating Fee	4.96	4.65
Other Issue Expenses	15.76	14.04
Stamp Duty Fee	7.70	7.89
Total#	**28.45**	**26.58**

Includes ₹ 0.28 crore (Previous year Nil) share of Joint Venture entity.

NOTE - Part A - 16
CONSOLIDATED EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Salaries, Wages and Bonus	152.23	98.02
Contribution to Provident and other funds	19.70	15.76
Staff Welfare	15.08	13.36
Rent for Residential accommodation of employees (Refer Note No. 9(B) of Part-C - Consolidated Other Notes on Accounts)	5.77	6.10
Total #	**192.78**	**133.24**

Includes ₹ 12.70 crore (Previous period ₹ 7.73 crore) share of Joint Venture entity.

NOTE - Part A - 17

CONSOLIDATED OTHER EXPENSES

(₹ in crore)

Description	Year ended 31.03.2018	Year ended 31.03.2017
Office Rent (Refer Note No. 9(B) of Part-C - Consolidated Other Notes on Accounts)	6.97	4.99
Electricity & Water charges	2.09	1.85
Insurance	0.26	0.27
Repairs & Maintenance	12.52	5.96
Stationery & Printing	2.41	2.14
Travelling & Conveyance	18.52	12.87
Postage, Telegraph & Telephone	2.60	2.41
Professional & Consultancy charges	2.85	3.76
Miscellaneous Expenses*	48.37	62.91
Loss on sale of Fixed Assets	0.42	0.19
Loss on Disposal of Investment	0.00	0.98
Auditors' Remuneration*	0.96	0.70
Service Tax	1.44	2.60
Rates & Taxes	1.88	3.25
Goods & Services Tax	5.45	0.00
Contribution to PMC (MoP)	0.28	0.41
Total #	**107.02**	**105.29**

Includes ₹ 27.68 crore (Previous year ₹ 28.51 crore) share of Joint Venture entity.

*** Note :-**

1) Miscellaneous Expenses include :		
Books & Periodicals	0.05	0.07
Advertisement	5.90	8.25
Membership & Subscription	0.99	1.11
Entertainment	1.84	1.12
Conference & Meeting Expenses	3.48	2.95
Security Expenses	2.92	1.63
Training	1.88	1.68
EDP Expenses	3.75	3.05
Business Promotion / Related Expenses	1.97	2.02
Interest on income tax	0.00	0.69
2) Auditors' Remuneration includes :		
Audit Fee	0.47	0.44
Tax Audit Fee	0.10	0.08
Other certification services	0.38	0.19
Reimbursement of Expenses	0.01	0.01

Note - Part A -18

CONSOLIDATED PRIOR PERIOD ITEMS (NET)

(₹ in crore)

Description	Year ended 31.03.2018		Year ended 31.03.2017	
Prior Period Expenses :				
Interest & other Charges	0.00		0.24	
Personnel & Administration Expenses - Others	1.05		0.78	
Depreciation	(0.02)	**1.03**	0.22	**1.24**
Less : Prior Period Income :				
Interest Income	0.00		(0.19)	
Other Income	(0.01)	**(0.01)**	(0.04)	**(0.23)**
Total #		**1.04**		**1.47**

Includes ₹ 0.06 crore (Previous year Nil) share of Joint Venture Entity.

Note - Part A -19

CONSOLIDATED TRADE RECEIVABLES

(₹ in crore)

Description	As at 31.03.2018	As at 31.03.2017
Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment.		
(a) Secured, considered good;	0.00	0.00
(b) Unsecured, considered good;	228.74	166.03
(c) Doubtful	10.68	7.50
Less: Provision for bad and doubtful debts	10.68	7.50
Sub-Total (I)	**228.74**	**166.03**
Other Debts		
(a) Secured, considered good;	0.00	0.00
(b) Unsecured, considered good;	156.56	113.53
(c) Doubtful.	0.00	0.24
Less: Provision for bad and doubtful debts	0.00	0.24
Sub-Total (II)	**156.56**	**113.53**
Total #	**385.30**	**279.56**

Includes ₹ 373.28 crore (Previous period ₹ 274.68 crore) share of Joint Venture 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
Parent Subsidiaries				
Indian				
1. PFC Consulting Limited	0.65%	260.443	0.48%	28.335
2. PFC Green Energy Limited	0.35%	139.457	0.97%	56.553
3. PFC Capital Advisory Services Limited	0.02%	8.550	0.01%	0.382
4. Power Equity Capital Advisors Private Limited	0.00%	0.001	0.00%	(0.000)
Sub Total (A)	**1.02%**	**408.450**	**1.46%**	**85.268**
Foreign				
N.A				
Minority Interests in all subsidiaries				
N.A				
Associates (Investment as per the equity method)				
N.A				
Joint Ventures (as per proportionate consolidation/ investment as per the equity method)				
Indian				
1. Energy Efficiency Services Limited	0.10%	38.193	0.16%	9.200
Sub Total (B)	**0.10%**	**38.193**	**0.16%**	**9.200**
Foreign				
N.A				
Total	**1.11%**	**446.643**	**1.62%**	**94.468**

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.

AOC-1 (Subsidiaries - SPVs)

Form AOC 1

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

PART "A" : Subsidiaries - SPVs

Amount in ₹ Crore

Sl No.	Name of the Subsidiary / SPV (Audited)	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	01.04.2017-31.03.2018	0.0500	(0.0024)	21.8889	21.8413	-	-	-	-	-	-	100
2	Coastal Karnataka Power Limited	10-Feb-06	01.04.2017-31.03.2018	0.0500	(0.0021)	5.6845	5.6366	-	-	-	-	-	-	100
3	Coastal Maharashtra Mega Power Limited	1-Mar-06	01.04.2017-31.03.2018	0.0500	0.0044	66.9237	66.8693	-	-	0.0001	0.0000	0.0001	-	100
4	Orissa Integrated Power Limited	24-Aug-06	01.04.2017-31.03.2018	0.0500	(0.1255)	1,144.0954	1,144.1709	-	-	-	0.0002	(0.0002)	-	100
5	Coastal Tamil Nadu Power Limited	9-Jan-07	01.04.2017-31.03.2018	0.0500	0.0321	223.5943	223.5122	-	-	-	-	-	-	100
6	Sakhigopal Integrated Power Limited	21-May-08	01.04.2017-31.03.2018	0.0500	(0.0035)	31.4750	31.4285	-	-	-	-	-	-	100
7	Ghogarpalli Integrated Power Company Limited	22-May-08	01.04.2017-31.03.2018	0.0500	(0.0033)	25.2218	25.1751	-	-	-	-	-	-	100
8	Tatiya Andhra Mega Power Limited	17-Apr-09	01.04.2017-31.03.2018	0.0500	(0.0015)	21.9944	21.9459	-	-	-	-	-	-	100
9	Deoghar Mega Power Limited	26-Apr-12	01.04.2017-31.03.2018	0.0500	(0.0039)	18.2437	18.1976	-	-	-	-	-	-	100
10	Cheyyur Infra Limited	21-Jan-14	01.04.2017-31.03.2018	0.0500	(0.0037)	0.1229	0.0766	-	-	-	-	-	-	100
11	Odisha Infrapower Limited	23-Jan-14	01.04.2017-31.03.2018	0.0500	(0.0046)	0.2984	0.2530	-	-	-	-	-	-	100
12	Deoghar Infra Limited	30-Jun-15	01.04.2017-31.03.2018	0.0500	(0.0034)	0.3197	0.2731	-	-	-	-	-	-	100
13	Bihar Infrapower Limited	30-Jun-15	01.04.2017-31.03.2018	0.0500	(0.0034)	0.1148	0.0683	-	-	-	-	-	-	100
14	Bihar Mega Power Limited	9-Jul-15	01.04.2017-31.03.2018	0.0500	(0.0028)	45.5620	45.5148	-	-	0.0001	0.0000	0.0001	-	100
15	Jharkhand Infrapower Limited	10-Dec-15	01.04.2017-31.03.2018	0.0500	(0.0040)	0.0900	0.0440	-	-	-	-	-	-	100
16	Ballabhgarh-GN Transmission Company Limited	9-Sep-13	01.04.2017-31.03.2018	0.0500	(0.0562)	0.0186	0.0248	-	-	(0.0062)	-	(0.0062)	-	100
17	Tanda Transmission Company Limited (un-audited)	9-Sep-13	01.04.2017-31.03.2018	0.0500	(0.0500)	0.0211	0.0211	-	-	(0.0471)	-	(0.0471)	-	100
18	Mohindergarh-Bhiwani Transmission Limited	23-Dec-14	01.04.2017-31.03.2018	0.0500	(0.0562)	0.0213	0.0275	-	-	(0.0619)	-	(0.0619)	-	100

Sl No.	Name of the Subsidiary / SPV (Audited)	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
19	South-Central East Delhi Power Transmission Limited	18-Feb-15	01.04.2017-31.03.2018	0.0500	(0.0551)	0.0113	0.0164	-	-	(0.0064)	-	(0.0064)	-	100
20	Shongtong-Karcham-Wangtoo Transmission Limited	13-Jan-17	13.01.2017-31.03.2018	0.0100	(0.0019)	2.1182	2.1101	-	-	(0.0019)	-	(0.0019)	-	100
21	Bijawar-Vidharbha-Transmission Limited	13-Jan-17	13.01.2017-31.03.2018	0.0100	(0.0019)	0.2999	0.2919	-	-	(0.0019)	-	(0.0019)	-	100

Note:-

1. The Company does not have any foreign subsidiary.
2. Turnover is considered as Income from Operations.
3. All the SPVs are under pre-operative stage and yet to commence operations.
4. Fatehgarh-Bhadla Transmission Limited and Goa- Tamnar Transmission Limited (Wholly owned subsidiaries company of PFCC Limited) have been transferred during the year.
5. Ballabhgarh-GN Transmission Company Limited, Tanda 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/-
N. B. GUPTA
Director (Finance)
DIN - 00530741

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/-
(CA M. K. AGGARWAL)
PARTNER
Membership No - 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn. No.: 000458N

Sd/-
(CA BHUPINDER SINGH)
PARTNER
Membership No - 092867

Place : New Delhi
Date : 25.05.2018

AOC-1 (Subsidiaries and JVs)

Form AOC 1 (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 (PFCCAS)	Power Equity Capital Advisors Private Limited (PECAP)
1	Information for the year ended as on[1]	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18
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	192.51	114.73	8.55	0.00
5	Total Assets	229.07	694.53	8.66	0.05
6	Total Liabilities	36.51	279.80	0.01	0.00
7	Investments	0.02	0.00	0.00	0.00
8	Turnover[2]	60.45	73.94	0.00	0.00
9	Profit before Taxation	45.56	44.14	0.56	0.00
10	Provision for Taxation	17.23	12.31	0.18	0.00
11	Profit after taxation	28.33	31.83	0.38	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. PECAP 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-17
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	146,500,000
	Amount of Investments in Joint Venture	146.50
	Extent of Holding %	31.71%
4	Description of how there is Significant Influence	Being Promoter[1]
5	Reason why the joint venture is not consolidated	NA
6	Net worth attributable to shareholding as per latest audited Balance sheet[2]	178.12
7	Profit / Loss for the year	
	i) Considered in Consolidation	9.20
	ii) Not considered in Consolidation	NA

Note:

1. EESL has been jointly promoted by PFC, NTPC, PGCIL and RECL.

2. Amount as per management approved IGAAP financial statements as on 31-Mar-2017.

For and on behalf of the Board of Directors

Sd/-
(MANOHAR BALWANI)
Company Secretary

Sd/-
(N. B. GUPTA)
Director (Finance)
DIN – 00530741

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/-
(CA M. K. AGGARWAL)
Partner
Membership No - 014956

For Gandhi Minocha & Co.
Chartered Accountants
Firm Regn. No. 000458N

Sd/-
(CA BHUPINDER SINGH)
Partner
Membership No - 092867

Place: New Delhi
Date: 25.05.2018

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 policy no. 7 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, 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 As per applicable RBI directions , 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 As per applicable RBI directions, 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, zero coupon bonds (deep discount bonds) and discount on bonds under external commercial borrowings are amortized proportionately over the period of its tenure.

2.4 Arrangement fee in connection with long-term foreign currency borrowings are amortized to the Statement of Profit and Loss over the tenure of the loan.

2.5 Expenditure on issue of shares is charged to the securities premium account.

2.6 As per applicable RBI directions, 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.

2.7 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.8 Prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

2.9 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.

2.10 Fees for advisory and professional services for developing Ultra Mega Power Projects (UMPPs) (Special Purpose Vehicle of the Company) / 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.

2.11 The sale proceeds from Request for Qualification (RFQ) documents for ITPs and UMPPs are accounted for when received.

2.12 Revenue from sale of goods is recognized at the time of delivery of goods to customers.

2.13 Expenses incurred on advertisement/awareness on DELP/UJALA programme in the state is charged to Statement of Profit & Loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution for that respective state and balance amount is carried forward for charging to Statement of Profit and Loss in subsequent years. Similarly expenses incurred on National Media campaigning for DELP /UJALA programme is charged to Statement of Profit and Loss in proportionate to the total LED bulbs distributed in current financial year vis-a-vis the overall targeted LED bulbs distribution under DELP/UJALA programme and balance amount is carried forward for charging to Statement of Profit and Loss in subsequent years.

3. PRELIMINARY EXPENDITURE

In case of PFCCAS, preliminary expenditure related to its formation is fully written off in the year in which it is 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(1)	2 Years
ESCO projects(2)	Project period
Lease Hold Improvements(3)	Lease Period (in case of EESL) Lease Period or their useful lives whichever is shorter (in case of PFCCL)
Residential Assets	3 years (in case of EESL)

* Depreciation is provided using Straight line method by EESL

(1)Useful life has been taken as 2 years by the Company, PFCCL, PFCCAS, PFCGEL (Company's Subsidiaries) and EESL (one of Company's Joint Venture).

(2)Useful life taken by EESL

(3)Lease hold improvements are amortised on straight line basis.

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. CAPITAL WORK-IN-PROGRESS

Administrative and general overhead expenses specifically attributable to project incurred till they are ready for intended use are identified and allocated on a systematic basis to the cost of related assets.

6. INTANGIBLE ASSETS / AMORTIZATION

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. In case of PFCCL, life is estimated as 3 years.

7. INVESTMENTS

7.1 As per applicable RBI directions, quoted current investments are valued category-wise, at lower of cost or market value.

7.2 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.

7.3 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.

8. ASSET CLASSIFICATION AND PROVISIONS

8.1 BASIS OF ASSET CLASSIFICATION

Loans & other credit facilities and lease assets are classified into the following classes, namely:

8.1.1 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.

8.1.2 (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
31st 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.
31st 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) 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.

(iii) The classification of project loans as a sub-standard asset is also done as per the RBI norms for restructured advances. 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 (as exempted by RBI till 31.03.2022).

(iv) A lease asset, in respect of which installment / rental remains overdue 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 is classified as NPA if it remains overdue for a period of 3 months or more.

8.2 PROVISIONING AGAINST STANDARD ASSETS, RESTRUCTURED STANDARD ASSETS AND NPAs

8.2.1 The provisioning is made in respect of loans and other credit facilities as under:

Sl. No.	Description	Rate of Provision
1.	Standard Asset	0.40%
2.	Restructured Standard Assets	5%
3.	Sub-standard Asset	10%
4.	Doubtful Asset Secured portion of Doubtful assets Upto one year More than one year to upto three years More than three years Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	 20% 30% 50% 100%
5.	Loss Asset if not written off	100%

8.2.2 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.

8.2.3 Provisioning on restructured / rescheduled / renegotiated loan assets is done as per RBI norms and specific RBI directions.

8.3 As regards PFCGEL, asset classification and provisioning norms in respect of loans and other credit facilities is in accordance with Prudential Norms issued by RBI.

8.4 In case of PFCCL, the provision for doubtful debts and advances is made on the basis of various factors including collectability of specific dues, risk perception and general factors that could affect the customers' ability to settle dues and management's assessment of the recoverability of the amounts which are outstanding for at least two years. Such amounts are written off when considered for write off after a period of 3 years from the date of provision, after taking Board approval in each case of such provision, where chance of recovery is Nil.

9. FOREIGN CURRENCY TRANSACTIONS

9.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

9.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11:

(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.

9.3 In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period. In case of EESL, such exchange differences are recognized in the Statement of Profit and Loss.

10. DERIVATIVE TRANSACTIONS

10.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

10.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose.

10.3 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 – 11.

10.4 Derivative contracts not covered by Accounting Standard 11 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.

11. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES

11.1 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.

11.1.1 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.

11.1.2 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.

12. INTEREST SUBSIDY FUND

12.1 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.

12.2 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.

13. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

13.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

13.2 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.

13.3 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.

13.4 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.

13.5 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.

14. EMPLOYEE BENEFITS

14.1 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.

14.2 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.

15. INCOME TAX

15.1 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.

15.2 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.

16. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

17. 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

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. The consolidated financial statements represent consolidation of accounts of the Company (Power Finance Corporation Limited), its Subsidiary Companies and Joint Venture entity as detailed below:

Name of the Subsidiary Companies / Joint Venture Entities	Country of incorporation	Proportion of shareholdings as on		Status of accounts & Accounting period
		31.03.2018	31.03.2017	01.04.2017 – 31.03.2018
Subsidiary Companies:				
PFC Consulting Limited (PFCCL)(i)	India	100%	100%	Audited
PFC Green Energy Ltd. (PFCGEL)(ii)	India	100%	100%	Audited
PFC Capital Advisory Services Limited (PFCCAS)(i)	India	100%	100%	Audited
Power Equity Capital Advisors Private Limited (PECAP)(iii)	India	100%	100%	Audited
Joint Venture Entities:				
Energy Efficiency Services Limited (EESL)	India	31.71%	31.71%	Unaudited

(i)Subsequent to decision by Board of Directors of respective subsidiaries, merger of PFCCAS with PFCCL is under progress.
(ii)In continuation to decision taken in meeting dated 09th August, 2016, Board of Directors of the Company in its meeting held on 29th September, 2017, has approved scheme for the merger of PFCGEL with the Company subject to sanction by the Ministry of Corporate Affairs.
(iii)Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.

2.1 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)	
			31.03.2018	31.03.2017	31.03.2018	31.03.2017
	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

Sl. No.	Name of the Company	Date of investment	Proportion of Shareholding as on		Amount (₹ in crore)	
			31.03.2018	31.03.2017	31.03.2018	31.03.2017
(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)	Cheyyur 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
	Total				**0.75**	**0.75**

*MoP vide its OM dated 16th January, 2017 has informed for the winding up of CSPL. The related proceedings are under way.

**MoP vide its OM dated 21st June, 2016 has conveyed its approval for the winding 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, 6 subsidiary companies (out of 8 wholly owned subsidiaries of PFCCL, 2 were transferred to successful bidders during FY 2017-18) 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)	
				31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Subsidiary Companies:						
1.	Fatehgarh-Bhadla Transmission Limited[(i)]	31.01.2017	14.03.2018	-	100%	-	0.01
2.	Goa- Tamnar Transmission Project Limited[(i)]	21.02.2017	14.03.2018	-	100%	-	0.01
3.	Bijawar-Vidharbha Transmission Limited	21.02.2017	--	100%	100%	0.01	0.01
4.	Shongtong Karcham-Wangtoo Transmission Limited	21.02.2017	-	100%	100%	0.01	0.01
5.	Tanda Transmission Company Limited[(ii)]	21.10.2013	-	100%	100%	0.05	0.05
6.	Ballabhgarh-GN Transmission Company Limited[(ii)]	21.10.2013	-	100%	100%	0.05	0.05

Sl. No.	Name of the Company	Date of investment	Date of Transfer to successful bidder	Proportion of Shareholding as on		Amount (₹ in crore)	
				31.03.2018	31.03.2017	31.03.2018	31.03.2017
7.	Mohindergarh-Bhiwani Transmission Limited[ii]	23.12.2014	-	100%	100%	0.05	0.05
8.	South-Central East Delhi Power Transmission Limited[ii]	18.02.2015	-	100%	100%	-	0.05
	Total					**0.17**	**0.24**

[i]Transferred to successful bidder(s) on completion of the bidding process

[ii]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.

2.3 In terms of RBI circular, borrower companies in which the Company holds 20% or more of the equity share capital, acquired in satisfaction of its advance, are not required to be consolidated.

3. Contingent Liabilities and Commitments:

3.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
(i)	Guarantees issued in domestic currency	153.75	190.38
(ii)	Claims against the Company not acknowledged as debts	68.65	11.74
(iii)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	1694.60	1,640.56
	Total	**1,917.00**	**1,842.68**

(B) Income Tax Demands

Additional demands raised by the Income Tax Department totaling to ₹ 85.87 crore (Previous year ₹ 40.53 crore) of earlier years are being contested. Out of the said demands, an amount of ₹ 5.01 crore (Previous year ₹ 40.53 crore) has been paid. 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 ₹ 165.39 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 or show cause notices raised by Service Tax Department totaling to ₹ 1.04 crore (Previous year ₹ 23.51 crore) 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. Management does not consider it necessary to make provision, as the liabilities are not considered probable.

3.2 Other Commitments

Estimated amount of contracts remaining to be executed on account of capital account, not provided for, is ₹ 557.41 crore as on 31.03.2018 (Previous year ₹ 103.95 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)

Sl. No.	Description	Year ended 31.03.2018	Year ended 31.03.2017
1.	Opening Balance	118.39$	95.39
2.	Addition during the year	11.58	23.90
3.	Reversal during the year	-	(0.90)
4.	Closing Balance	129.97*	118.39

*Pertaining to Assessment Year 2001-02 to 2015-16.
$Pertaining to Assessment Year 2001-02 to 2014-15.

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 – CL.V 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 31.03.2018.

6. A. Foreign currency expenditure and earning:

(₹ in crore)

Sl. No.	Description	For the Year ended 31.03.2018	For the Year ended 31.03.2017
A.	**Expenditure in foreign currency**		
(i)	Interest on foreign currency loans *	258.43	270.32
(ii)	Financial & Other charges*	9.03	1.97
(iii)	Traveling Expenses	5.98	0.67
(iv)	Training Expenses	0.35	0.29
B.	**Earning in foreign currency**	0.88	1.27

*including withholding tax

B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2018		As at 31.03.2017	
	Millions in respective currency	₹ in Crore	Millions in respective currency	₹ in Crore
USD	942	6,140.13	581	3,764.80
EURO	14	114.12	16	108.03
JPY*	43,668	2,685.80	43,668	2,532.85
Total		**8,940.05**		**6,405.68**

*Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for USD 45 million / ₹ 293.29 crore (Previous year USD / INR leg for USD 45 million / ₹ 291.83 crore).

C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2018 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 648.65 crore (Previous year debit balance ₹ 647.56 crore). In case of EESL, such exchange difference is recognized in the Statement of Profit and Loss.

D. Liabilities and assets denominated in foreign currency have been translated at FEDAI spot rate at year end as given below:

Sl. No.	Exchange Rates	As at 31.03.2018	As at 31.03.2017
(i)	USD / INR	65.1750	64.8500
(ii)	JPY / INR	0.615050	0.580025
(iii)	EURO / INR	80.8075	69.2925

7. Related Party Disclosures as per disclosure requirement of Accounting Standard-18:

(A) Key managerial personnel (KMP):

Description	Period
Power Finance Corporation Limited	
Shri Rajeev Sharma, CMD and CEO [(i)]	with effect from 01.10.2016
Shri R Nagarajan, Director (Finance) and CFO[(ii)]	with effect from 31.07.2009 till 31.05.2017
Shri N. B. Gupta, Director (Finance) and CFO[(iii)]	with effect from 18.08.2017
Shri C. Gangopadhyay, Director (Projects)[(iv)]	with effect from 01.01.2017
Shri D. Ravi, Director (Commercial)[(v)]	with effect from 16.11.2015
Shri Manohar Balwani, CS	with effect from 01.04.2014
Subsidiary Companies	
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 Avkash Saxena, Director (PECAP)	With effect from 23.09.2016
Joint Venture Entities	
Shri Saurabh Kumar, Managing Director, EESL	with effect from 07.05.2013
Shri Rajeev Sharma, Chairman & Director, EESL	with effect from 05.02.2018
Shri Kaushal Kishore Sharma, Chairman & Director	with effect from 21.10.2016 to 31.10.2017
Renu Narang, Director Finance	with effect from 01.03.2018
Pooja Shukla, Company Secretary	with effect from 27.12.2012

[(i)]Chairman in PFCCL, PFCGEL and PFC CAS also w.e.f 01.10.2016.

[(ii)]Director in PFCCL (w.e.f 21.10.2008 till 31.05.2017), PFCGEL (w.e.f 30.03.2011 till 31.05.2017), and PFC CAS (w.e.f 18.07.2011 till 31.05.2017).

[(iii)]Director in PFCCL (w.e.f 24.08.2017), PFCGEL (w.e.f 25.08.2017), and Additional Director in PFCCAS (w.e.f 17.11.2017).

[(iv)]Director in PFCCL (w.e.f 25.01.2017), PECAP (w.e.f. 13.10.2009), PFCCAS (w.e.f 24.01.2017) and PFCGEL (w.e.f 25.01.2017),

[(v)] Director in PFCCL (w.e.f. 01.12.2015), PFCGEL (w.e.f. 01.12.2015), PECAP (w.e.f. 29.03.2010) and PFCCAS (w.e.f 30.03.2016).

(B) Transactions with Key Management Personnel (KMP):

Managerial remuneration of KMP for the year ended 31.03.2018 is ₹ 4.26 crore (Previous year ₹ 4.36 crore). Loans & Advances given to KMP is ₹ 0.52 crore as on 31.03.2018 (Previous year ₹ 0.51 crore).

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 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
Coastal Maharashtra Mega Power Limited	12.24	11.10	12.24	11.10
Orissa Integrated Power Limited	182.09	138.93	182.09	138.93
Coastal Karnataka Power Limited	5.63	4.95	5.63	4.95
Coastal Tamil Nadu Power Limited	133.06	113.60	133.06	113.60
Chhattisgarh Surguja Power Limited	91.49	89.07	91.49	89.07
Sakhigopal Integrated Power Company Limited	7.84	7.12	7.84	7.12
Ghogarpalli Integrated Power Company Limited	6.71	6.08	6.71	6.11
Tatiya Andhra Mega Power Limited	9.47	9.36	9.47	9.36
Deoghar Mega Power Limited	14.82	10.69	14.82	10.69
Cheyyur Infra Limited	0.06	0.04	0.06	0.04
Odisha Infra Power Limited	0.24	0.20	0.24	0.22
Bihar Infra Power Limited	0.03	0.02	0.05	0.18
Bihar Mega Power Limited	7.81	4.28	7.81	5.73
Deoghar Infra Limited	0.25	0.15	0.40	0.15
Jharkhand Infrapower Limited	0.04	0.03	0.04	0.03
Subsidiaries of PFCCL	2.40	2.79	2.40	3.68
Total*	**474.18**	**398.41**	**474.35**	**400.96**

* 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 31.03.2018	As at 31.03.2017	Maximum during the year ended 31.03.2018	Maximum during the year ended 31.03.2017
Coastal Maharashtra Mega Power Limited	67.97	65.50	67.97	65.50
Orissa Integrated Power Limited	92.32	87.66	92.32	87.66
Coastal Tamil Nadu Power Limited	82.92	78.26	82.92	78.26
Chhattisgarh Surguja Power Limited	75.70	75.70	75.70	75.70
Sakhigopal Integrated Power Company Limited	27.46	26.30	27.46	26.30
Ghogarpalli Integrated Power Company Limited	25.98	24.88	25.98	24.88
Tatiya Andhra Mega Power Limited	26.94	26.36	26.94	26.36
Bihar Mega Power Limited	44.50	42.64	45.13	42.64
Deoghar Mega Power Limited	15.22	14.02	15.22	14.02
Total	**459.01**	**441.32**	**459.64**	**441.32**

B. None of the related party loanee is holding any equity investment in the Company as on 31.03.2018 (Previous year Nil).

9. 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 31.03.2018	As at 31.03.2017
Total of future minimum lease payments recoverable (Gross Investments)	328.15	335.79
Present value of lease payments recoverable	194.32	194.32
Unearned finance income	**133.83**	**141.47**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	51.84	27.11
Later than one year and not later than 5 years	128.52	107.10
Later than five years	147.79	201.58
Total	**328.15**	**335.79**
Break up of present value of lease payments recoverable:-		
Not later than one year	18.04	8.62
Later than one year and not later than 5 years	61.77	43.17
Later than five years	114.51	142.53
Total	**194.32**	**194.32**

(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 ₹ 0.44 crore as on 31.03.2018 (Previous year ₹ 0.89 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 Nil as on 31.03.2018 (Previous year ₹ 3.45 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 started on 01.04.2014 and was completed on 08.06.2017 on prepayment of secondary period lease rental.

(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 Nil as on 31.03.2018 (Previous year ₹ 3.74 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 started on 01.04.2015 and was completed on 09.06.2017 on prepayment of secondary period lease rental.

(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 31.03.2018 (Previous year ₹ 327.71 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, warehouses 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 joint venture EESL and one of Company's subsidiary PFCCL). Rent for residential accommodation of employees include ₹ 5.77 crore (Previous year ₹ 6.10 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 – Consolidated Employee Benefit Expenses. Lease payments in respect of premises for offices amounting to ₹ 6.97 crore (Previous year ₹ 4.99 crore) are shown as office rent in Note Part A 17 – Consolidated Other Expenses. Future lease payments in respect of these lease arrangements (non-cancellable) are given below:

(₹ in crore)

Future minimum lease rent payments	Year ended 31.03.2018	Year ended 31.03.2017
Not later than one year	8.50	8.49
Later than one year and not later than 5 years	19.04	5.31
Later than 5 years	3.34	5.74
Total	**30.88**	**19.54**

10. 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 ₹ 9.64 crore and ₹ 103.09 crore as on 31.03.2018 (Previous year ₹ 8.67 crore and ₹ 93.56 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 31.03.2018	Year ended 31.03.2017
Opening Balance	109.69	107.47
Add : Received during the period	-	-
: Interest credited during the period	9.32	9.06
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	3.01	6.84
: 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	-	-
Closing Balance	**116.00**	**109.69**

(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.

The amount recoverable from borrowers & payable to GoI under R – APDRP scheme stands at ₹ 14,645.44 crore as on 31.03.2018 (₹ 12,749.20 crore as on 31.03.2017).

(ii) The Company receives nodal agency fee and reimbursement of expenditure under R-APDRP scheme for operationalization and associated service for implementation of R – APDRP from 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.

Total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company stands at ₹ 301.94 crore as on 31.03.2018 (₹ 280.72 crore as on 31.03.2017).

(C) Integrated Power Development Scheme (IPDS)

The Company has been designated as Nodal Agency for operationalization and implementation of IPDS scheme also 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.

Amount of GOI grant administered to the eligible utilities till 31.03.2018 is ₹ 5,329.82 crore (₹ 2,561.01 crore as on 31.03.2017).

The Company is eligible for nodal agency fee totaling to 0.50% (to be accrued in phases as per scheme) of total project cost approved by Monitoring Committee or award cost, whichever is lower.

11. (a) As regards RBI 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.

(b) 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 were regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms are applicable for any future restructuring undertaken in these loans.

12. Loan Assets, Other assets and provisions thereon:

(₹ in crore)

Sl. No.	Asset Classification	As at 31.03.2018			As at 31.03.2017		
		Principal Outstanding	Provision for the year ended 31.03.2018	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2017	Accumulated Provision
(A)	**Classification of Loan Assets and provision thereon**						
(i)	Standard Assets	228,432.50	780.72	1,340.65	159,726.85	(38.55)	559.93
(ii)	Restructured Standard Assets	24,167.65#	(950.53)	1,407.32	55,473.12	1,228.65	2,357.85
(iii)	Sub-standard Assets	17,375.97	(637.56)	1,737.60	23,751.56	1,887.40	2,375.16
(iv)	Doubtful Assets	8,637.03	944.20	3,652.46	6,677.81	1,986.27	2,708.26
(v)	Loss Assets	715.10	442.26	715.10	272.84	24.56	272.84
(B)	**Other Assets and provision thereon**						
(i)	Other Assets – NPA / Bad & Doubtful (other than considered good)	5.26	(12.01)	5.26	17.29	16.26	17.27
(ii)	Trade Receivable*- NPA	10.68	2.94	10.68	7.74	7.74	7.74
	Grand Total	**2,79,344.19**	**570.02**	**8,869.07**	**245,927.21**	**5,112.33**	**8,299.05**

#₹ 4,937.59 crore in private sector and ₹ 19,230.06 crore in Govt. sector (Previous year ₹ 19,445.92 crore in private sector and ₹ 36,027.20 crore in Govt. sector).

*Pertains to PFCCL (One of Company's Subsidiary) and EESL (Joint Venture).

13. In case of a loan asset, fraud has been committed by the borrower; the amount outstanding of ₹ 442.26 crore as on 31.03.2018 has been classified as loss asset and has been fully provided for (no such incidences in previous year).

14. 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 categorization is done on the basis of security status obtained from the lead lender.

15. Details of Restructured Accounts along-with provisions thereon are given below:

(₹ in crore)

Sl. No.	Type of Restructuring		Under CDR / SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2017	No. of borrowers	Nil					22	2	7	-	31	22	2	7	-	31
		Amount outstanding						55,473.12	15,001.83	4,768.24	-	75,243.19	55,473.12	15,001.83	4,768.24	-	75,243.19
		Provision Thereon						2,357.85	1,500.18	1,662.61		5,520.64	2,357.85	1,500.18	1,662.61		5,520.64
2	Categorised as restructured during the year	No. of borrowers	Nil					6	-	-	-	6	6	-	-	-	6
		Amount outstanding						713.34	-	-	-	713.34	713.34	-	-	-	713.34
		Provision Thereon						35.67	-	-	-	35.67	35.67	-	-	-	35.67
3	Up gradations to restructured standard category during the year	No. of borrowers	Nil					2	(2)	-	-	-	2	(2)	-	-	-
		Amount outstanding						12,016.83	(15,001.83)	-	-	(2,985.00)	12,016.83	(15,001.83)	-	-	(2,985.00)
		Provision Thereon						600.84	(1,500.18)	-	-	(899.34)	600.84	(1,500.18)	-		(899.34)
4	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 (including Pre-payment of loan)	No. of borrowers	Nil					(10)	-	-	-	(10)	(10)	-	-	-	(10)
		Amount outstanding						(34,774.80)	-	-	-	(34,774.80)	(34,774.80)	-	-	-	(34,774.80)
		Provision Thereon						(1,481.84)	-	-	-	(1,481.84)	(1,481.84)	-	-	-	(1,481.84)
5	Down gradation of restructured accounts during the year	No. of borrowers	Nil					(6)	4	2	-	-	(6)	4	2	-	-
		Amount outstanding						(10,558.39)	9,069.61	2,121.12	-	632.33	(10,558.39)	9,069.61	2,121.12	-	632.33
		Provision Thereon						(448.73)	906.96	424.22	-	882.45	(448.73)	906.96	424.22	-	882.45
6	Write-offs restructured accounts during the year	No. of borrowers	Nil					-	-	-	-	-	-	-	-	-	-
		Amount outstanding						-	-	-	-	-	-	-	-	-	-
		Provision Thereon						-	-	-	-	-	-	-	-	-	-
7	Movement from restructured doubtful to doubtful category during the year	No. of borrowers	Nil					-	-	(1)	-	(1)	-	-	(1)	-	(1)
		Amount outstanding						-	-	(615.67)	-	(615.67)	-	-	(615.67)	-	(615.67)
		Provision Thereon						-	-	(382.55)	-	(382.55)	-	-	(382.55)	-	(382.55)
8	Restructured accounts as on 31st March, 2018	No. of borrowers	Nil					14	4	8	-	26	14	4	8	-	26
		Amount outstanding						24,167.65	9,069.61	6,697.52	-	39,934.78	24,167.65	9,069.61	6,697.52	-	39,934.78
		Provision Thereon						1,407.32	906.96	2,469.68	-	4,783.96	1,407.32	906.96	2,469.68	-	4,783.96

16. Asset classification of loan accounts of one of the borrower has been maintained as standard as on 31.03.2018 in view of ad-interim stay from jurisdictional Hon'ble High Court, vide order dated 17.06.2015 followed by legal opinion. However, interest on this loan is being recognized on realisation basis. Accordingly, Interest/income of ₹ 573.18 crore accrued and remaining unrealised has not been recognized during year ended 31.03.2018 (previous year ₹ 413.03 crore). Further, provision in this account stands at ₹ 515.46 crore as on 31.03.2018 (Previous year ₹ 163.17 crore).

17. 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 ₹ 20 lakh per employee.

C. Pension

The Company has a defined contribution pension scheme till 31.12.2017 which was managed by a separate trust. Employee and Employer contribution to the fund has been contributed on monthly basis. The Company has switched to National Pension System w.e.f. 01.01.2018.

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 as per Company rules. 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. 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 31.03.2018 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	1.81 (1.91)	1.02 (0.78)	3.98 (3.22)
Interest cost on benefit obligation	1.75 (1.67)	1.64 (1.43)	2.41 (2.17)
Expected return on plan assets	-1.93 (-1.84)	-1.45 (-1.01)	- (-)
Past Service Cost	10.87 (-)	- (-)	- (-)
Net actuarial (gain) / loss recognised in the year	-10.76 (-0.21)	5.46 (2.87)	3.69 (2.44)
Expenses recognised in Statement of Profit & Loss Account*	1.75 (1.53)	6.67 (4.04)	10.08 (7.83)

*During the year, the expenses include ₹ 0.07 crore (previous year ₹ 0.09 crore), ₹ 0.41 crore (previous year ₹ 0.43 crore) and ₹ 0.33 crore (previous year ₹ 0.29 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 31.03.2018 (i)	26.02 (23.15)	27.81 (21.82)	22.12 (31.23)
Fair value of plan assets as at 31.03.2018 (ii)	24.07 (21.74)	22.20 (18.15)	- (-)
Difference (ii) – (i)	-1.95 (-1.41)	-5.61 (-3.67)	-22.12 (-31.23)
Net asset / (liability) recognized in the Balance Sheet	-1.95 (-1.41)	-5.61 (-3.67)	-22.12 (-31.23)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2017	23.16 (20.83)	21.82 (17.83)	31.23 (27.11)
Acquisition adjustment	- (-)	- (-)	- (0.01)
Interest cost	1.75 (1.67)	1.64 (1.43)	2.41 (2.17)
Current service cost	1.81 (1.91)	1.02 (0.78)	3.98 (3.22)

Description	Gratuity	PRMS	Leave
Benefits paid	-0.85 (-0.99)	-2.36 (-1.09)	-19.24 (-3.72)
Past Service Cost	10.87 (-)	- (-)	- (-)
Net actuarial (gain)/loss on obligation	-10.76 (-0.27)	5.69 (2.87)	3.69 (2.44)
Present value of the defined benefit obligation as at 31.03.2018	25.99 (23.15)	27.81 (21.82)	22.06 (31.23)

iv) Changes in fair value of plan assets

(₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2017	21.74 (20.47)	18.15 (0.00)	- (-)
Expected return on plan assets	1.93 (1.84)	1.45 (1.01)	- (-)
Contributions by employer	1.22 (0.47)	4.07 (17.93)	- (-)
Benefit paid	-0.82 (-0.98)	-1.71 (-0.83)	- (-)
Actuarial gain / (loss)	- (-0.06)	0.24 (0.04)	- (-)
Fair value of plan assets as at 31.03.2018	24.07 (21.74)	22.20 (18.15)	- (-)

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%	3.21	0.27
Cost decrease by 1%	3.09	0.26

vi) During the year, Company has provided liability of ₹ 1.50 crore, ₹ 6.67 crore, ₹ 9.56 crore and ₹ 0.08 crore (previous year ₹ 1.41 crore, ₹ 4.04 crore, ₹ 7.49 crore and Nil) towards contribution to the Gratuity Trust, PRMS, Leave and towards Pension respectively. Above amount includes ₹ 0.07 crore, ₹ 0.41 crore and ₹ 0.33 crore (previous year ₹ 0.09 crore, ₹ 0.43 crore and ₹ 0.29 crore) for Gratuity, Leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.12 crore (previous year ₹ 0.21 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.75 crore (previous year ₹ 0.59 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 ₹ 0.05 crore) allocated to subsidiary companies.

J. (I) Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2018 are given below:

(₹ in crore)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
i)	Government Securities	14.11	12.95
ii)	Corporate bonds / debentures[1]	8.66	7.86
iii)	Other Investments & Bank balances	0.78	0.31
	Total	**23.55**	**21.12**

[1]As at 31.03.2018, Bonds of the Company amounting to ₹ 0.60 crore (previous year ₹ 0.60 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.87%
Expected rate of return on assets – Gratuity	7.94%
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 31.03.2018 are as follows:-

(₹ in crore)

Sl.No.	Description	As at 31.03.2018	As at 31.03.2017
i)	Government Securities	10.11	8.07
ii)	Corporate bonds / debentures	10.46	8.54
iii)	Other Investments & Bank Balances	1.14	0.97
	Total	**21.71**	**17.58**

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.87%
Expected rate of return on assets – PRMS	7.76%
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)

Gratuity*	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	25.99	23.15	20.74	19.36	17.98
Fair value of plan assets as at	24.07	21.74	20.47	19.14	17.12
Surplus/(Deficit)	(1.92)	(1.41)	(0.27)	(0.21)	(0.86)
Experience adjustment on plan liabilities (loss)/gain	9.27	1.38	1.09	1.10	0.31
Experience adjustment on plan assets (loss)/gain	0.00	(0.06)	0.02	0.09	0.26

*The Company's best estimate of contribution towards gratuity for financial year 2018-19 is ₹ 3.31 crore (previous year ₹ 1.16 crore). Actual return on plan assets during the year ended 31.03.2018 is ₹ 1.93 crore (previous year ₹ 1.79 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*	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	27.81	21.82	17.83	14.58	11.75
Fair value of plan assets as at	22.20	18.15	-	-	-
Surplus/(Deficit)	(5.61)	(3.67)	(17.83)	(14.58)	(11.75)
Experience adjustment on plan liabilities (loss)/gain	(6.46)	(1.34)	(2.36)	(2.11)	(1.54)
Experience adjustment on plan assets (loss)/gain	0.24	0.03	-	-	-

*The Company's best estimate of contribution towards PRMS for financial year 2018-19 is ₹ 5.62 crore (Previous year ₹ 4.97 crore). Actual return on plan assets during the year ended 31.03.2018 is ₹ 1.69 crore (Previous year ₹ 1.04 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)

Leave	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	22.06	31.23	26.89	23.42	20.66
Experience adjustment on plan liabilities (loss)/gain	(4.75)	(1.04)	(2.18)	(1.18)	(2.63)

(₹ in crore)

LSA	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	5.30	4.99	4.74	4.49	4.04
Experience adjustment on plan liabilities (loss)/gain	(0.25)	1.18	1.10	0.67	0.46

(₹ in crore)

ERS	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	1.67	1.63	1.50	1.24	1.24
Experience adjustment on plan liabilities (loss)/gain	0.31	0.52	0.02	0.38	0.46

(₹ in crore)

Baggage Allowance	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
Present value of obligation as at	0.20	0.13	0.11	0.10	0.09
Experience adjustment on plan liabilities (loss)/gain	0.00	0.00	0.02	0.02	0.01

18. Corporate Social Responsibility:

(a) In line with 'Guidance Note on Accounting for Expenditure on Corporate Social Responsibility (CSR) Activities' issued by The Institute of Chartered Accountants of India, provision on account of unspent CSR expenses as on 31.03.2017 of ₹ 100.20 crore has been reversed during the year ended 31.03.2018. On the basis of expenditure incurred ₹ 118.18 crore has been charged to Profit and Loss Account during the year ended 31.03.2018.

(b) Details of gross amount required to be spent on CSR activities by the Company during the year.

(₹ in crore)

Particulars	FY 2017-18	FY 2016-17
Amount required to be spent on CSR activities as per Section 135 (5) of Companies Act, 2013	151.19	167.64
Carry forward from previous year	100.21	102.98
Gross amount required to be spent	251.40	270.62
Amount spent during the year	120.16	170.41
Unspent amount	131.24	100.21

(c) Amount spent during the year on CSR activities:

(₹ in crore)

Sl. No.	Particulars	FY 2017-18			FY 2016-17		
		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	60.27	-	60.27	112.52	0.20	112.72
(iib)	Education / Vocational Skill development	26.45	-	26.45	30.32	-	30.32
(iic)	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	27.12	-	27.12	20.93	0.76	21.69
(iid)	Sports	-	-	-	0.10	-	0.10
(iie)	Others	2.18	-	2.18	1.02	-	1.02
(iif)	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	2.16	-	2.16	2.02	0.24	2.26
(iii)	Amount spent by Subsidiaries / JVs	1.92	0.06	1.98	2.29	0.01	2.30
	Total (ii)	**120.10**	**0.06**	**120.16**	**169.20**	**1.21**	**170.41**
	Grand Total (i) and (ii)			**120.16**			**170.41**

(d) Details of related party transactions w.r.t. CSR activities as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).

(e) Movements in the CSR provision during the year as per AS-29 shown separately at Consolidated other Note Part C - 19.

19. Disclosure of provisions as required under Accounting Standard – 29, {Figures in brackets ( ) are for previous year}, are given below:

(₹ in crore)

Provision for	Opening Balance as on 01.04.2017 (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance as on 31.03.2018 5 = (1+2-3-4)
CSR	100.21 (102.98)	1.91 (167.64)	1.92 (170.40)	100.20 (-)	- (100.22)
Proposed Final Dividend	- (79.20)	- (-)	- (79.20)	- (-)	- (-)
Proposed Corporate Dividend Tax	1.79 (16.83)	0.84 (1.79)	1.79 (16.83)	- (-)	0.84 (1.79)
Interim Dividend	1,320.04 (-)	2,059.26 (1,320.04)	3,379.30 (-)	- (-)	- (1,320.04)
Corporate Dividend Tax on Interim dividend	67.18 (-)	419.22 (268.73)	471.16 (201.55)	15.24 (-)	- (67.18)

20. Modifications in Consolidated Significant Accounting Policies (Note - Part – B) having financial impact, during the year ended 31.03.2018, are as follows:

(₹ in crore)

Sl. No.	Consolidated Significant Accounting Policy		Modifications	Impact on PBT [increase / (decrease)]
	No.	Title		
1.	C 2.4	Recognition of Income / Expenditure	Inserted to amortise the arrangement fee on long term foreign currency borrowings over its tenure.	120.64
2.	C 8.2	Provisioning against Standard Assets, Restructured Standard Assets and NPAs.	Rate of provisioning has been enhanced on standard assets from 0.35% to 0.40% as per RBI Norms.	(114.05)
			Rate of provisioning has been enhanced on Restructured Standard Assets from 4.25% to 5% as per RBI norms.	(180.79)
			Policy regarding provisioning requirement of restructured project loans related to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters has been aligned in line with RBI restructuring norms.	(67.83)
3.	C 9	Foreign Currency Transactions	Exchange difference in case of loan from KfW, Germany has been charged off to Statement of Profit and Loss as against earlier policy of transferring it to Interest Differential Fund Account – KfW.	(1.51)
Total				**(243.54)**

21. Depreciation on assets is provided over the useful life of assets as mentioned below:

Sl. 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.[1]	3	5%
3.	Office and other Equipment[1]	5	5%
3A	Cell Phone[2]	2	5%
4.	Furniture & Fixture[1]	10	5%
5.	Vehicle (Car)	8	5%
6.	Intangible Assets[3]	5	-
7.	ESCO Projects[4]	Project period	-
8.	Leasehold improvements[5]	Lease period	-

[1] Useful life taken by the Company and PFCGEL (one of Company's Subsidiary).

[2] Useful life has been taken by the Company, PFCCL, PFCCAS, PFCGEL (Company's Subsidiaries) and EESL (Joint Venture).

[3] In case of PFCCL (Company's Subsidiary) useful life taken as 3 years.

[4] As disclosed by EESL (Joint Venture).

[5] Useful life taken by EESL (Joint Venture) and Lease Period or their useful lives whichever is shorter in case of PFCCL (one of Company's Subsidiary).

Assets as mentioned at Sl. No. 1 to 5 above are depreciated using written down value method and 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 the 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.

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 31.03.2018, proportion of net block of fixed assets pertaining to EESL where different accounting policy is applied, is 91.37% of the consolidated net block of fixed assets (83.56% as on 31.03.2017).

22. The Company has no outstanding liability towards Micro, Small and Medium enterprises (previous year ₹ 0.002 crore).

23. Leasehold land is not amortized, as it is a perpetual lease.

24. As required under Section 125 of the Companies Act, 2013, ₹ 0.83 crore, (Previous year ₹ 4.58 crore), became due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2018 and was deposited. Further, an amount of ₹ 2.63 crore (Previous year ₹ 2.03 crore) remains unpaid pending completion of transfer formalities by the claimants.

25. During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2017 to the borrowers. Confirmation for 99.12% of the said balances have been received and confirmation for ₹ 2,291.39 crore is awaited.

26. 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 31.03.2018	As at 31.03.2017
(A) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	19.06	20.45
(ii) Preliminary Expenses	-	-
(iii) Employee related provisions	0.48	0.45
(B) Deferred Tax Liabilities (-)		
(i) Depreciation	1.33	(0.45)
(ii) Lease income	(66.64)	(66.00)
(iii) Amortization	(0.31)	(0.24)
(iv) Unamortized Exchange Loss (Net)	(135.61)	(100.76)
(v) Net MTM Receivable from bank against derivative	(55.70)	(101.00)
(vi) Unamortise Exp on Borrowings	(58.77)	-
Net Deferred Tax liabilities (-)/Assets (+)	**(296.16)**	**(247.55)**

27. 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 31.03.2018	During year ended 31.03.2017
Net Profit after tax used as numerator (₹ in crore)	5,844.11	2,236.10
Weighted average number of equity shares used as denominator (basic)	264,00,81,408	264,00,81,408
Diluted effect of outstanding Stock Options	-	-
Weighted average number of equity shares used as denominator (diluted)	264,00,81,408	264,00,81,408
Earning per equity share, face value ₹ 10 each(basic) (₹)	22.14	8.47
Effect of outstanding Stock Options (₹)	-	-
Earning per equity share, face value ₹ 10 each (diluted) (₹)	22.14	8.47

28. A) The status of dividend on equity shares of face value of ₹ 10 each, for the year ended 31.03.2018 is as under:

Particulars	Year ended 31.03.2018			Year ended 31.03.2017		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	60%[1]	6.00	1,584.05	50%	5.00	1,320.04
Second Interim dividend	18%[2]	1.80	475.21	-	-	-
Final Dividend	-	-	-	-	-	-
Total Dividend	**78%**	**7.80**	**2,059.26**	**50%**	**5.00**	**1,320.04**

[1]Declared by Board of Directors in their 367th meeting held on 03.11.2017 and paid on 23.11.2017.

[2]Declared by Board of Directors in their 370th meeting held on 26.02.2018 and paid on 19.03.2018.

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	
Year to which the dividend relates	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Number of non-resident shareholders	4,573	3,343	5,237	NA	NA	NA
Number of shares held by them of Face Value of ₹ 10 each	39,29,13,189	41,32,25,284	38,37,17,025	NA	NA	NA
Gross amount of Dividend (₹ in crore)	235.75	206.61	69.07	NA	NA	NA

29. Other key financial parameters:

Description	As at 31.03.2018	As at 31.03.2017
Debt Equity Ratio	5.73	5.51
Net worth (₹ in crore)	40,201.74	36,844.93

30. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of Company are given below:

Items		As at 31.03.2018	As at 31.03.2017
(i)	Capital Fund - a. Tier I (₹ in crore)	36,887.71	33,837.70
	- b. Tier II (₹ in crore)	6,479.79	6,373.62
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items. (₹ in crore)	2,15,574.67	2,07,212.06
(iii)	CRAR	20.12%	19.41%
(iv)	CRAR – Tier I Capital	17.11%	16.33%
(v)	CRAR – Tier II Capital	3.01%	3.08%
		During the year ended 31.03.2018	During the year ended 31.03.2017
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

31. 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, 2018.

32. 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.

33. Additional disclosures in accordance with RBI Master Direction - Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(A) Significant Accounting Policies

Reference may be made to Note Part - B.

(B) Capital

Reference may be made to Note Part C - 30 for CRAR.

(C) Investments

(₹ in crore)

Sl. No.	Description			As at 31.03.2018	As at 31.03.2017
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	2,291.29	3,234.93
		(b)	Outside India	-	-
	(ii)	Provisions for Depreciation			
		(a)	In India	344.47	89.81
		(b)	Outside India	-	-
	(iii)	Net Value of Investments			
		(a)	In India	1,946.82	3,145.12
		(b)	Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		89.91	96.26
	(ii)	Add : Provisions made during the year		254.56	86.69
	(iii)	Less : Write-off / write-back of excess provisions during the year			93.04
	(iv)	Closing balance		344.47	89.91

(D) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2018	As at 31.03.2017
(i)	Notional principal of swap agreements	13,781.48	6,813.10
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	180.81	299.87
(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)	167.60	299.87

II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

a. 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.

b. Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps, options 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 managed through various derivative instruments.

c. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for as per the accounting standard 11 / Guidance Note on Derivatives issued by ICAI. The mark to market positions mentioned are those as informed by the counterparty banks.

d. Reference may be made to Note Part B – C 10 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 31.03.2018		As at 31.03.2017	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging[1]	9,729.73	13,781.48	2,107.63	6,813.10
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	2.78	180.81	0.00	299.87
	b) Liability (-MTM)	226.18	13.21	68.41	0.00
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures[2]	8,940.05	7,391.86	6,405.68	6,296.24

[1] Interest rate derivatives include derivatives on Rupee liabilities of ₹ 5,634.60 crore (Previous year ₹ 6,164.60 crore)

[2] Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/INR) for ₹ 293.29 crore (Previous year covering USD / JPY ₹ 291.83 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 31.03.2018 (Previous year Nil).

II. Company has not sold any financial assets to Securitization / Asset Reconstruction Company during the year ended 31.03.2018 (Previous year Nil).

III. Company has not undertaken any assignment transaction during the year ended 31.03.2018 (Previous year Nil).

IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2018 (Previous year Nil).

(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in crore)

Description	Up to 30/31 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[1]	532.95	-	-	-	-	-	-	-	**532.95**
Advances [2]	4,494.07	688.44	3,905.59	7,918.51	12,704.58	42,811.88	47,806.05	159,026.60	**279,355.71**
Investments[3]	-	-	-	-	1,070.76	-	-	1,265.60	**2,336.36**
Borrowings[4]	1,275.80	2,805.00	7,345.70	12,457.70	13,325.06	69,867.71	37,178.05	67,628.47	**211,883.49**
Foreign Currency assets	-	-	-	-	-	-	-	240.96	**240.96**
Foreign Currency Liabilities	4.67	-	5.93	-	2,348.39	5,174.02	8,024.53	2,702.55	**18,260.08**

[1] Fixed Deposit with Banks
[2] Rupee Loan Assets
[3] Net of provision
[4] 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 31.03.2018	Amount as at 31.03.2017
(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);	1485.14	1,428.78
(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;	-	-
(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;	-	-

Sl. No.	Description	Amount as at 31.03.2018	Amount as at 31.03.2017
(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);	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(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;	2,700.47	2,772.39
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	6.15
Total Exposure to Capital Market		**4,191.76**	**4,207.32**

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 2017-18 and FY 2016-17.

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 31.03.2018 (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 31.03.2018, 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+
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 31.03.2018:

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

(K) Net Profit or Loss for the period, prior period items and changes in accounting policies

Reference may be made to Consolidated Statement of Profit And Loss, Note Part A-18 and Consolidated other Note Part C-20 regarding Consolidated prior period items and changes in accounting policies respectively.

(L) Circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties

Reference may be made to consolidated Note Part C-16

(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 Consolidated Notes to Accounts in this regard.

(N) Provisions and Contingencies

(₹ In crore)

Description	For the year ended 31.03.2018	For the year ended 31.03.2017
Provisions for depreciation on Investment	344.47	(89.91)
Provision towards NPA	739.84	3,922.223
Provision for Standard Assets	780.71	(38.55)
Restructured Standard Assets	(950.53)	1,228.65
Provision made towards Income tax	2,465.16	3,121.24

(O) Draw Down from Reserves

Reference may be made to Note Part A – 2 Consolidated Reserves & Surplus.

(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 31.03.2018	As at 31.03.2017
Total Advances to 20 largest borrowers	1,62,724.45	1,53,506.95
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	58.20%	62.44%

c. Concentration of Exposures:

(₹ In crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Exposure to twenty largest borrowers / customers	2,37,469.89	2,40,892.19
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	53.80%	56.13%

d. Concentration of NPAs:

(₹ In crore)

Description	As at 31.03.2018	As at 31.03.2017
Total Outstanding to top four NPA accounts	12,326.29	22,667.83

e. Sector-wise NPAs:

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2018, the percentage of Gross NPAs to total loan assets stands at 9.57% (Previous year 12.50%).

(Q) Movement of NPAs in respect of Loan Assets

(₹ In crore)

Sl. No.	Description		Year ended 31.03.2018	Year ended 31.03.2017
(i)	Net NPAs to Net Advances (%)		7.55	10.55
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	30,702.21	7,519.04
	(b)	Additions during the year	15,503.46	24,573.14
	(c)	Reductions during the year	19,477.53	1,389.97
	(d)	Closing balance	26,728.14	30,702.21
(iii)	Movement of Net NPAs			
	(a)	Opening balance	25,345.96	6,061.02
	(b)	Additions during the year	12,474.88	20,536.64
	(c)	Reductions during the year	17,197.85	1,251.70
	(d)	Closing balance	20,622.99	25,345.96
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	5,356.25	1458.02
	(b)	Provisions made during the year	3,028.57	4,036.50
	(c)	Write-off / write-back of excess provisions	2,279.67	138.27
	(d)	Closing balance	6,105.15	5,356.25

(R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.

(S) Reference may be made to Consolidated Other Note Part C –2.1 for list of Off-balance Sheet SPVs sponsored by the Company.

(T) Customer Complaints for FY 2017-18

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**

34. As prescribed by Paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, in so far as they are applicable)

(₹ in Crore)

Particulars			Amount as on 31.03.2018		Amount as on 31.03.2017	
Liabilities Side			outstanding	overdue	outstanding	overdue
(1)	**Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:**					
	(a)	Debentures : Secured	20,401.58	0.00	20,109.87	0.00
		: Unsecured	176,033.95	0.00	170,800.80	0.00
	(b)	(i) Rupee Term Loans	10,525.00	0.00	2,000.00	0.00
		(ii) Foreign Currency Loans	15,653.08	0.00	7,276.58	0.00
	(c)	Commercial Paper	6,924.74	0.00	-	0.00
	(d)	Short Term Borrowings	-	0.00	2,400.79	0.00
Assets Side			Principal Amount Outstanding as on 31.03.2018		Principal Amount Outstanding as on 31.03.2017	
(2)	**Break-up of Loans and Advances including bills receivables (other than those included in (3) below) (Net of Provisions) :**					
	(a)	Secured	184,084.34		168,881.39	
	(b)	Unsecured	89,321.80		71,786.70	
(3)	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :**					
	(i)	Lease assets including lease rentals under sundry debtors:				
		(a) Financial lease	174.89		194.32	
(4)	**Break-up of Investments (Net of Provisions)**					
	Current Investments					
	1.	Quoted				
		(i) Shares				
		(a) Equity	1,070.76		1,071.02	
	2.	Unquoted				

		(i)	Shares		
			(a) Equity	-	254.51
	Long Term Investments				
	1.	Quoted			
		(i)	Shares		
			(a) Equity	12.00	12.00
		(ii)	Debentures and Bonds	800.00	1,800.00
	2.	Unquoted			
		(i)	Shares		
			(a) Equity	147.45	147.45
			(b) Preference	-	-
		(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 31.03.2018)**			**Amount Net of Provisions (as on 31.03.2017)**	
				Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
	1.	Related Parties							
		(a)	Subsidiaries	0.00	289.22	289.22	0.00	243.49	243.49
		(b)	Other related parties	0.03	0.49	0.52	0.04	0.46	0.50
	2.	Other than related parties		184,259.20	89,032.09	273,291.29	169,075.67	71,542.75	240,618.42
	Total			**184,259.23**	**89,321.80**	**273,581.03**	**169,075.71**	**71,786.70**	**240,862.41**
(6)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**							
	Category			**As on 31.03.2018**			**As on 31.03.2017**	
				Market value / Break up$ or fair value or NAV		**Book Value (Net of Provisions)**	**Market value / Break up$ or fair value or NAV**		**Book Value (Net of Provisions)**
	1.	Related Parties							
		(a)	Subsidiaries						
		(b)	Companies in the same group	201.82		0.95	255.19		0.95
	2.	Other than related parties		166.78		146.50	177.89		146.50
		(i)	Quoted	2,030.92		1,882.76	3,170.10		2,883.02
		(ii)	Unquoted	342.70		6.15	331.47		260.66
	Total			**2,742.22**		**2,036.36**	**3,934.65**		**3,291.13**
(7)	**Other Information**								
	Particulars			**Amount (as on 31.03.2018)**			**Amount (as on 31.03.2017)**		
	(i)	Gross Non-performing Assets							
		(a)	Other than related parties	26,730.65			30,718.61		
	(ii)	Net Non-performing Assets							
		(a)	Other than related parties	20,622.99			25,345.95		
	(iii)	Assets acquired in satisfaction of debt		341.10			341.10		

$In case of negative break-up value, Nil value has been considered.

35. 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.

36. Figures have been rounded off to the nearest crore of rupees with two decimals.

37. 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/-	**Sd/-**	**Sd/-**
(Manohar Balwani)	**(N. B. Gupta)**	**(Rajeev Sharma)**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN – 00530741	DIN – 00973413

Signed in terms of our report of even date attached

For M. K. Aggarwal & Co.	For Gandhi Minocha & Co.
Chartered Accountants	Chartered Accountants
Firm's Regn. No. 01411N	Firm's Regn. No. 000458N
Sd/-	**Sd/-**
(CA M. K. AGGARWAL)	**(CA BHUPINDER SINGH)**
Partner	Partner
Membership No - 014956	Membership No - 092867

Place: New Delhi
Date: 25.05.2018

POWER FINANCE CORPORATION LIMITED
CIN: L65910DL1986GOI024862
Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi -110001
Tel: +91 11 23456000, **Fax:** +91 11 23412545, **Email id:** investorsgrievance@pfcindia.com
Website: www.pfcindia.com

ATTENDANCE SLIP

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND
HAND IT OVER AT THE ENTRANCE

I/We hereby record my/our presence at the 32nd Annual General Meeting of the Company being held on Tuesday, the September 11, 2018 at 10:30 AM at Talkatora Indoor Stadium, Talkatora Garden, New Delhi 110004.

Serial No :_____

Name and Registered Address of the
Sole/first named Member :

Name(s) of the Joint Member(s), if any :

Regd Folio No. / DP ID /Client ID No. :

Number of shares held :

Name of the Proxy / Representative :

Signature of the Member / Proxy /
Authorized Representative

NAME OF THE HOLDER	FOLIO/DPID/CLIENT ID NO.	NO. OF SHARES

FOR ATTENTION OF MEMBERS

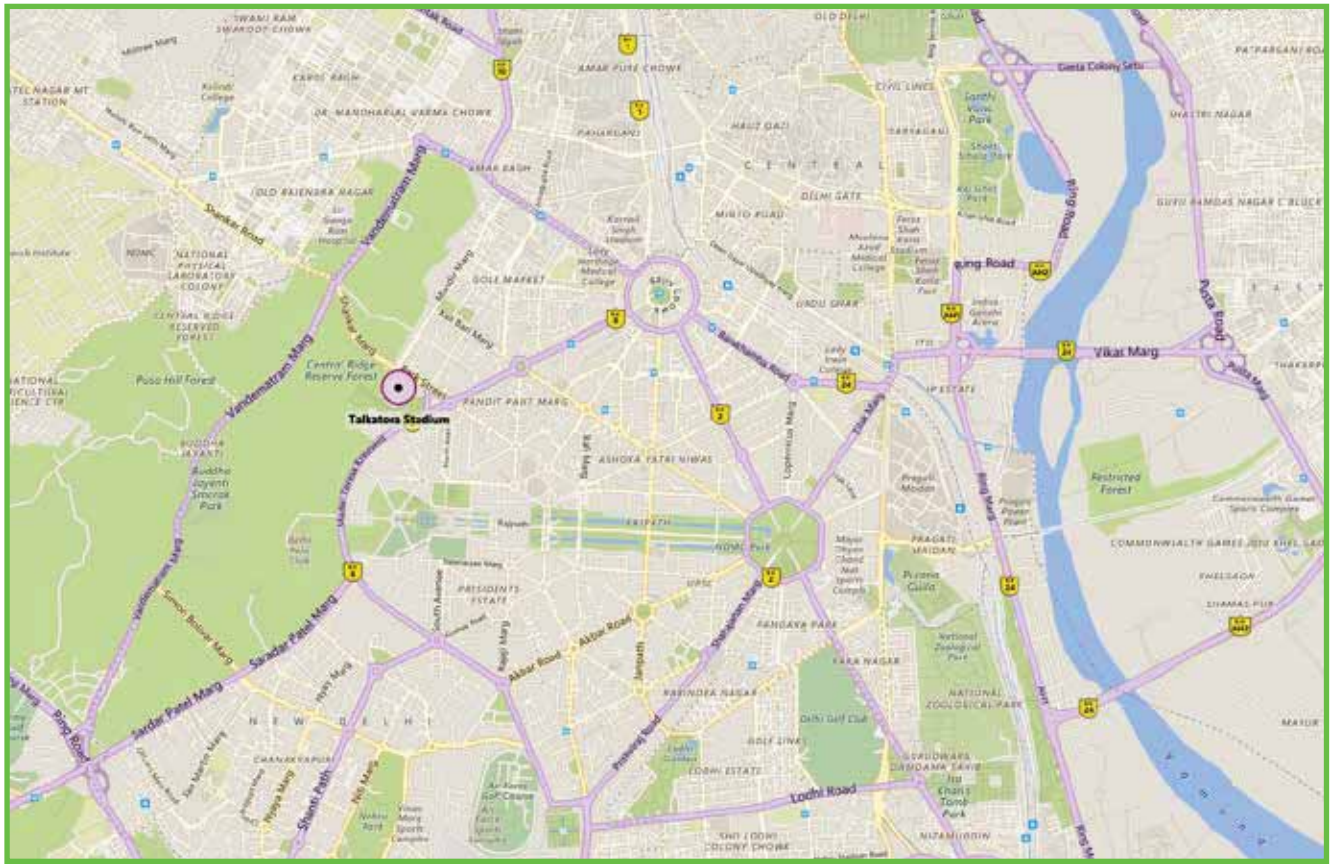
Members may please note the electronic voting particulars as set out below for the purpose of e-voting in terms of section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Detailed instructions for e-voting are given in the Annual General Meeting notice.

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

Note: Please follow the e-voting instructions mentioned in the Notice.

The Rout Map for Talkatora Stadium, New Delhi-110004



POWER FINANCE CORPORATION LIMITED
CIN: L65910DL1986GOI024862
Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi -110001
Tel: +91 11 23456000, **Fax:** +91 11 23412545, **Email id:** investorsgrievance@pfcindia.com
Website: www.pfcindia.com

Proxy Form

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

Name of the Member(s): .....

Registered Address: .....

E-mail ID: .....

Folio No./DP ID and Client ID: .....

I/We, being the member(s) of Power Finance Corporation Limited holding shares of the company, hereby appoint:

1. Name: ..... Email ID: .....

   Address: ..... Signature: , or failing him/her

2. Name: ..... Email ID: .....

   Address: ..... Signature: , or failing him/her

3. Name: ..... Email ID: .....

   Address: ..... Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General meeting of the Company being held on Tuesday, the September 11, 2018 at 10.30 a.m. at Talkatora Indoor Stadium, Talkatora Garden, New Delhi 110004 and at any adjournment thereof in respect of such resolutions as are indicated below

S.No.	Resolution	For	Against
Ordinary Business			
1.	To receive, consider and adopt the audited financial statements including consolidated financial statements of the Company for the financial year ended March 31, 2018, the Reports of the Board of Directors and Auditors thereon.		
2	To confirm interim dividend as total dividend for the financial year 2017-18.		
3	To appoint a Director in place of Shri Chinmoy Gangopadhyay (DIN:02271398), who retires by rotation and being eligible, offers himself for re-appointment.		
4	To fix the remuneration of the Statutory Auditors		
Special Business			
5.	To appoint Smt. Gouri Chaudhury, 76 years (DIN: 07970522), as Director of the Company		
6.	Raise funds upto ₹65,000 crore through issue of bonds/Debentures/notes/debt securities on Private Placement basis		
7.	To approve scheme of arrangement for Amalgamation of PFC Green Energy Limited (Transferor Company) with Power Finance Corporation Limited (Transferee Company) and their respective shareholders and creditors under sections 230-232 of Companies Act, 2013, read along with Rules made there under and Notification No. G.S.R. 582 (E), Dated 13th June, 2017 of Ministry of Corporate Affairs.		

Signed this..... day of..... 2018

Signature of shareholder | Signature of Proxy holder(s) | (Affix Revenue Stamp of appropriate value)

NOTES:

1. This form of Proxy in order to be effective should be duly completed and stamped and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Annual General Meeting.
2. In terms of Clause 6.4.1 of Secretarial Standard – 2 on General Meetings, the Proxy-holder shall prove his identity at the time of attending the Meeting.



POWER FINANCE CORPORATION LTD.
(A Navratna PSU)

Regd. Office : "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001
Tel. : 011-23456000, Fax : 011-23412545, **Website** : www.pfcindia.com
CIN : L65910DL1986GOI024862

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