



# पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2008 प्रमाणित)

(ISO 9001:2008 Certified)

No: 1:05:138:II:CS

Dated: 24.08.2016

National Stock Exchange of India Limited, Listing Department, Exchange Plaza, Bandra – Kurla Complex, Bandra (E) <u>MUMBAI – 400 051.</u>	Bombay Stock Exchange Limited, Department of Corporate Services, Floor – 25, PJ Towers, Dalal Street, <u>MUMBAI – 400 001.</u>
Kind Attn.: Ms. Rehana Dsouza, Asstt. Vice President	Kind Attn.: Mr. Iyer Gopalkrishnan, GM, Corporate Services.

**Sub: Annual Report for FY 2015-16**

Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of 30<sup>th</sup> Annual Report of the Company as adopted by the Shareholders in the Annual General Meeting for the financial year 2015-16 held on 19<sup>th</sup> August, 2016.

This is submitted for your information and record.

Thanking you.

Yours faithfully,  
For Power Finance Corporation Limited

(Manohar Balwani)  
Company Secretary  
mb@pfcindia.com



*Inspired by nature. Aspiring for a green future*



*30<sup>th</sup> Annual Report*  
2 0 1 5 - 1 6



# Vision

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



# Mission

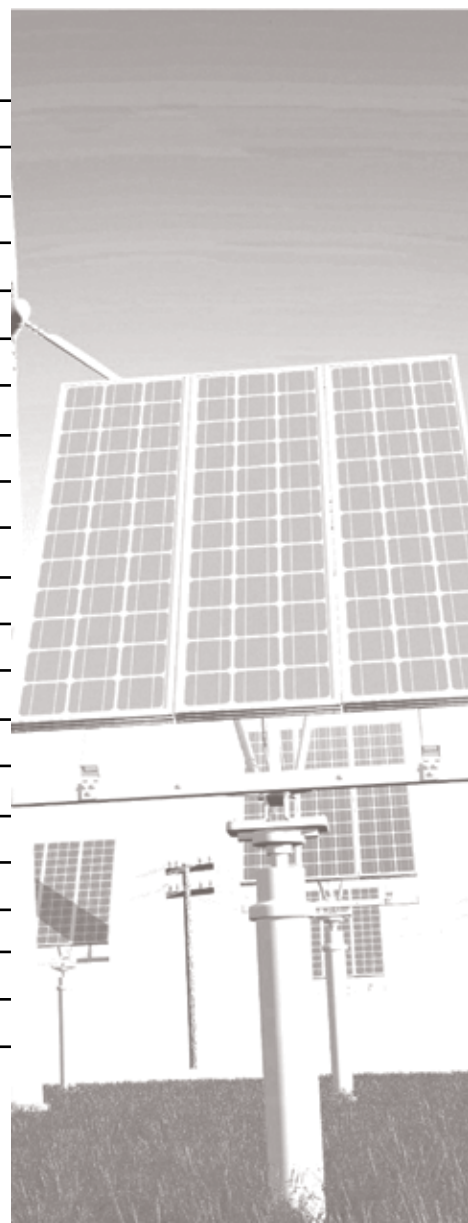
PFC would be the most preferred Financial Institution; providing affordable and competitive products and services with efficient and internationally integrated sourcing and servicing, partnering the reforms in the Indian Power Sector and enhancing value to its stakeholders; by promoting efficient investments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

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



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## 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(PFCCL)  
PFC Green Energy Limited(PFCGEL)  
PFC Capital Advisory Services Limited(PFCCAS)  
Power Equity Capital Advisors (Private) Limited (PECAP)  
under liquidation.  
Chhattisgarh Surguja Power Limited  
Coastal Karnataka Power Limited  
Coastal Maharashtra Mega Power Limited  
Coastal Tamil Nadu Power Limited  
Ghogarpalli Integrated Power Company Limited  
Orissa Integrated Power Limited  
Sakhigopal Integrated Power Company Limited  
Tatiya Andhra Mega Power Limited  
Deoghar Mega Power Limited  
Cheyyur Infra Limited  
Odisha Infrapower Limited  
Deoghar Infra Ltd.  
Bihar Infrapower Limited  
Bihar Mega Power Limited  
Jharkhand Infrapower limited  
Medinipur-Jeerat Transmission Limited\*  
Kohima-Mariani Transmission Limited\*  
Tanda Transmission Company Limited\*  
Ballabgarh-Gn Transmission Company Limited\*  
South-Central East Delhi Power Transmission Limited\*  
Mohindergarh-Bhiwani Transmission Limited\*

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

### Shares Listed at

National Stock Exchange of India Limited  
Bombay Stock Exchange Limited

### Depositories

National Securities Depository Limited  
Central Depository Services (India) Limited

### Company Secretary

Shri Manohar Balwani

### Auditors

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

### Registrar & Share Transfer Agent

Karvy Computershare Private Limited  
"Karvy House",  
46, Avenue 4,  
Street No. 1, Banjara Hills, Hyderabad 500034, India  
Tel: 91 40 23312454 Toll Free: 1800 4258282  
Fax: 91 40 23311968 Email: [support@karvy.com](mailto:support@karvy.com)  
Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

### Bankers

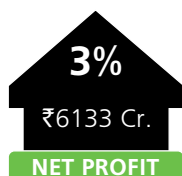
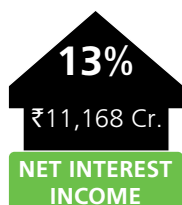
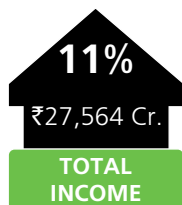
Reserve Bank of India  
State Bank of India  
Bank of India  
ICICI Bank  
HDFC Bank  
IDBI Bank

## PERFORMANCE AT A GLANCE

PARTICULARS		2011-12	2012-13	2013-14	2014-15	2015-16
<b>I</b>	<b>RESOURCES</b> (At the end of the Year) (₹ in Crore)					
	Equity Capital	1320	1320	1320	1320	<b>1320</b>
	Interest Subsidy Fund from Gol	376	146	124	111	<b>107</b>
	Reserves and Surplus	19388	22734	26055	30899	<b>34446</b>
	Borrowings:					
(i)	Foreign Currency Loans (incl.Foreign Currency Notes)	5590	8424	8926	9731	<b>10776</b>
(ii)	Bonds	83920	105334	126505	159393	<b>171137</b>
(iii)	Long Term Rupee Loans	16545	17005	22470	14585	<b>11000</b>
(iv)	Short Term Rupee Loans	4071	8820	1314	4064	<b>7572</b>
<b>II</b>	<b>FINANCING OPERATIONS</b> (During the Year ) (₹ in Crore)					
	Loans and Grants Sanctioned	59429	75147	60729	60784	<b>65042</b>
	Loans and Grants Disbursed	39818	45151	47162	44691	<b>46588</b>
	Repayment by Borrowers to PFC	9257	14929	18822	16284	<b>25826</b>
	Repayment by PFC to Lenders	14296	11304	22231	34188	<b>52735</b>
<b>III</b>	<b>WORKING RESULTS</b> (For the Year) (₹ in Crore)					
	Total Income	13037	17273	21538	24907	<b>27564</b>
	Total Expenses	8933	11306	13979	16529	<b>18504</b>
	Profit Before Tax	4104	5967	7558	8378	<b>9060</b>
	Tax Expense	1073	1547	2141	2419	<b>2947</b>
	Profit After Tax	3032	4420	5418	5959	<b>6113</b>
<b>IV</b>	<b>NO. OF EMPLOYEES</b>	379	427	446	450	<b>467</b>

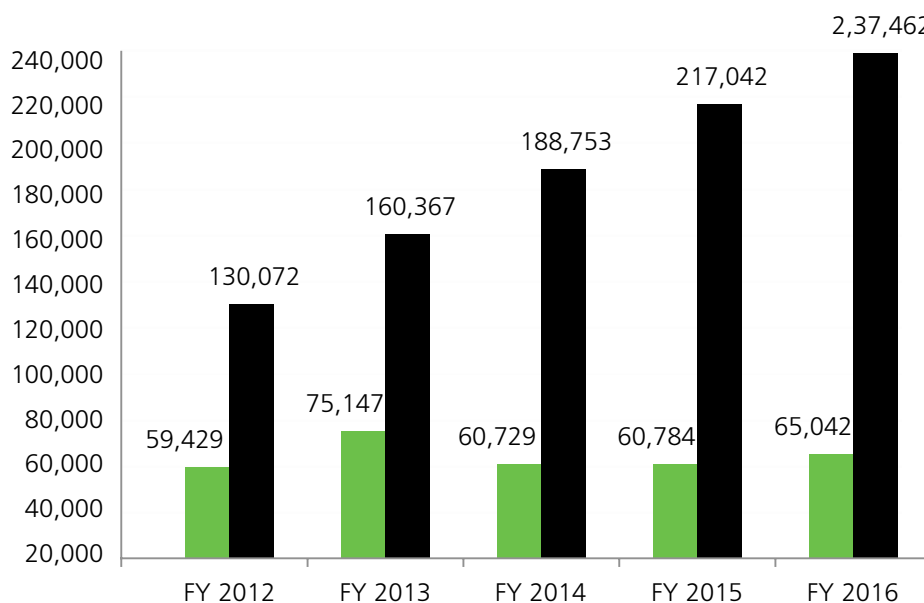
## FINANCIAL HIGHLIGHTS

As on 31.03.2016

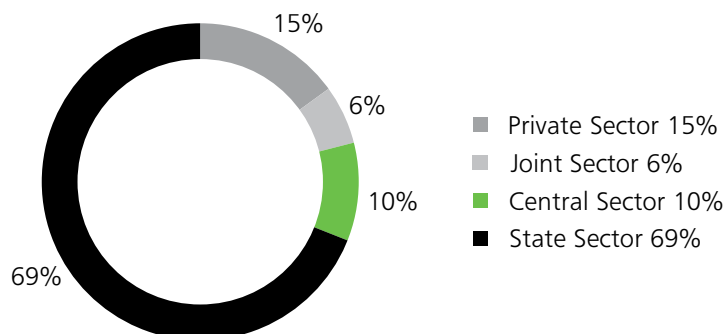


■ Sanctions ■ Loan Assets

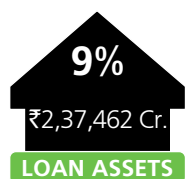
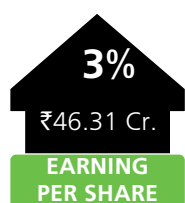
₹ in crore



### Disbursement-Borrower-Wise

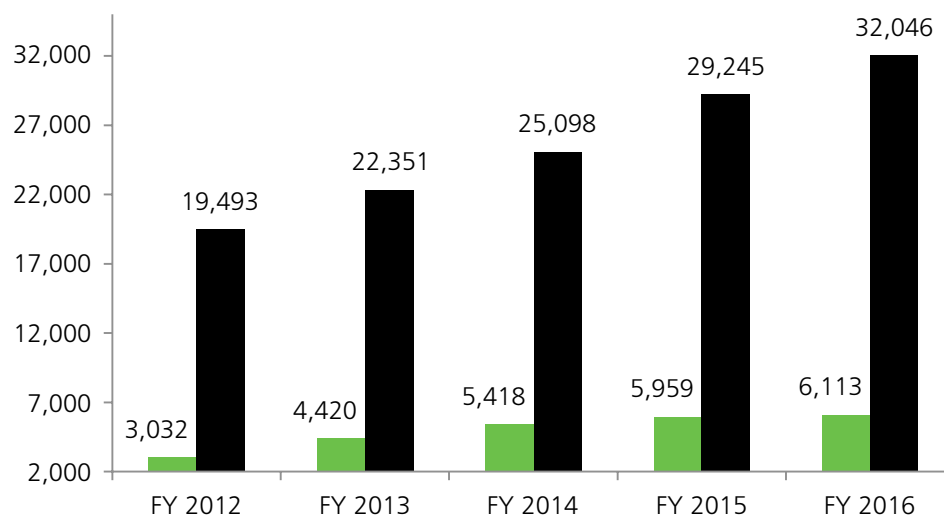


As on 31.03.2016

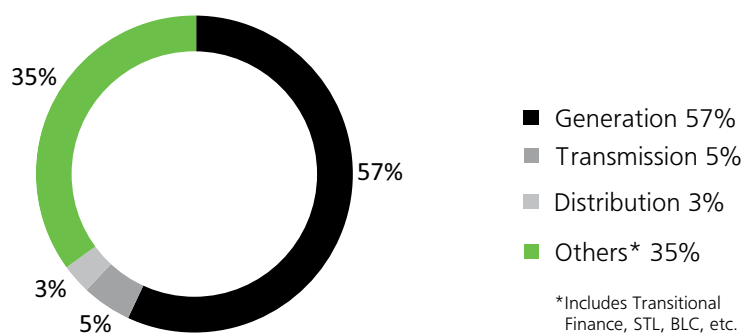


■ PAT ■ Net Worth

₹ in crore



### Disbursement -Discipline-Wise





## LETTER TO SHAREHOLDERS



*“This AGM is a special one as this year marks the completion of 30 glorious years by your Company since its incorporation in July, 1986. Your Company has evolved over these three decades, to be recognized as the leading Financial Institution in the country, playing a pivotal role in the overall development of Indian power sector.”*

**M.K.GOEL**

CHAIRMAN & MANAGING DIRECTOR

### **Ladies and Gentlemen,**

It gives me great pleasure to welcome you all to the 30<sup>th</sup> Annual General Meeting of your Company. This AGM is a special one as this year marks the completion of 30 glorious years by your Company since its

incorporation in July, 1986. Your Company has evolved over these three decades, to be recognized as the leading Financial Institution in the country, playing a pivotal role in the overall development of Indian power sector. Among other milestones, your Company emerged as the largest NBFC operating in the country based on networth (all reserves) as on 31<sup>st</sup> March, 2016. Your company is also ranked

5<sup>th</sup> highest profit making CPSE among 298 CPSEs in the country as per DPE survey, 2016.

Your Company continues to deliver strong financial and operational performance despite challenging times in Indian power sector. It is my privilege to share with you that like every year, this year too, your Company is likely to be accorded “Excellent” Rating by Government of India (GoI) based on your Company’s performance against the MoU targets set for fiscal 2015-16 by GoI.

### Economy

India’s growth story remains intact, with GDP estimated to have grown by 7.6% in 2015-16, up from 7.2% in 2014-15 and 6.6% in 2013-14. The strong fourth quarter numbers suggest that the economy is gathering momentum to get back to the high growth trajectory.

Though still below its growth potential, the Indian economy remains a bright spot in the current global economic scenario. It has retained the tag of the fastest-growing large economy by delivering GDP growth of 7.9% in the fourth quarter of 2015-16, compared to 6.8% achieved by Chinese economy during the same period.

Union budget 2016-17 earmarked a total outlay of about ₹2.21 lakh Crore for infrastructure sector to boost domestic demand and support the economic recovery. The central bank has slashed repo rate by 150 bps since Jan, 2015 to 6.5%, the lowest level in more than five years.

Government’s fiscal position is also on a sound footing, with the GoI achieving fiscal deficit of 3.9% (at RE Stage) in 2015-16 and aiming to further bring down the fiscal deficit to 3.5% in 2016-17. With 363 billion dollar as on 15<sup>th</sup> July, 2016, India’s forex

position is also quite comfortable. Current Account Deficit has also narrowed to 1.1% of GDP in 2015-16 from 1.3% in 2014-15.

### Outlook on Power Sector

Indian power sector has seen significant capacity addition of about 46,500 MW during last 2 years. As a result, Indian power sector saw lowest ever energy deficit of 2.1% during 2015-16. Coal supply scenario also improved significantly with coal production growth of 8.6% in 2015-16 and 6.9% in 2014-15. Not even a single generating station suffered generation loss due to coal shortage during the year. With economic recovery picking up pace, demand for electricity is likely to get further boost in 2016-17.

On transmission capacity front, around 28,114 Ckm of transmission capacity was added during the year. Projects worth ₹1 lakh Crore were also awarded for implementation during the year. 62,849 MVA transformation capacity was also added during the year.

GoI has taken a joint initiative with respective State Governments for preparation of State specific documents for providing 24x7 power supply to all. The Power For All (PFA) documents envisage building generation, transmission and distribution capacities along with operational efficiency and reform measures. Already, 25 States & 3 Union Territories (UTs) have signed PFA documents, 3 States and 3 UTs have finalized the PFA documents and 2 States are in the process of finalizing. GoI has targeted 24X7 PFA by 2019.

GoI is also giving a big push for renewables. GoI plans to increase overall renewable capacity by more than 5 times to 175 GW by 2022 with 100 GW solar capacity and 60 MW wind capacity. 33 solar parks in 20 states with a capacity of 20,000 MW are

envisaged. A plan outlay of about ₹10,000 crore has been kept for renewable energy in the annual plan for the year 2016-17.

On distribution reforms front, Government has introduced Ujwal DISCOM Assurance Yojana (UDAY) scheme to turnaround DISCOMs in Nov, 2015. Although the scheme is voluntary, 19 States and one Union Territory have agreed to join it, out of which 13 States have already signed MoU with Gol to avail benefits under the scheme. UDAY bonds worth about ₹1.66 lakh crore have already been issued so far (i.e. upto 11<sup>th</sup> July, 2016) and another about ₹50,000 Crore bonds are likely to be issued this year (i.e. FY 2016-17). Further, Union Cabinet, approved extension of timeline for taking over 50% of Outstanding Debt of DISCOMs, as existing on 30<sup>th</sup> Sep, 2015, by States. The time limits have been extended by one year from the earlier stipulated date of 31<sup>st</sup> March, 2016.

The Government has also amended the National Tariff Policy in Jan, 2016 to achieve the objectives of UDAY with the focus on 4 Es: Electricity for all, Efficiency to ensure affordable tariffs, Environment for a sustainable future, Ease of doing business to attract investments and ensure financial viability. Some of the salient features include installation of smart meters enabling "time of day" & net metering, creation of transmission lines across India, RPO of 8% from solar energy by 2022, Renewable Generation Obligation for developers of new coal based thermal projects, promotion of hydro projects through long term PPAs with exemption from competitive bidding till 2022, pass through for any change in domestic duties, levies, cess and taxes in competitive bid projects and clarity on tariff setting authority in multi-state sale.

Two Schemes aimed at distribution reforms with total outlay of ₹1,41,317 crore, i.e. Integrated Power Development Scheme (IPDS) for urban areas (with R-APDRP subsumed into IPDS) and Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) for rural areas are progressing well. IPDS envisages strengthening of sub transmission and distribution networks,

which also includes smart metering, tamper proof metering, underground cabling, GIS sub stations, IT implementation for better consumer service, etc. On the other hand, DDUGJY envisages electrifying 18,452 villages, feeder segregation, adequate power to farmers, connecting remote villages through off grids and micro grids, etc.

I am optimistic that all the above initiatives of Gol will result in sustainable development of Indian power sector going forward.

### Performance Highlights

Despite various power sector issues, your Company saw sound operational and financial performance. Your Company sanctioned loans amounting to ₹65,042 crore during fiscal 2015-16 to State, Central, Private, and Joint sector entities. An amount of ₹46,588 crore was disbursed during the same period. With this, cumulative sanctions amount to ₹5,27,600 crore and disbursement of ₹ 3,92,557 crore have been made by the Company as on 31<sup>st</sup> March, 2016. The loan assets as at 31<sup>st</sup> March, 2016 grew by 9% to ₹2,37,462 crore.

Your Company continued to accomplish a healthy growth during the fiscal 2015-16. The total revenue grew by 11% from ₹24,862 Crore to ₹27,474 Crore in fiscal 2015-16. The profit before Tax (PBT) grew by 8% from ₹8,378 Crore to ₹9,061 Crore, while Profit After Tax (PAT) grew by 3% from ₹5,959 Crore to ₹6,113 Crore in fiscal 2015-16. Net Worth of the Company grew by 10% in fiscal 2015-16 to ₹32,046 Crore as compared to ₹29,245 Crore in fiscal 2014-15.

### Other business highlights

#### 1. PFC Consulting Limited (PFCCL) - A wholly owned subsidiary of PFC

PFCCL rendered consultancy services to 54 Clients spread across 23 States/UTs. 96 assignments have been undertaken so far. Further, during the fiscal 2015-16, the income from Operations of PFCCL was about ₹60 Crore vis-a vis ₹37 Crore approximately in the previous year 2014-15 and the net profit

earned by PFCCL during fiscal 2015-16 was ₹37 Crore as against the net profit of ₹21.70 Crore last fiscal 2014-15.

## 2. **PFC Green Energy Limited (PFCGEL)- A wholly owned subsidiary of PFC**

PFCGEL had achieved sanction of about ₹718 Crore and disbursement of about ₹275 Crore as against the target of ₹800 Crore and ₹275 Crore respectively. For the FY 2015-16, PFCGEL has signed a Memorandum of Understanding (MoU) with your Company and had achieved the targets and eligible for the Excellent rating required under the targets of MoU.

## 3. **PFC Capital Advisory Services Limited (PFCCAS) - A wholly owned subsidiary of PFC**

PFC Capital Advisory Services Limited (PFC CAS) during the year 2015-16 took up debt syndication assignments in Wind, Thermal and Transmission among others. The total income from operations of PFCCAS is ₹3.15 Crore with net profit after tax of the Company being ₹1.33 Crore.

Your Company had requested Ministry of Power (MoP) to accord its approval for merger of PFC Capital Advisory Services Limited with PFC Consulting Limited and the same is under approval.

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

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

Under IPDS, your Company cumulatively upto FY 2015-16 sanctioned ₹23,016 Crore for 3,375 towns. During the year, your Company sanctioned ₹19,748 Crore of projects. Your Company has also disbursed an amount of ₹327 Crore upto 31<sup>st</sup> March, 2016 to the beneficiary utilities for towns sanctioned under IPDS.

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

The Company cumulatively upto FY 2015-16, sanctioned Part A (IT) schemes of all eligible

1,405 towns, PART A (SCADA) schemes for 72 towns and Part B schemes for 1,239 towns. The cumulative sanction under R-APDRP is ₹38,514 Crore as on 31<sup>st</sup> March, 2016. As on 31<sup>st</sup> March, 2016, 1,222 towns have been declared Go-Live, out of which 16 States have declared Go-Live in all of its towns. Implementation work has commenced cumulatively in 1,217 towns, to strengthen & improve distribution systems and reduce AT&C losses to 15% or below.

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

Your Company is the Nodal Agency for development of Ultra Mega Power Projects. Sixteen such UMPPs have been identified at various locations across the country. Till 31<sup>st</sup> March, 2016, 19 Special Purpose Vehicles (SPVs) were established by the Company for UMPPs. One SPV was incorporated during year namely Bihar Mega Power Limited for Bihar UMPP. Further, three Infra SPVs namely Deoghar Infra Limited for Deoghar UMPP, Bihar Infra Power Ltd for Bihar UMPP and Jharkhand Infrapower Limited for Tilaiya UMPP were incorporated. Out of the 19 SPVs, 4 SPVs have already been transferred to the successful bidders. Your Company has facilitated review & finalization of Standard Bidding Documents (SBDs) for Case 2 (UMPPs) by Expert Committee.

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

Your Company acts as Bid Process Coordinator for ITPs. Till 31<sup>st</sup> March, 2016, 21 Special Purpose Vehicles (SPVs) were established as wholly owned subsidiaries for ITPs. Of these 21 SPVs, 12 were transferred to the successful bidders. Further, Ministry of Power appointed PFCCL as Bid Process Coordinator (BPC) for three new ITPs to be implemented through Tariff Based Competitive Bidding Process.

## 4. **Additionally, Your Company has played a significant role in :**

- (i) developing and finalizing PFA documents under 24X7 Power For All
- (ii) actively pursuing formulation and implementation of UDAY



- (iii) release of 3<sup>rd</sup> and 4<sup>th</sup> Annual Integrated rating of DISCOMs

### Other initiatives

#### Corporate Social Responsibility (CSR)

During the fiscal 2015-16, your Company's CSR provision amounting to about ₹146 crore has been made at the rate of 2% of average net Profit Before Tax (PBT) of the company earned during the three immediately preceding financial years.

As a constructive partner in the community in which it operates, your Company has been taking concrete action to realize its social responsibility objectives through provision of clean & reliable power by installing micro solar PV power plants across Indian districts and by promoting education, arts, culture, music, dance, sports, afforestation through sponsorship support.

Your Company had constructed (provided funds) for 9,200 toilets in Govt. schools of Andhra Pradesh and Rajasthan under "Swachh Bharat Abhiyan" mission. Similarly, as part of "Swachh Vidyalaya Abhiyan" of Gol, financial assistance has been provided for conducting Vocational Skill development Training for Unprivileged/ Unemployed Youth of SC/ST/OBC/ PWD/Women & EWS of society through CIPET for 2000 participants.

#### Corporate Governance

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

### Strategy

Gol has a mission of adding 175 GW of renewable energy by 2022 and hence offering a number of incentives to renewable energy developers across solar and non-solar sources. The amendment in the Tariff Policy includes Renewable Purchase Obligation to be 8% from solar energy by March, 2022 and developers with new coal based thermal projects have a Renewable Generation obligation. The increased focus of Gol towards renewable energy has created attractive opportunities for investments in this sector. It is estimated that about ₹6 lakh Crore of investment is required in renewable sector by 2022. Your Company targets to tap significant market share of this business opportunity.

Additionally, your Company in order to accelerate business growth will also focus on debt refinancing opportunities available in the market. Your Company also intends to fund private transmission projects being bid out and also transmission projects of JVs formed by PSUs. UMPPs are another opportunity going forward as and when the UMPPs in the pipeline are bid out your Company intends to fund these large projects.

Other areas that your Company intends to explore for sustainable growth include funding renewable equipment manufacturer, balance of equipment, nuclear power projects, backward linkages to power sector like installation of LNG terminals, gas piping, dedicated freight corridor, ports, etc. Gol is also envisaging various equity funds in power sector, your Company would also look at opportunities of investment in these equity funds.

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



## Acknowledgements

At the outset, I thank all our esteemed shareholders, who have reposed faith in us. My sincere and heartfelt thanks go out to the Hon'ble Minister of State (I/C) for Coal, Power, New & Renewable Energy and Mines, officials of the Ministry of Power, 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., Planning Commission, 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 convey my gratitude to our partners in the Print and Electronic Media. We hope you would continue to support us in our future endeavors as well.

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



**(M.K.Goel)**

Chairman & Managing Director  
DIN No. 00239813

## AWARDS



Shri M. K. Goel, Chairman & Managing Director, PFC receiving 'India Pride PSU Award 2015-16' from Shri M. Venkaiah Naidu, Hon'ble Union Minister of Urban Development and Shri Radha Mohan Singh, Hon'ble Union Minister of Agriculture



Shri M.K.Goel, CMD, PFC receiving 'ICC PSE Excellence Award' in the category of Corporate Governance from Shri T.N.R.Rao, former Secretary, Ministry of Petroleum, Shri Bhaskar Chatterjee, former Secretary, Department of Public Enterprises, Govt. of India

**POWER FINANCE CORPORATION LIMITED**  
**CIN L65910DL1986GOI024862**

## NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the members of Power Finance Corporation Ltd. will be held on **Friday, the August 19, 2016 at 11:00 AM** at Weightlifting Auditorium, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-110003 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, 2016, the Reports of the Board of Directors and Auditors thereon.
2. To confirm interim dividends and declare final dividend for the Financial Year 2015-16.
3. To appoint a Director in place of Shri R. Nagarajan (DIN:00701892), 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 Shri D. Ravi (DIN: 00038452), as Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder, Shri D. Ravi (DIN: 00038452), who was appointed as Director (Commercial), by the President of India through Ministry of Power vide letter no. 8/1/2015-PFC Desk dated November 18, 2015 with effect from November 16, 2015 and subsequently appointed as an Additional Director by the Board of Directors with effect from November 16, 2015 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 Shri D. Ravi specifying his candidature for the office of a director of the Company, be and is hereby appointed as Director (Commercial) of the Company, liable to retire by rotation, on terms & conditions determined by the Govt. of India."

6. Modification in existing borrowing limit approved under section 180(1)(c) of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), following resolution as **Special Resolution**:

**"RESOLVED THAT** approval be and is hereby accorded for authorizing the Board of Directors of the Company, under the provisions of Section 180(1)(c) of the Companies Act, 2013, read with relevant rules, to raise such sum or sums of money from time to time as may be required for the purpose of the business of the Company and / or as may be directed to raise on behalf of Ministry / GOI, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from "temporary loans" as explained in section 180(1)(c) of the Companies Act, 2013 obtained by the company in the ordinary course of business) may, at any time, exceed upto a sum of ₹4,00,000 crore (Rupees Four lakh crore only) in Indian Rupees and amount equivalent to US\$ 8,000 Million (Eight Billion US Dollars only) in any Foreign Currency respectively over and above the aggregate paid up capital of the Company and its free reserve (that is to say reserve not set apart for any specific purpose) on such terms and conditions as the Board may consider necessary and expedient in their absolute discretion."

7. To raise funds upto ₹55,000 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 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 ₹55,000 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) 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/ debt securities ("Bonds") in India and/ or outside India to the extent of ₹55,000 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 deciding 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."

8. To enhance the Authorised Share Capital to ₹10,000 Crore (Rupees Ten Thousand Crores only) and to alter the Memorandum of Association of the Company by substituting the existing Clause V and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:

**"RESOLVED THAT** pursuant to the provisions of Sections 61 and all other applicable provisions, if any, of the Companies Act, 2013, including amendments thereto or re-enactment thereof and subject to such other approvals, consent, permissions and sanction if any, as may be required, the Authorised Share Capital be increased to ₹100,00,00,00,000 (Rupees Ten Thousand Crores only) divided into 10,00,00,00,000 (One Thousand Crores) equity shares of ₹10 (Rupees Ten) each.

**"RESOLVED FURTHER THAT** pursuant to provisions of Section 13 and other applicable provisions of the Companies Act, 2013, and rules issued thereunder (including any statutory modification or re-enactment thereof for the time being in force), the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted by substitution in its place and instead the following clause as new Clause V:

V. The Authorised Share Capital of the Company

is ₹100,00,00,00,000 (Rupees Ten Thousand Crores only) divided into 10,00,00,00,000 (One Thousand Crores) equity shares of ₹10 (Rupees Ten) each"

**"RESOLVED FURTHER THAT** the Board of Directors or any other officer(s) as may be authorized by the Board of Directors be and are hereby authorised to do perform and execute all such acts, matters, deeds and things as it may consider necessary, expedient, usual or proper to give effect to this resolution, including but not limited to filing of necessary forms/ documents/ returns with the Registrar of Companies and/ or any other statutory/ regulatory authorities and to comply with all other requirements in this regard and for any matters connected herewith or incidental hereto."

9. To approve issuance of Bonus Shares by capitalizing the 'Securities Premium Account' to the extent that the holder of each share of PFC shall be entitled to one bonus share and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:

**"RESOLVED THAT** pursuant to the provisions of Article 60 of the Articles of Association of the Company and pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ministry of Finance OM No 5/2/2016 -Policy Dated 27<sup>th</sup> May, 2016, Foreign Exchange Management Act, 1999 (FEMA) including Regulations and Circulars issued therein, and in accordance with the recommendations of the Board of Directors of the Company and subject to the regulations and guidelines issued by Securities and Exchange Board of India (SEBI), including SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time) and applicable Regulatory Authorities and such necessary approvals, permissions and sanctions, as may be required in this regard and also subject to such terms and conditions as may be specified while according such approvals, the consent of the Members be and is hereby accorded to the Board for capitalization of a sum of ₹1320,04,07,040/- out of the sum standing to the credit of 'Securities Premium Account' of the Company for the purpose of issue and allotment of one (1) equity share for every one (1) eligible existing fully paid equity share

of ₹10/- each held by the members for distribution to and amongst the members of the Company whose names appear in the Register of Members or as the beneficial owner(s) of the equity shares of the Company, in the records of the Depositories, at the close of business hours on such date as may be fixed in this regard by Chairman and Managing Director and on the basis that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the nominal amount in the Capital of the Company, held by each such member and not as income."

**"RESOLVED FURTHER THAT** the new equity shares shall be allotted subject to the Memorandum and Articles of Association of the Company and shall in all respects rank pari passu with the existing fully paid-up equity shares of the Company, with a right, to participate in dividend in full that may be declared after the date of allotment of these equity shares."

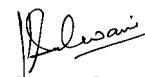
**"RESOLVED FURTHER THAT,** Board of Directors of the Company be and is hereby authorized to approve capitalization of ₹1320,04,07,040/- out of the Company's 'Securities Premium Account' as per the audited accounts of the Company for the financial year ended March 31, 2016 and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of the said equity shares as Bonus Shares credited as fully paid up."

**"RESOLVED FURTHER THAT,** no letter of allotment shall be issued in respect of the said bonus shares and in the case of members holding shares in dematerialized form, the bonus shares aforesaid shall be credited to the beneficiary accounts of the shareholders with their respective Depository Participants within the stipulated time as may be allowed by the appropriate authorities and in the case of shareholders holding shares in physical form, the share certificates in respect thereof shall be delivered within such time as may be allowed by the appropriate authorities."

**"RESOLVED FURTHER THAT** the Director (Finance) and/ or Company Secretary be and is hereby authorised to do perform and execute all such acts, matters, deeds and things as it may consider necessary, expedient, usual or proper to give effect to this resolution, including but not limited to filing of necessary forms/ documents/ returns with the Registrar of Companies, SEBI, Stock Exchanges, RBI, NSDL, CDSL, RTA of the company and/ or any other authorities and to comply with all other

requirements in this regard and for any matters connected herewith or incidental hereto."

**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: July 26, 2016

#### 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. 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 a meeting of the company 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 the 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/ sent via 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 Ms. Archana Bansal, Practising Company Secretary, 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.

<b>EVEN (E-Voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD</b>
2480	<b>For Members holding shares in Demat Form:</b>  For NSDL :- 8 Character DP ID followed by 8 Digits Client ID  For CDSL:- 16 digits beneficiary ID  <b>For Members holding shares in Physical Form:</b>  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.
- (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) Select the EVENT of Power Finance Corporation Limited and click on - Submit.
- (ix) Now you are ready for e-voting as 'Cast Vote' page opens.
- (x) 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).
- (xi) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory (ies) who are authorised to vote, to the Scrutinizer by an e-mail at [s.pfc ltd@gmail.com](mailto:s.pfc ltd@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com) they may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."

**(b) In case of Shareholders 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.
- II. 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>.
- III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.
- IV. The voting rights shall be as per the number of equity share held by the Member(s) as on

cut-off date i.e. August 10, 2016. Members are eligible to cast vote only if they are holding shares as on that date.

- V. 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 August 14, 2016 and will end at 5.00 p.m. on August 18, 2016. The e-voting module shall be disabled by Karvy at 5.00 p.m. on the same day.
- VI. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- VII. 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.
- VIII. Members who have not voted through remote e-voting can cast their vote at the venue.
- IX. Members who have acquired shares after the dispatch of the Annual Report and before the cut-off date i.e. 12<sup>th</sup> August, 2016, 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> XXX1234567

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](mailto:evoting@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

X. 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.

XI. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.pfcindia.com](http://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.

XII. 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.

XIII. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact B Srinivas (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 [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 2222 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

XIV. 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 R. Nagarajan, Director retiring by rotation and seeking re-appointment under item no. 3 and of Shri D. Ravi, 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 December 16, 2015 and February 09, 2016 had declared an interim dividends @ 88% (₹8.80 per share) and @ 45% (₹4.50 per share) respectively on the paid-up equity share capital of the company, which was paid on January 4, 2016 and February 24, 2016 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, 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 August 13, 2016 to August 19, 2016 (both days

- inclusive). The final dividend on equity shares as recommended by the Board of Directors, subject to the provisions of the Companies Act, if approved by the members at the Annual General Meeting, will be paid on or after August 31, 2016 to the Members or their mandates whose names appear on the Company's Register of Members on August 19, 2016 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of business hours on August 12, 2016.
11. The bonus shares, as recommended by the Board of Directors, subject to the provisions of the Companies Act, if approved by the members at the Annual General Meeting, will be allotted to the members of the Company whose names appear in the Register of Members or as the beneficial owner(s) of the equity shares of the Company, in the records of the Depositories, on such date as may be fixed in this regard by Chairman and Managing Director.
  12. 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.
  13. 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 Computershare Private Limited, Registrar & Share Transfer Agent (RTA) of the Company.
  14. 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 Computershare Private Limited, Registrar & Share Transfer Agent (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.
  15. 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 Computershare Private Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants.
  16. 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.
  17. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or our Registrar & Share Transfer Agent alongwith relevant Share Certificates.
  18. 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 Company's Registrar & Share Transfer Agent.
  19. 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. Further, the Statutory Auditors of the Company for the FY 2016-17 have been appointed by C&AG of India, the members may authorize the Board of Directors to fix an appropriate remuneration of Auditors for the FY 2016-17 as may be deemed fit by the Board.

20. 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 Computershare Private Limited, Registrar & Share Transfer Agent 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.
21. Member who hold shares in physical form are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agent of the Company and to their respective depository participants, in case shares are held in electronic mode.
22. 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.
23. 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.
24. The entire Annual Report is also available on the Company's website [www.pfcindia.com](http://www.pfcindia.com).
25. The Route Map to Weightlifting Auditorium, Jawaharlal Nehru 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:**

Shri D. Ravi was appointed as Director (Commercial) of the Company by the President of India through Ministry of Power vide Letter No. 8/1/2015-PFC Desk dated November 18, 2015 issued by Ministry of Power for a period of five years w.e.f. November 16, 2015 and was accordingly appointed as an Additional Director w.e.f. November 16, 2015 to hold office upto this Annual General Meeting. The Company has received a notice in writing from Shri D. Ravi pursuant to the provisions of Section 160 of the Companies Act, 2013 (the Act), signifying his candidature for the office of Director (Commercial). Shri D. Ravi, if appointed, will be liable to retire by rotation. The terms and conditions regulating the appointment of Shri D. Ravi would be as determined by the Government of India.

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

Shri D. Ravi, 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.

**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:**

As per Sec 180(1) (c) of the Companies Act, 2013, the Board of Directors of a public company, shall not, except with the consent of the shareholders by a special resolution, borrow money, where the moneys to be borrowed, together with the moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of paid-up capital of the company and its free reserves.

Accordingly, special resolution was passed by the shareholders on 20.06.2014 through postal ballot, and the consent was accorded to the Board of Directors of the Company to raise such sum or sums of money from time to time as may be required for the purpose of the business of the Company, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from "temporary loans" as explained in section 180(1)(c) of the Companies Act, 2013 obtained by the company in the ordinary course



of business) may, at any time, exceed upto a sum of ₹4,00,000 crore (Rupees Four lakh crore only) in Indian Rupees and amount equivalent to US\$ 8,000 Million ( Eight Billion US Dollars only) in any Foreign Currency respectively over and above the aggregate paid up capital of the Company and its free reserve (that is to say reserve not set apart for any specific purpose) on such terms and conditions as the Board may consider necessary and expedient in their absolute discretion.

Ministry of Power (MoP) vide OM dtd 7<sup>th</sup> June 2016 has directed PFC to raise ₹5,000 crore through bonds as indicated in Budget Expenditure Volume-II (Part B), Demand No 68. As per OM, the utilization of funds raised through bonds will be at the discretion of MoP and the funds will be spent by PFC only for the purposed / central sector schemes as decided by MoP. Further, servicing would be done through Ministry's budget, by payments up front.

In terms of the above OM, the Board in its 349<sup>th</sup> Meeting held on July 14, 2016, accorded approval for seeking the approval from shareholders for total borrowing power of ₹4,00,000 crore (Rupees Four lakh crore only) in Indian Rupees and amount equivalent to US\$ 8,000 Million (Eight Billion US Dollars only) in any Foreign Currency for the purpose of the business of the Company and also for the amount to be raised on behalf of Ministry/Gol.

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 Resolution, except to the extent of their shareholding in the Company.

#### **Item No. 7**

#### **The following statement sets out the material facts relating to the special business mentioned in item no. 7 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 24, 2015 for raising of funds through non-convertible debentures to the extent of ₹60,000 crore during the period of one year from the date of AGM (i.e. September 24, 2015 to September 23, 2016).

The Board of Directors in their Meeting held on July 14, 2016 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 ₹55,000 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) be 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 /debt securities ("Bonds") in India and / or outside India to the extent of ₹55,000 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. 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.

**Item No. 8 & 9**

**The following statement sets out the material facts relating to the special business mentioned in item no. 8 & 9 of the accompanying Notice:**

Ministry of Power vide OM No. 2/1/2016-Budget Dtd. 06.06.2016 has forwarded Department of Investment & Public Asset Management, Ministry of Finance OM No 5/2/2016-Policy Dated 27<sup>th</sup> May, 2016 enclosing therewith 'Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSE)' for compliance, in supersession of the guidelines issued earlier. The said guidelines inter-alia stipulate norms to be followed by CPSEs for issue of bonus shares.

The guidelines inter-alia provide that, every CPSE shall issue bonus shares if its defined reserves and surplus is equal to or more than 10 times of its paid up equity share capital. The defined reserves and surplus means free reserves, the share premium account, and the capital redemption reserve account.

As on 31.03.2016, the paid up share capital of the Company and the defined reserves & surplus were ₹1320.04 Crores and ₹19531.83 Crores respectively. Accordingly, the Company is required to come out with Bonus issue of Shares in compliance with the said guidelines.

Issuance of bonus shares shall also necessitate increase in authorized share capital of the Company from present authorized share capital of ₹2000 Crore (Rupees Two Thousand Crores only) and corresponding amendment in the capital clause of Memorandum of Association of the Company.

Accordingly, the Board of Directors in its 349<sup>th</sup> Meeting held on July 14, 2016, subject to the approval of

shareholders, accorded approval for:

- Increase in the Authorised Share Capital from ₹2,000 crore (Rupees Two Thousand Crores only) comprising of 2,00,00,00,000 Equity Shares of ₹ 10/- each to ₹10,000 Crore (Rupees Ten Thousand Crores only) comprising of 10,00,00,00,000 Equity Shares of ₹10/- each
- Change in the Memorandum of Association of the Company by substituting the existing Clause V i.e. Share Capital clause.
- Subject to the increase in the Authorised Share Capital, to approve issuance of Bonus Shares by capitalizing the 'Securities Premium Account' to the extent that the holder of each share of the Company shall be entitled to one (1) bonus share.

The new equity shares shall have a participation in dividend that may be declared after the date of allotment of these equity shares.

The Board further recommends the Resolution given at Sr. No. 8 & 9 of this notice for your approval as Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution except to the extent of their/ their associates/ relatives shareholding in the Company, if any

**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.**

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT 30<sup>th</sup> AGM UNDER ITEM NO. 3 AND 5**

Name	Shri R. Nagarajan	Shri D. Ravi
Date of Birth and Age	18.05.1957/59 years	24.05.1958/58 years
Qualification	Bachelor's degree in Commerce, Chartered Accountant, Cost Accountant and Certified associate of Indian Institute of Bankers.	B.E. (Electrical & Electronics Engg.) with Diploma in Business Management
Date of Appointment	31.07.2009	16.11.2015
Terms and Conditions of Appointment	Appointed as Director (Finance) by President of India through Ministry of Power for a period of 5 years with effect from 31.07.2009 and further extended till 31.05.2017	Appointed as Director (Commercial) by President of India through Ministry of Power for a period of 5 years with effect from November 16, 2015.

<b>Remuneration</b>	As per Terms of appointment issued by President of India through Ministry of Power.	As per Terms of appointment issued by President of India through Ministry of Power.
<b>Expertise in Functional Areas</b>	He has more than three decades of experience having worked in Andhra Bank and in PFC at different positions. He joined PFC in the year 1995 and had been holding the post of Executive Director (Finance) since January 2008 before joining the Board in July, 2009. He has overseen various business activities relating to Initial Public Offer, Resource Mobilization, Banking, Treasury, Disbursement, Recovery, Internal Audit, Power Exchange, Asset Liability & Risk Management, Follow-on Public Offer, PSU ETF, Offer for sale, etc. He was also the President of the Project Monitoring Society and Treasurer of the World Energy Council, India	He joined PFC in the year 1993. Prior to that, he was with NHPC for about 13 years. In PFC, he handled Project Appraisal of Northern and Southern Region and also Private Power Projects appraisal. He also handled the responsibility of obtaining ISO certification for Project Division of the Corporation. In addition, he also handled work of coordinating integrated rating of state distribution utilities with Ministry of Power.
<b>Number of Meetings of the Board held during the year and number of Board Meetings attended</b>	15/15	7/7
<b>Relationship with any other Director, Manager and other KMP of the Company</b>	Not Applicable	Not Applicable
<b>Number of shares held in the company</b>	26869	1000
<b>Directorship in other companies</b>	<ol style="list-style-type: none"> <li>1. PFC Consulting Limited – Director</li> <li>2. PFC Green Energy Limited – Director</li> <li>3. PFC Capital Advisory Services Limited – Director</li> <li>4. Coastal Tamil Nadu Power Limited – Chairman</li> <li>5. Deoghar Mega Power Ltd – Chairman</li> <li>6. Cheyyur Infra Ltd. – Chairman</li> <li>7. PTC India Financial Services Ltd. – Director</li> <li>8. Bihar Infrapower Limited – Director</li> <li>9. Bihar Mega Power Limited – Director</li> </ol>	<ol style="list-style-type: none"> <li>1. Power Equity Capital Advisors Private Limited – Director</li> <li>2. Coastal Karnataka Power Limited – Chairman</li> <li>3. PFC Green Energy Limited – Director</li> <li>4. PFC Consulting Limited – Director</li> <li>5. Jharkhand Infrapower Limited – Chairman</li> <li>6. PFC Capital Advisory Services Limited – Director</li> </ol>
<b>Chairman/ Membership of committees* across all public companies</b>	<ol style="list-style-type: none"> <li>1. Power Finance Corporation Limited – Member, Shareholders Relationship and Shareholders'/ Investors' Grievance Committee</li> <li>2. PFC Green Energy Limited – Chairman, Audit Committee</li> <li>3. PFC Capital Advisory Services Limited – Chairman, Audit Committee</li> </ol>	<ol style="list-style-type: none"> <li>1. Power Finance Corporation Limited – Member, Audit Committee.</li> <li>2. PFC Capital Advisory Services Limited – Member, Audit Committee</li> <li>3. PFC Green Energy Limited – Member, Audit Committee</li> </ol>

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

## Directors' Profile



**Shri M.K. Goel**  
**Chairman and Managing Director**  
**DIN.: 00239813**

Shri Mukesh Kumar Goel, 59 years, is the Chairman and Managing Director (CMD) of PFC. As CMD, he heads the company and provides strategic direction and guidance to all the activities of the company.

Shri Goel holds a Bachelor's degree in Technology specializing in Electrical Engineering from Kanpur University. He has more than 36 years of varied power sector experience in premier Central PSUs. He has more than 27 years' experience of financing power sector with over 9 years of Board level experience. He also has about 9 years of power generation experience in NHPC prior to joining PFC.

Under his leadership, PFC has shown continued business growth with enhanced financial and operational performance. As result, PFC is the largest NBFC in the country based on network as on March 31, 2016 and 5<sup>th</sup> highest profit making PSU as per DPE survey, 2016. He also ensured achievement of all the MoU targets set by Govt. of India for FY 2013-14 and FY 2014-15, entitling PFC to a maximum MoU score of 1.00 consecutively for two years. Further for the FY 2015-16, PFC is likely to be accorded 'Excellent' rating. He also spear headed roadshows for 5% disinvestment by Govt. of India in PFC through Offer for Sale (OFS), which saw tremendous success despite volatile market conditions with an oversubscription upto 2.34 times.

He has been playing a critical role in implementation of various power sector reform initiatives of Govt. of India including 24X7 Power For All, annual rating exercise of DISCOMs, recently launched Integrated Power Development Scheme (IPDS) etc. Additionally, he is also instrumental in taking forward Govt. of India initiatives like UMPPs, ITPs, review of UMPP bidding documents and construction of toilets under Swachh Bharat Abhiyan.

Shri M.K. Goel was holding 12,389 equity shares in the company as on March 31, 2016.



**Shri R. Nagarajan**  
**Director (Finance)**  
**DIN.: 00701892**

Shri Radhakrishnan Nagarajan, 59 years, holds a Bachelor's degree in Commerce and is a qualified Chartered Accountant, Cost Accountant and a certified associate of Indian Institute of Bankers. Shri Nagarajan has more than three decades of experience having worked in Andhra Bank and in PFC at different positions. He joined PFC in the year 1995 and had been holding the post of Executive Director (Finance) since January 2008 before joining the Board in July, 2009.

Shri Nagarajan has overseen various business activities relating to Initial Public Offer, Resource Mobilization, Banking, Treasury, Disbursement, Recovery, Internal Audit, Power Exchange, Asset Liability and Risk Management, Follow-on Public Offer, PSU ETF, Offer for sale etc. As Director (Finance), he is responsible for all functions of the Finance Division of the Company.

He was also President of the Project Monitoring Society and Treasurer of the World Energy Council, India.

Shri R. Nagarajan was holding 26869 equity shares in the Company as on March 31, 2016.



**Shri A.K. Agarwal**  
**Director (Projects)**  
**DIN.: 01987101**

Shri Anil Kumar Agarwal, 59 years, is B.E. (Elect.) with Hons. from MNREC, Allahabad. As Director (Projects), he is responsible for appraisal, sanction and disbursement of financing proposals in the state and private sectors. He is also responsible for expanding PFC's existing business and pursuing new business opportunities in Renewable Energy, fuel source development and equipment manufacturing.

Shri Agarwal has spent more than 37 years in the power sector in various capacities in BHEL and PFC. In BHEL he was responsible for commissioning of Thermal Plants at various project sites in Northern India. Shri Agarwal has been serving PFC for more than 24 years and has been actively involved in project appraisal, entity appraisal, funding of Renewable Energy projects, fixing of sanction and disbursement targets and their achievement. He is also on the Board of PFC as Nominee Director.

Shri Anil Kumar Agarwal, was holding 25859 equity shares in the Company as on March 31, 2016.



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

Shri D. Ravi, 58 years, is B.E. (Electrical & Electronics Engg.) with Diploma in Business Management. As Director (Commercial), he is responsible for Commercial Division of PFC.

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

Shri D. Ravi, was holding 1000 equity shares in the Company as on March 31, 2016.



**Dr. Arun Kumar Verma**  
**Govt. Nominee Director**  
**DIN.: 02190047**

Dr. Arun Kumar Verma, 57 years, is presently Joint Secretary (Distribution), Ministry of Power. He is a 1986 batch, Gujarat cadre, Indian Forest Services Officer. He holds a Doctorate in Tribal Development Policy, Master of Science Degrees in Physics & Forestry and a Post Graduate Diploma in Public Policy & Management from IIM, Bangalore.

In addition, he has been well trained from renowned National and International Institutions in diverse areas of Public Administration, Natural Resource Management, Computer Applications, Energy Management, Remote sensing, Project Management, Financial Management etc. Dr. Verma has a vast experience of over 30 years. His areas of distinguished works and specialisation include Power Sector, Tribal Development, Environment & Forest. In recognition of his distinguished services, he has been ordained the "Rashtriya Gaurav" award.

Dr. Arun Kumar Verma was holding Nil equity shares in the company as on March 31, 2016.



**Shri Yogesh Chand Garg**  
**Independent Director**  
**DIN.: 01768635**

Shri Yogesh Chand Garg, 52 years, is a Honours Graduate in Commerce and Bachelor degree in Law. He is a fellow member of the Institute of Chartered Accountants of India. During a professional career spanning over 29 years, he has rendered services in the field of Audit, Consultancy in finance, Income tax, Service Tax and other fiscal laws to various private sector companies, public sector banks, societies and other forum of business establishment.

Shri Garg had represented as executive member, Ghaziabad branch of CIRC of ICAI and Tax BAR Associations as Secretary & President. He is associated with various social and charitable Institutions, NGO as consultant, adviser, auditor and member of executive committees. Shri Garg took part in various professional discussions and activities and contributed at conferences/Seminar for development of professional knowledge and skill.

Shri Garg brings with him rich and varied financial and consultancy experience and good corporate governance practices, thereby enriching the deliberations of the Board. He is a chairman of the Audit Committee, Corporate Social Responsibility & Sustainable Development Committee, Nomination and Remuneration Committee, Stakeholders'/Investors' Grievance Committee, HR Committee and member of Risk Management Committee and Committee of Directors for Investment in IPO of Central Power Sector Undertakings.

Shri Yogesh Chand Garg was holding Nil equity shares in the Company as on March 31, 2016.



## REPORT OF THE BOARD OF DIRECTORS 2015-2016

To

The Members,

Power Finance Corporation Limited

Your Directors are pleased to present their 30<sup>th</sup> Report on the performance of your company for the Financial Year ended March 31, 2016 along with Audited Financial Statements, Auditor's Report, Secretarial Auditor's Report & review report by the Comptroller and Auditor General of India.

### 1.0 FINANCIAL AND OPERATIONAL HIGHLIGHTS

#### (a) PROFITABILITY

(₹ in crore)

Particulars	2015-16	2014-15
Profit Before Tax	9060.66	8378.23
Less: Provision for Income Tax (current year)	2822.26	2502.42
Less: Provision for Income Tax (earlier years)	12.11	0.46
Less: Deferred Tax Liability	112.81	(83.98)
<b>Profit After Tax</b>	<b>6113.48</b>	<b>5959.33</b>
Transfer towards provision for Bad & Doubtful Debts u/s 36(1) (vii) (c) of Income Tax Act, 1961	429.21	387.49
Transfer to Special Reserve created and maintained u/s 36(1) (viii) of Income Tax Act, 1961	2004.16	1850.10
Debenture Redemption Reserve	316.27	310.20
Interim Dividend	1755.66	1122.04
Proposed Final Dividend	79.20	79.20
Corporate Dividend Tax paid on Interim Dividend	356.74	224.10
Corporate Dividend Tax on Proposed Final Dividend	16.12	16.12
Transfer to General Reserve	1101.00	596.00
Balance carried to Balance Sheet	55.12	1374.08

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

(₹ in crore)

Particulars	2015-16	2014-15
Sanction	65042	60784
Disbursement	46588	44691

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

##### 1. R-APDRP

(₹ in crore)

Description	Amount recoverable from borrowers & payable to GoI		R-APDRP Grant		Amount payable to GoI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
<b>GoI Loan under R-APDRP (Principal)</b>						
Opening Balances	7687.84	7315.85	-	-	-	-
Additions during the period	667.82	578.47	667.82	578.47	-	-
Recoveries/Refunds/ Changes during the period	(125.21)	(206.48)	(667.82)	(578.47)	-	-
<b>Closing Balances</b>	<b>8230.45</b>	<b>7687.84</b>	-	-	-	-

## 2. IPDS

(₹ in crore)

Description	Amount of Gol grants administered to the eligible Utilities		IPDS Grant		Amount payable to Gol (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balances	-	-	50.00	-	0.01	-
Additions during the period	358.70	-	308.70	50.00	2.14	0.01
Recoveries/Refunds/ Changes during the period	-	-	358.70	-	(2.15)	-
<b>Closing Balances</b>	<b>358.70</b>	<b>-</b>	<b>-</b>	<b>50.00</b>	<b>-</b>	<b>0.01</b>

## 2.0 FINANCIAL PERFORMANCE

### 2.1 REVENUE

The total income achieved by your Company during the FY 2015-16 was ₹27,564.31 crore registering an increase of 10.67% as compared to ₹24,907.85 crore in FY 2014-15. Operating income for the year increased from ₹24,862.37 crore to ₹27,473.65 crore showing an increase of 10.50%.

### 2.2 EXPENSES

The total expenditure during FY 2015-16 amounted to ₹18,503.65 crore as against total expenditure of ₹16,529.62 crore in FY 2014-15. Finance cost including bond issue expenses amounted to ₹16,507.25 crore in FY 2015-16 as compared to ₹15,470.63 crore in FY 2014-15. This constituted 89.21% of total expenses in FY 2015-16 as compared to 93.59% in FY 2014-15. Employee Benefit expenses and administrative & other expenses were 0.49% and 0.27% respectively of total expenses against 0.52% and 0.05% respectively in the previous year.

### 2.3 PROFIT

During the FY 2015-16, your Company earned a net profit of ₹6,113.48 crore as compared to ₹5,959.33 crore for the FY 2014-15 registering an increase of 2.59%.

### 2.4 SHARE CAPITAL

As on March 31, 2016, the paid-up share capital of your Company was ₹1,320.04 crore consisting of 1,32,00,40,704 equity shares of ₹10 each of which the Government of India holds 67.80%. During FY 2015-16, there was no change in the paid up share capital of the company. However, Government of India (Gol) offloaded its 5% shareholding in the company through Offer for Sale (OFS) route.

### 2.5 DIVIDEND

Your Directors have recommended a final dividend of ₹0.60 per equity share in addition to an interim dividends (first and second) of ₹13.30 per equity share on paid up equity share capital of ₹1,320.04 crore. The total dividend for the FY 2015-16 thus aggregates to ₹13.90 per equity share as against ₹9.10 per equity share paid for the previous year. The final dividend will be paid after your approval at the Annual General Meeting. The total dividend pay-out for the FY 2015-16 was ₹1,834.86 crore representing 30.01% of the profits after tax as against a dividend pay-out of ₹1201.24 crore representing 20.16% of the profits after tax in the previous year.

## 3.0 OPERATIONAL PERFORMANCE

Your Company sanctioned loans amounting to ₹ 65,042 crore during the FY 2015-16 to State, Central, Private and Joint Sector entities. An amount of ₹46,588 crore was disbursed during the same period. With this, cumulative sanctions amount to ₹5,27,600 crore and disbursement of ₹3,92,557 crore have been made by the company as on 31<sup>st</sup> March, 2016.

In addition to above, projects worth ₹19,747 crore were sanctioned under IPDS scheme (with R-APDRP subsumed under it) during FY 2015-16. An amount of ₹995 crore was disbursed during the same period.

### 3.1 FINANCIAL ASSISTANCE (EXCLUDING R-APDRP/IPDS)

#### 3.1.1 Sector-wise

(₹ in crore)

Category	2015-16		Cumulative upto March, 2016	
	Sanctions	Disbursements	Sanctions	Disbursements
State Sector	45794	32354	367532	282059
Central Sector	6179	4660	43108	37394
Private Sector	8403	6920	88922	53485
Joint Sector	4665	2653	28038	19618
<b>Total</b>	<b>65042</b>	<b>46588</b>	<b>527600</b>	<b>392557</b>

#### 3.1.2 Discipline-wise

(₹ in crore)

Category	2015-16		Cumulative upto March, 2016	
	Sanctions	Disbursements	Sanctions	Disbursements
Thermal Generation	32397	22690	272185	202079
Hydro Generation	2335	1708	49152	32731
Wind, Solar, Bagasse and Biomass	1782	1168	5534	3831
Renovation, Modernization and Uprating of Thermal & Hydro Power Stations	1721	810	13712	9729
Transmission	6050	2160	49455	28408
Distribution	4513	1546	27298	16489
Short Term Loans	4206	4102	48742	48162
Transitional Finance	11064	10535	45532	42032
Others*	974	1868	15989	9096
<b>Total</b>	<b>65042</b>	<b>46588</b>	<b>527600</b>	<b>392557</b>

\* Others include Funding of Regulatory Assets, Buyers Line of credit, Equipment Manufacturing Loan, Fuel Sources Development, Loan for Redemption of bond, Computerization, Project Settlement, Purchase of power through PXI, Loan against Receivables, Studies, Bill Discounting, Pre-Investment Fund, Decentralized Management, Technical Assistance Project, etc.

### 3.2 Financial Assistance under IPDS

(₹ in crore)

Category	2015-16		Cumulative upto March, 2016	
	Sanctioned project cost	Disbursements (Claims processed)	Sanctioned project cost	Disbursements (Claims processed)
<b>R-APDRP</b>				
Part A (IT)	-62	111	5410	2793
Part A (SCADA)	0	26	1556	461
Part B	-667	531	31548	5352
<b>Total</b>	<b>-729*</b>	<b>668</b>	<b>38514</b>	<b>8606</b>
<b>IPDS</b>				
IPDS	19747	327	23016	327
<b>Total</b>	<b>19018</b>	<b>995</b>	<b>61530</b>	<b>8933</b>

\* Negative sanction in 2015-16 indicates cancellation of loans.

## 4.0 REALISATION

Your Company gives utmost priority to the realization of its dues towards principal, interest etc. Out of ₹54,864.56 crore to be recovered towards principal, interest, etc. under rupee term loans, bill discounting, working capital, lease financing, foreign currency loan, loans for equipment financing and guarantee fee, an amount of ₹51,847.74 crore was actually realized representing an overall recovery rate of 94.50% (previous year 96.14%).

In terms of Prudential Norms, as applicable, the provisioning on Non-Performing Loan Assets has been increased by an amount of ₹984.63 crore during the year. The Company has made a total provision of ₹1458.09 crore towards Non-Performing Assets (NPA) against Loan Assets in its Annual Accounts upto the year 2015-16. After making provision on NPA, the level of net Non-Performing Assets (NPA) has been recorded at ₹6061.17 crore which is 2.55% to the Total Net Loan Assets as on March 31, 2016.

In addition to above, your company has also made a provision of ₹597.41 crore and ₹1129.20 crore on Standard Assets and Restructured Standard Assets respectively as on March 31, 2016, 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 RESTRUCTURED LOANS

The details of loans restructured during the FY 2015-16 are as follows:

(₹ in crore)

Particular		FY 2015-16	FY 2014-15
Standard Loans Restructured	No. of Borrowers	5	6
	Amount Outstanding	14192.68	7082.71
Sub-Standard Loans Restructured	No. of Borrowers	-	1
	Amount Outstanding	-	386.23
Doubtful Loans Restructured	No. of Borrowers	-	-
	Amount Outstanding	-	-
<b>Total</b>	<b>No. of Borrowers</b>	<b>5</b>	<b>7</b>
	<b>Amount Outstanding</b>	<b>14192.68</b>	<b>7468.94</b>

## 6.0 BORROWINGS

Your Company is a non-deposit taking NBFC, and thus has not accepted any public deposits during the FY 2015-16.

### 6.1 BORROWINGS FROM DOMESTIC MARKET

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

(₹ in crore)

Sl. No.	Source	Amount
1.	Commercial Paper	24677.68
2.	Bonds –Private Placement (Taxable)	23287.00
3.	Bonds – Private Placement (Tax Free)	300.00
4.	Term Loans	12650.75
	<b>TOTAL</b>	<b>60915.43</b>

Your company mobilised resources to the tune of ₹700 crore by public issue of tax free bonds tranche -I in six series, i.e. series 1A, 1B, 2A, 2B, 3A and 3B bearing interest rate of 7.11% for 10 years, 7.36% for 10 years, 7.27% for 15 years, 7.52% for 15 years, 7.35% for 20 years and 7.60% for 20 years respectively. The date of allotment of said public issue of tax free bonds listed on Bombay Stock Exchange (BSE) was October 17, 2015. The fund raised from said public issue was utilised as per objects of the issue.

## 6.2 EXTERNAL BORROWINGS

During the FY 2015-16, your company raised External Commercial Borrowing (ECB) of USD 360 million through Syndicated Loan as per the following details:

Sl. No	Particulars	Amount (₹ crore)	Date of drawl	Period	Date of Maturity	Fixed/ Floating
1	Syndicated Loan JPY 14,556 million Equivalent of USD 120 million (SLN XVIII)	786.14	November 6, 2015	5 years	November 6, 2020	Floating
2	Syndicated Loan JPY 14,556 million Equivalent of USD 120 million (SLN XVIII)	786.14	November 6, 2015	6 years	November 8, 2021	Floating
3	Syndicated Loan JPY 14,556 million Equivalent of USD 120 million (SLN XVIII)	786.14	November 6, 2015	7 years	November 4, 2022	Floating

## 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 ₹9720 crore were sanctioned as on March 31, 2016 by various scheduled commercial banks to the company for short term funding which do not bear any commitment charges towards unutilized limits.

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

### 7.1 CONSERVATION OF ENERGY/ TECHNOLOGY ABSORPTION

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

### 7.2 FOREIGN EXCHANGE EARNINGS AND OUTGO

During the FY 2015-16, the Foreign exchange outgo aggregating ₹262.29 crore was made on account of debt servicing, financial & other charges and training expenses. The Foreign exchange earnings for the FY 2015-16 were Nil.

## 8.0 CREDIT RATING

### International

Long Term Foreign Currency Issuer ratings assigned to the Company as on 31.03.2016 are as follows:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable
3.	Moody's	Baa3	Positive (Outlook revised from Stable to Positive in April, 2015)

### Domestic

Ratings assigned by Credit Rating Agencies and Migration of Ratings during the FY 2015-16 are as follows:-

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.



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

The maturity profile of certain items of assets and liabilities as at March 31, 2016 is set out below:

(₹in crore)

Maturity pattern of certain items of Assets and Liabilities based on Audited Balance Sheet as on March 31, 2016							
Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	Beyond 2020-21	Total
Advances (Rupee Loan Assets)	34,052	17,506	18,905	19,472	21,789	1,26,897	<b>2,38,621</b>
Foreign Currency Assets	35	5	0	0	144	116	<b>300</b>
Investments (Net of Provision)	411	0	0	0	0	2,266	<b>2,677</b>
Foreign Currency Liabilities	2,078	1,223	21	1,690	2,892	2,872	<b>10,776</b>
Borrowings (Rupee Liabilities)	34,206	28,704	26,997	21,601	14,712	63,859	<b>1,90,079</b>

### 9.2 FOREIGN CURRENCY RISK MANAGEMENT

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

As on March 31, 2016, the total outstanding foreign currency liabilities are USD 1,021 million, JPY 61,102 million and Euro 17 million. On an overall basis, the currency exchange rate risk is covered to the extent of 5% through hedging instruments and lending in foreign currency.

### 9.3 INTEGRATED ENTERPRISE WIDE RISK MANAGEMENT

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

The Company has identified 21 risks (8 quantifiable risks and 13 non-quantifiable risks) which may have an impact on profitability/revenues of the Company. In order to implement IRM policy, Risk Management Compliance Committee and a unit was 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. Sixteen such UMPPs have been identified to be located at Madhya Pradesh (Sasan), Gujarat (Mundra), Andhra Pradesh (Krishnapatnam), Jharkhand (Tilaiya), Chhattisgarh (Surguja), Karnataka, Maharashtra (Munge), Tamil Nadu (Cheyyur), Odisha

(Sundargarh), Bihar (Banka), Uttar Pradesh, 2 Additional UMPPs in Odisha and 2<sup>nd</sup> UMPP in Tamil Nadu, Gujarat and Jharkhand (Deoghar).

UMPP is the initiative of Government of India with Ministry of Power as the 'facilitator' for the development of these UMPPs while Central Electricity Authority (CEA) is the 'Technical Partner'. Till March 31, 2016, 19 Special Purpose Vehicles (SPVs) were established by the Company for UMPPs, out of these, 14 SPVs (operating SPVs) were incorporated to undertake preliminary site investigation activities necessary for conducting the bidding process for the projects. These SPVs shall be transferred to successful bidder(s) selected through Tariff Based International Competitive Bidding Process for implementation and operation. Five additional SPVs (Infra SPVs) were incorporated by PFC for holding the land for power plant and land for coal blocks in case of domestic coal based UMPPs (Odisha, Bihar, Deoghar and Tilaiya UMPPs) and for holding the land for power plant/port in case of imported coal based UMPP (Cheyyur UMPP). These SPVs would be transferred to the respective procurers of power from these projects.

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

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

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 28<sup>th</sup> April 2015. Procurers have decided to accept the termination after which JIPL shall be taken over by PFC for rebidding.

## 10.2 ITPs

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

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

Till March 2016, 21 (Twenty one) Special Purpose Vehicles (SPVs), 2 by PFC and other 19 (Nineteen) by PFC Consulting Limited were established as wholly owned subsidiaries for ITPs. Out of these 21 (Twenty one) SPVs, Bokaro-Kodarma-Maithon Transmission Company Limited was liquidated in December 2010 and 12(Twelve) SPVs were transferred to the successful bidders till 31<sup>st</sup> March, 2016.

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

Sl. No.	Project Name	SPV	SPV incorporation	Present Status
1.	Creation of new 400kV GIS sub stations in Gurgaon and Palwal area as a part of ISTS	Gurgaon-Palwal Transmission Ltd.	26.10.2015	LOI issued to successful bidder.
2.	Eastern Region strengthening scheme (NERSS VI)	Kohima- Mariani Transmission Ltd.	22.01.2016	Bidding process is underway
3.	765 kV system strengthening scheme in eastern region (ERSS XVIII)	Medinipur-Jeerat Transmission Ltd.	22.01.2016	RfQ is to be re-issued with modified scope

During the year LOIs has also been issued to the successful bidders for Tanda Transmission Company Ltd. on 9<sup>th</sup> October, 2015 and for Warora-Kurnool Transmission Limited on 29<sup>th</sup> February, 2016. Further, three SPVs namely Chhattisgarh-WR Transmission Limited, Sipat Transmission Limited, Raipur- Rajnandgaon – Warora Transmission Limited were transferred to successful bidder on 23<sup>rd</sup> November, 2015. Another SPV- Odisha Generation Phase II Transmission Limited was transferred on 8<sup>th</sup> April, 2016.

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

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

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

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

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 during the FY 2015-16.

### IPDS

- The company cumulatively upto FY 2015-16 sanctioned, ₹23016 crore for 3486 towns. During the year, your company sanctioned ₹19,747 crore of projects.
- Your company has also disbursed the amount of ₹327 crore upto March 31, 2016 to the beneficiary Utilities for towns sanctioned under IPDS. The cumulative disbursement under IPDS is ₹327 crore as on March 31, 2016.

### R-APDRP

- The company cumulatively upto FY 2015-16 sanctioned, Part-A (IT) schemes of all eligible 1405 towns, Part-A (SCADA) schemes for 72 towns and Part-B schemes for 1239 towns. The cumulative sanction under R-APDRP is ₹ 38,514 crore as on March 31, 2016.
- Your company has also disbursed the amount of ₹668 crore upto March 31, 2016 to the State Utilities. The cumulative disbursement under R-APDRP is ₹8,606 crore as on March 31, 2016.

### Progress of implementation

#### IPDS

Under IPDS, Project Management Agency appointment has been done in 38/59 Utilities and TPA has been signed with 31/59 Utilities.

#### R-APDRP

With the measures taken so far, as on March 31, 2016, Data Centers in cumulatively 20 out of 21 States have been commissioned. Further, 1222 towns have Gone Live in 26 States, namely, AP-75, Telangana-38, Bihar-65, Chhattisgarh-20, Goa-2, Gujarat-84, Haryana-36, HP-14, J&K-9, Jharkhand- 25, Karnataka-98, Kerala-43, Maha128, MP-83, Punjab-47, Rajasthan-6, Sikkim-2, TN 89, UP-168, Uttarakhand-31, WB-61, Assam-64, Manipur-12, Meghalaya-5, Mizoram-1, Tripura-16. In such towns, all business process software modules are functional and energy audit reports are being derived from the system.

During the year, for implementation of Part-B projects of R-APDRP, Utilities have tied up counterpart funding amounting to ₹1177 crore. With this, cumulative counterpart funding tied up amounts to ₹16,188 crore of which ₹4773 crore is from PFC. Implementation work has commenced cumulatively in 1217 towns, to strengthen & improve distribution system and reduce AT&C losses to 15% or below.

During the year, Utilities have also appointed SCADA Implementing Agencies in 7 States for implementation of projects in 25 towns. Overall, SCADA Implementing Agencies have been appointed in 20 States for 72 towns and 45 SCADA control centers have been commissioned under R-APDRP.

For capacity building and to recognize the need and to keep pace with technology, contemporary knowledge and skill, your company imparted training for Concurrent HR capacity building – Master training (training of trainers) of 10 worst Discoms for 519 Mandays against a target of 500 Mandays.

The reduction in AT&C losses are likely to be visible in R-APDRP towns in the Utilities in next one to five years with establishment of IT system and Part-B completion in various towns coupled with administrative and other measures. Thus, your company shall be contributing largely in improvement of financial health of Distribution Utilities which shall consequently improve health of Transmission and Generation Power Utilities, resulting in improvement of quality of assets of your company for such borrowers in the State Power Sector.

## **12.0 INITIATIVES TOWARDS REFORMS AND RESTRUCTURING**

**Impact Assessment of R-APDRP:** Impact Assessment Study was carried out in 76 towns across 14 States where sizeable towns were declared Go-Live. The study depicted that IT system established has led to identification of AT&C loss pockets, enabled accurate measurement of reliability, establishment of single window customer care centers apart from web self-service and multiple payment options for consumers.

Study of ten Discoms was conducted where AT&C losses reduced in last 5 years. The committee pinpointed various administrative, technical and commercial interventions adopted by these Utilities to reduce AT&C losses.

Data for Urban Distribution Monitoring System under National Power Portal (NPP) being developed by NIC and feeder data from all 11KV feeders of R-APDRP Go-Live towns is being progressively ported on said portal.

Power System reliability data is being compiled in the form of SAIDI/SAIFI reports for R-APDRP towns. Utilities are being encouraged to take subsequent necessary administrative interventions for reduction of AT&C losses, based on Post Go Live reports (D1 to D5).

Revamped IPDS Portal with Web analytics for Post Go-Live parameters: now include 5 Post Go-Live parameters viz. AT&C loss reduction, Consumer Grievance redressal, New Connection release, High loss feeders and power reliability indices (SAIFI/SAIDI) alongwith their graphical web analytics.

### **CATEGORISATION OF UTILITIES**

For purposes of funding, PFC classifies State Power Utilities into A+, A, B and C categories. The categorisation (biannually) of State Power Generation and Transmission utilities is arrived based on the evaluation of utility's performance against specific parameters covering operational & financial performance including regulatory environment, generation of audited accounts, etc. With regards to State Power Distribution utilities (including SEBs / utilities with integrated operations), PFC Categorisation policy provides for adoption of MoP's Integrated Ratings. The categorisation enables PFC to determine credit exposure limits and pricing of loans to the state power utilities. As on 26<sup>th</sup> April 2016, 105 utilities were categorised, 33 as "A+", 34 as "A", 31 as "B" and 7 as "C".

### **Quarterly and Annual Report of State Power Utilities**

Your company is bringing out one page report on the performance of each of the State Power Utilities (SPUs) on a quarterly basis. The report contains key operational and financial performance parameters, reform status, status of implementation of Electricity Act 2003, areas of concern and conditions for improvement of performance, etc. The report is sent to the stakeholders in the power sector. The Report is acknowledged as a useful effort in flagging the key issues/ areas of concern to be reviewed by the SPUs for taking mid-term corrective measures for the overall improvement of the sector.

During the FY 2015-16, PFC has issued performance reports for the quarter January-March 2015 covering 41 utilities, April-June 2015 covering 40 utilities, July-September 2015 covering 40 utilities & October-December 2015 covering 40 utilities.

PFC publishes the Report on the Performance of State Power Utilities (SPUs) on an annual basis. The 12<sup>th</sup> edition of the Report for the years 2011-12 to 2013-14 covering 97 utilities was submitted to MoP in July, 2015. The 13<sup>th</sup> edition of the Report for the

years 2012-13 to 2014-15 covering 100 utilities was submitted to MoP in July 2016. 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.

### 24x7, POWER FOR ALL (PFA)

Ministry of Power (MoP) had taken initiative for supplying 24x7, Power for All. For this purpose a State specific roadmap is required to be prepared by the Consultants engaged by PFC as per direction of MoP. Further, MoP had formed a Central Committee comprising members from Ministry of Coal, MNRE, BEE, CEA, PFC, REC, PGCIL for providing necessary input for finalization of State specific Roadmap.

PFC has been associated with finalization of 'Power for All' documents for the States of Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Dadar & Nagar Haveli, Daman & Diu, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Meghalaya, Mizoram, Nagaland, NCT of Delhi, Odisha, Punjab, Rajasthan, Sikkim, Telangana and Uttarakhand. These PFA documents have been uploaded on MoP website as well as Power for All website.

## 13.0 POLICY INITIATIVES

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

During the year 2015-16, PFC reviewed its policies/guidelines/products with respect to Debt Refinancing and Funding Grid Connected Solar PV Private Sector Power Generation Projects with a view to make the same more borrower friendly.

During the FY 2015-16, interest rates in respect of term loan and short term loan were reviewed and revised. In this regard, interest rates for term loans were reduced twice during the financial year, aggregating 60bps to 125bps for different types of borrowers. Further, interest rate for short term loans was reduced once during the financial year by 100bps. These reduction in interest rates were

done to ensure sustainability and aligning with the market.

The financial charges/fees were also reviewed and modified from time to time. In this regard, revision in policy for PFC taking up 'Lead' role in syndicated financing was done and related fee/charges were also reviewed. Further, the fees and other financial charges for takeout financing have been introduced.

In spite of growing competition in the market as well as concerns on interest rates on account of factors like movement in RBI key policy rates, inflation prevailing in the financial year, etc., PFC could balance its objectives of business growth and profitability.

## 14.0 RENEWABLE ENERGY

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

The gross installed power generation capacity of the country as on March 31, 2016, stood at 298 GW. This included installed Renewable Energy capacity of 42752 MW (Grid Connected), constituting 14.34% of the total installed capacity. This comprises 26,769 MW of wind power, 4,273 MW of small hydro power, 6,762 MW solar power, 4,831 MW of biomass & Cogeneration and 115 MW of waste to power.

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



## **15.0 PROMOTION OF POWER TRADING THROUGH POWER EXCHANGE**

In the FY 2008-09, the Central Electricity Regulatory Commission had granted its permission to set up power exchanges in the country. As on date, 2 power exchanges, namely, Power Exchange India Ltd. (PXIL) and Indian Energy Exchange Ltd. (IEX) are in operation. These power exchanges have a nationwide presence in the form of electronic exchange for trading in power. The trading through power exchanges have certainly lent an impetus for power sector development since it acts as an open and transparent mechanism for buyers and sellers and provides investment signal to the prospective investors. Further with the presence of these exchanges, the available resources shall be used optimally.

PFC has contributed ₹3.22 crore (being 6.64% of paid up equity, upto March 31, 2016) towards equity contribution in Power Exchange India Ltd., promoted by NSE and NCDEX.

## **16.0 EQUITY FINANCING**

Equity investment business is generally considered as a logical extension of debt business. PFC is endeavoring to make a mark in the area of equity investment to capitalize on its vast domain knowledge & experience attained during its over 25 years of operations. PFC aims to leverage its financial strength, large debt providing capability and power sector expertise to invest in equity of suitable power projects. Over a period of time, PFC proposes to build an equity portfolio of power assets which could provide consistent gains in the form of dividend and/or capital appreciation. PFC has obtained consent of RBI to invest in equity of power projects ranging between 0.5% and 5% of its own net worth in a single company. However till date, PFC has not made any investment under the policy.

## **17.0 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 Sec.186 of the Companies Act, 2013.

The particulars of investments during the FY 2015-16 are as follows :-

- PFC had invested ₹5 lakhs each in four SPVs in Bihar Infrapower Ltd, Deoghar Infra Ltd., Bihar Megapower Ltd. and Jharkhand Infrapower Ltd. aggregating to ₹ 20 lakhs.

- PFC has invested ₹124 crore in Energy Efficiency Services Limited (EESL), a Joint Venture Company of PFC, REC, NTPC and POWERGRID. Out of which, ₹99.00 crore is towards Share Application Money pending for allotment. The application money pending for allotment was fully allotted to PFC during FY 2016-17 on 25.04.2016.
- PFC has invested in 10000 nos of bonds at a face value of ₹10 lakh each aggregating to ₹1000 crore in Additional Tier-I Basel III compliant non-convertible Perpetual Debt Bonds (Series - IV) of Dena Bank at a Coupon Rate of 10.95% p.a payable annually.
- PFC has invested in 8000 nos. of bonds at a face value of ₹10 lakh each aggregating to ₹800 crore in Additional Tier - I Basel III compliant non-convertible Perpetual Debt Bonds (Series - II) of Andhra Bank at a Coupon Rate of 10.95% p.a payable annually.

In the month of April, 2016, PFC has invested in 26,05,42,051 Equity Shares of NHPC Ltd through OFS route at floor price of ₹21.75 per equity share as decided by Government of India. The total cost of investment in NHPC Ltd. works out to ₹567.50 crore inclusive of all statutory and other expenses.

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 30.11.2006 as amended from time to time and subordinate loan agreement dated 29.09.2006, 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.

## **18.0 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:

- PFC Consulting Limited (PFCCL)
- PFC Green Energy Limited (PFCGEL)
- PFC Capital Advisory Services Limited (PFCCAS)
- Power Equity Capital Advisors (Private) Limited (PECAP) under liquidation.

Further, your Company has been appointed as the Nodal Agency for development of Ultra Mega Power Projects (UMPPs) through Special Purpose Vehicles (SPVs) by the Ministry of Power and the Company floated the following subsidiary companies :-

- (i) Chhattisgarh Surguja Power Limited
- (ii) Coastal Karnataka Power Limited
- (iii) Coastal Maharashtra Mega Power Limited
- (iv) Coastal Tamil Nadu Power Limited
- (v) Ghogarpalli Integrated Power Company Limited
- (vi) Orissa Integrated Power Limited
- (vii) Sakhigopal 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 Ltd.
- (xiii) Bihar Infrapower Limited
- (xiv) Bihar Mega Power Limited
- (xv) Jharkhand Infrapower Limited
- (xvi) Warora-Kurnool Transmission Limited\* (transferred on July 6, 2016)
- (xvii) Medinipur-Jeerat Transmission Limited\*
- (xviii) Gurgaon-Palwal Transmission Limited\* (transferred on July 14, 2016)
- (xix) Kohima-Mariani Transmission Limited\*
- (xx) Tanda Transmission Company Limited\*
- (xxi) Ballabgarh-Gn Transmission Company Limited\*
- (xxii) South-Central East Delhi Power Transmission Limited\*
- (xxiii) Mohindergarh-Bhiwani Transmission Limited\*
- (xxiv) Odisha Generation Power Transmission Limited (transferred on April 8, 2016)\*

\* Subsidiaries of PFC Consulting Ltd., a wholly owned subsidiary of PFC floated for transmission projects.

## 18.1 PFC CONSULTING LIMITED (PFCCL)

Your Company had been offering consultancy support to the Power Sector through its Consultancy Services Group (CSG) since October 1999. Leveraging the experience of the CSG Unit and appreciating the growth in the services offered by the Group and recognizing the potential of such services in reforming Power Sector, your Company decided to organize these services under a distinct dedicated business entity. Accordingly, PFC Consulting Limited (PFCCL) was incorporated in the form of a wholly owned subsidiary on March 25, 2008, to provide it with 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
- Communication, information dissemination and feedback
- Contract related services for power sector
- Organization performance improvement plan
- Financial management, resource mobilization, accounting systems etc.
- Coal block development
- Renewable and non-conventional energy project development
- Advisory Services for Distribution System Improvement Schemes

## Client Base

Till date, consultancy services have been rendered to 54 Clients spread across 23 States/UTs namely Arunachal Pradesh, Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Puducherry, Punjab, Rajasthan, Telangana, Tripura, Uttar Pradesh and West Bengal. 96 assignments have been undertaken so far. The profile of clients is as below:

Clients	Nos.
State Utilities	29
Licensees/ IPPs	9
Public Sector Undertakings	7
State Governments	5
Regulatory Commissions	3
Central Govt. departments/Ministries	1
<b>Total</b>	<b>54</b>

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

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

Further, during the FY 2015-16, the income from Operations of PFCCL was ₹60.26 vis-a-vis ₹ 37.41 crore in the previous year 2014-15 and the net profit earned by PFCCL during FY 2015-16 was ₹37.06 crore as against the corresponding net profits of ₹21.70 crore last fiscal.

## 18.2 PFC GREEN ENERGY LIMITED (PFC GEL)

PFC GEL was incorporated on March 30, 2011 as a wholly owned subsidiary of your Company to extend finance and financial services to promote green (renewable and non-conventional) sources of energy. As on 31.03.2016, PFC GEL has an authorized share capital of ₹1200 crore and paid-up share capital ₹300 crore comprising of 10 crore Equity Shares of ₹10/- each and 20 crore Fully Convertible Preference Shares of ₹10/- each.

PFC GEL continues to accomplish a healthy growth during the FY 2015-16. The total revenue grew by 15% from ₹33.65 crore to ₹38.71 crore in FY 2015-16, profit before tax (PBT) grew by 16% from ₹28.30 crore to ₹32.95 crore in FY 2015-16 and profit after tax (PAT) grew by 20% from ₹18.91 crore to ₹22.60 crore in FY 2015-16.

The financial assistance sanctioned by the Company during the FY 2015-16 would help capacity creation of about 400MW from renewable energy sources. During FY 2015-16, the Company made sanction and disbursement of ₹717.70 crore and ₹ 275.37 crore respectively. Out of the total sanction of ₹717.70 crore, 4.63% (₹33.21 crore) was sanctioned towards state sector projects and 95.37% (₹684.49 crore) was sanctioned towards private sector projects. Cumulatively, the sanctions and disbursements by the Company till March 31, 2016 is ₹1524.55 crore and ₹370.50 crore respectively. The Company continues to diversify its portfolio across the renewable energy and has a healthy composition across wind, solar & small hydro sectors. Further, Net Worth of the Company grew by 7% in 2015-16 to ₹352 crore as compared to ₹330 crore in FY 2014-15 and the total loan assets (net) as at March 31, 2016 grew by 300% to ₹356.88 crore from ₹89.17 crore as at March 31, 2015. The gross Non-Performing Assets (NPAs) is Nil as on March 31, 2016.

For the FY 2015-16, PFCGEL has signed a Memorandum of Understanding (MoU) with PFC and had achieved the target which is eligible for the excellent rating required under the targets of MoU. PFC GEL had achieved sanction of ₹717.70 crore and disbursement of ₹275.37 crores against the targets of ₹800 crore and ₹275 crore respectively.

During the FY 2015-16 PFC GEL contributed ₹31.96 lakhs for CSR (Corporate Social Responsibility) towards 'Swachh Bharat Kosh'.

Since the company is dedicated for renewable energy projects such as wind, solar, biomass, hydro, etc. it is expecting to mobilize dedicated green funds available in the market. During the FY 2015-

16, the company has been approached by various foreign/Indian funding agencies for providing funds for green energy sector. With the flow of funds dedicated for the green energy, the company shall be in the position to provide loans at competitive interest rates in future.

### 18.3 PFC CAPITAL ADVISORY SERVICES LIMITED (PFC CAS)

PFC CAS was incorporated as a wholly owned subsidiary of Power Finance Corporation Ltd. on 18<sup>th</sup> July 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 2015-16, PFC CAS took up debt syndication assignments in Wind, Thermal and Transmission among others. The total income from operations of PFC CAS is ₹3.15 crores while net profit after tax of the company is ₹1.33 crores.

Further, Board of Directors of Power Finance Corporation Limited has approved merger of PFC Capital Advisory Services Limited with PFC Consulting Limited subject to regulatory and other compliances in line with the recommendation of the Board of PFC Capital Advisory Services Limited and PFC Consulting Limited Accordingly, company has sent a letter to Ministry of Power (MoP) requesting to accord its approval for the said merger and the same is under approval.

### 18.4 POWER EQUITY CAPITAL ADVISORS PRIVATE LIMITED (PECAP)

Power Equity Capital Advisors Private Limited (PECAP), the wholly owned subsidiary of PFC 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, Gol.

## 19.0 JOINT VENTURES, ASSOCIATE COMPANIES AND OTHER MAJOR INVESTMENTS (as on 31<sup>st</sup> March, 2016)

### 19.1 NATIONAL POWER EXCHANGE LIMITED (NPEX)

In order to promote short term trading through power exchange, PFC had promoted National Power Exchange Ltd (NPEX), jointly with NTPC, NHPC and TCS during 2008-09. PFC has contributed ₹2.19 crore (being 16.66% of paid up equity upto March 31, 2016)

towards equity contribution in NPEX. NTPC and NHPC had expressed their intention to exit from JV Company and based on the recommendations of the Group of Promoters (GoP) of NPEX in March 2014, the Board of Directors of NPEX had decided for voluntary winding up of NPEX. The voluntary winding up of NPEX is under process and its accounts are being prepared on liquidation basis.

### 19.2 ENERGY EFFICIENCY SERVICES LIMITED

Energy Efficiency Services Limited (EESL) was incorporated on December 10, 2009. EESL was jointly promoted by Power Grid, NTPC, REC and PFC with 25% equity stake each for implementation of Energy Efficiency projects in India and abroad. It is the main implementation arms of the National Mission on Enhanced Energy Efficiency (NMEEE). However, during the year, EESL had called for additional equity infusion of balance ₹100 crore from the promoters at 25% each and all the promoters excluding PGCIL had contributed the additional equity capital of ₹25 crore in EESL. PGCIL has expressed their inability in infusing additional equity in EESL due to constraints in financial resources. Further, PFC has also made additional subscription of ₹99 crore to equity share capital of EESL as Share Application Money pending allotment. As on 31.03.2016, the stake of PFC was 28.79% in EESL. EESL has reported profit after tax of ₹32.88 crore (Provisional) for the year. The allotment of shares against the share application money of ₹99 crore paid to EESL in FY 2015-16 was made on April 25, 2016.

### 19.3 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 2015-16, PTC maintained its leadership position with trading volumes of 42,372 MUs. PTC has reported profit after tax of ₹233.61 crore for the FY 2015-16.

### 19.4 POWER EXCHANGE INDIA LIMITED

Power Exchange India Limited (PXIL) is India's first institutionally promoted Power Exchange that provides innovative and credible solutions to transform the Indian Power Markets. PXIL, provides Nation-wide, electronic Exchange for trading of power and handles power trading and transmission clearance, simultaneously, it provides transparent, neutral and efficient electronic platform. PXIL

offers various products such as Day Ahead, Day Ahead Contingency, Any Day, Intra Day and Weekly Contracts. PXIL provides trading platform for Renewable Energy Certificates. PFC has made an equity investment of ₹3.22 crore in exchange (being 6.64% of PXIL's paid up equity share capital as on March 31, 2016).

## **20.0 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 Financial Year 2015-16, your company is likely to be accorded 'Excellent' rating.

## **21.0 PRESIDENTIAL DIRECTIVES**

The Company has not received any Presidential directives during FY 2015-16 and in last 3 financial years.

## **22.0 CORPORATE SOCIAL RESPONSIBILITY**

The guiding principle of your company's CSR policy is "Impact through Empowerment," where empowerment is a process of strengthening the future today, so that risks are minimized, value created and certainty is experienced. We strive to ensure that the communities engaged through our CSR initiatives also experience certainty in their lives. The core areas for your company's CSR programs are ensuring environment sustainability, sanitation and skill development for weaker sections of society. Concern for the environment is in line with our belief that this global cause demands our attention to ensure a sustainable and productive planet. These themes are established centrally for adoption or adaptation across all geographies. During the year, your company under Swachh Bharat Swachh Vidyalaya Yojna, provided funds for 9200 toilets in Govt. schools of Andhra Pradesh and Rajasthan.

During the FY 2015-16, CSR provision amounting to ₹145.79 crore (previous year ₹117.49 crore) has been made at the rate of 2% of average net Profit Before Tax (PBT) of the company earned during the three immediately preceding Financial Years. During the year ended 31.03.2016, an amount of ₹195.523 crore (including ₹3.39 crore of administrative overheads) was spent on CSR activities.

## **23.0 HRD INITIATIVES**

### **LEARNING & DEVELOPMENT**

Your company attaches great importance to the employee development and their competency. Your company reviews the need for learning as

an on going process and provides opportunity to keep the employees abreast with latest trend in their respective functional areas. Additionally, to keep pace with competition, senior executives are given exposure in advance management techniques through premier management Institutes in India and abroad. In order to achieve this, the Company has an annual training plan to assess the various training needs. Necessary professional skills are also imparted across all levels of employees through customized training interventions.

During the year 2015-16, your company organized 32 in-house programs. A total of 1754 mandays were achieved during the period under review of which 1355 were through in-house programs and 399 were through nominations to open programmes organized by other training institutes.

### **HUMAN RESOURCE MANAGEMENT**

Your company lays great emphasis on upgrading the skills of its Human Resources. It benchmarks its practices with the best practices being followed in the other Public Sector Companies. This, apart from other strategic interventions, lead to an effective management of Human Resources thereby ensuring a high level of productivity.

Your company regularly interacts with the employee representatives to ensure cordial and harmonious employee employer relations. Due to the positive work culture in the organization, no mandays were lost during the period under review.

### **WELFARE MEASURES**

Your Company follows best management practices to ensure welfare of its employees through a process of inclusive growth & development. Your company follows open door policy and absolute accessibility to top management thereby facilitating the growth of the organization. Employee commitment is high due to various employee welfare measures that are best in the sector including various welfare policy measures such as comprehensive insurance, medical facilities and other amenities which has resulted in team spirit and healthy work atmosphere. Besides this, your company also organized various health camps during the year for the welfare of the employees. Your company also organized sport events to build team spirit and cohesive work culture.

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

Your Company as a part of its social responsibility makes all-out efforts to ensure compliance of the



Directives and Guidelines issued by the Govt. for the reservation to be allowed for SC/ST/OBC/Persons with Disabilities. The steps taken include due reservations and relaxation as applicable under the various directives.

In the year 2015-16, total 34 new employees were recruited out of which 17.65% are SC (6), 5.88% are ST (2), 5.88% are PWD (2) and 11.76% are OBC (4).

### REPRESENTATION OF WOMEN EMPLOYEES

Your Company provides equal growth opportunities for its women employees and the Company can take pride in saying that critical functions are headed by women employees. There is no discrimination of employees on the basis of gender. Women employees represent 20.13 % of the total work force.

During the FY 2015-16, no case has been filed under the "Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013".

## 24.0 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.

## 25.0 STATUTORY AUDITORS

M/s. M.K. Aggarwal & Co., Chartered Accountants and M/s K. B. Chandna & Co., Chartered Accountants were appointed as Joint Statutory Auditors of the Company for the FY 2015-16 by the Comptroller & Auditor General of India.

The Joint Statutory Auditors have audited the accounts of the Company for the FY 2015-16 and have given their report without any qualification.

### SECRETARIAL AUDITOR

M/s. Agarwal S. & Associates, Company Secretaries was appointed as the Secretarial Auditor of the Company for the FY 2015-16 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 2015-16 along with copy of the audit report is annexed herewith.

## 26.0 COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General of India (C&AG) has given his comments under Section 143 of the Companies Act, 2013. The comments of C&AG and the Management's reply thereupon are annexed herewith.

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

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

The Statutory Auditors of the Company, i.e. M/s. M.K. Aggarwal & Co., Chartered Accountants and M/s K. B. Chandna & Co., Chartered Accountants have also given their Report on the Internal Financial Controls stating that the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016

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.

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

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

However, as per notification dated 5<sup>th</sup> June, 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.

## **29.0 DEBENTURE TRUSTEES**

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

## **30.0 REDEMPTION AND STATUS OF UNCLAIMED AMOUNTS**

### **Bonds**

The Unpaid / Unclaimed amount of bonds (principal + interest) as per books of accounts on 31.03.2016 is ₹11.88 crore. The Unpaid/ Unclaimed Amount of Bonds transferred to IEPF during the last FY 2015-16 is ₹0.05 crore.

### **Equity**

The unclaimed balance amount of dividend (equity) and application money received and due for refund (FPO) as on March 31, 2016 was ₹1.72 crore and ₹0.038 crore respectively. The unclaimed amount of ₹0.109 crore and ₹0.053 crore under "Unclaimed & Unpaid Dividend of the Company" has been transferred to Investor Education and Protection Fund (IEPF) in the month of April, 2015 and October,

2015 respectively. The detail of investors' (whose refund is due) is available on PFC's website and IEPF website of Ministry of Corporate Affairs.

## **31.0 EMPLOYEES STOCK OPTIONS PLAN (ESOP)**

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

The above 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 2015-16.

## **32.0 VIGILANCE**

During the financial year 2015-16, PFC Vigilance Unit functioned as an effective tool of management, the thrust being on preventive vigilance. This aspect was emphasized by conducting periodic & surprise inspections of various units and by issuing effective guidelines to streamline systems with the aim of eliminating gaps and ensuring transparency in day to day operations. Information technology was used as an effective tool for providing on-line services to all the stakeholders and to enhance organizational efficiency. Vigilance Unit also undertook the review of operational manuals of various activities of the Company. A number of comprehensive manuals on different areas of company's activities have already been notified after review and some other

manuals are in process of finalization. The detailed investigation was carried out in respect of registered complaints during this period.

In accordance with directives of CVC, Vigilance Awareness week was observed from October 26, 2015 to October 31, 2015 in the head office and regional offices of the Company. As a part of the sequence of events during the 'Vigilance Awareness Week', a one day workshop on "Good Governance" was organized for the employees in the corporation.

In compliance of the instructions of CVC, the sensitive posts in the Corporation were identified afresh and the concerned officers were rotated. Agreed lists for the year 2015 were finalized in respect of corporate office at Delhi and regional offices at Mumbai and Chennai in consultation with the CBI. Prescribed periodical statistical returns were sent to CVC, CBI, MoP on time.

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

### 33.0 OFFICIAL LANGUAGE

We, at PFC, recognise that success is the sum of small efforts, repeated day in and day out and it is best reflected while working in Hindi. It is a matter of great pride that PFC has been awarded the Second Prize in Public Sector Category in Region 'A' of 'Rajbhasha Kirti Puraskar' for the year 2014-15 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 Pranab Mukherjee.

Foremost and a very important step to ensure the effective implementation of Official Language Policy in the Corporation was the introduction of 'Parangat Pathyakram' classes for PFC employees in PFC premises wherein 21 employees appeared in the final examination. The course had been introduced for the first time by Rajbhasha Vibhag and PFC is one of very few adopters of the said course. It is also noteworthy that all the 21 employees scored very good marks in the exams. A new Hindi Incentive Scheme 'Rajbhasha Karyanvayan ke liye Sarvashreshth Prabhad ko Shield' was introduced.

Meetings of the Official Language Implementation Committee (OLIC) were organized in each quarter

under the chairmanship of CMD, PFC. Departmental Hindi meetings were also organized at the unit level. A technical seminar on '**GST Bill**' was organized in Hindi wherein 31 officials including senior level officials of PFC participated. On the occasion of PFC Foundation day on 16<sup>th</sup> July, 2015, a Kavi Sammelan was organized wherein 5 poets recited their poems.

Hindi Day and Hindi Month were celebrated on 14<sup>th</sup> September and from 14<sup>th</sup> September to 13<sup>th</sup> October, 2015 respectively to create a Hindi oriented environment in the Corporation. During the Hindi Month, apart from other activities, various competitions, like Vartani Shodhan, Bhavabhivyakti, Mook Prahelika (Dumb Charades), Antyakshari were organized. In all, 121 employees participated in those competitions. An inter PSU competition on 'Samachar Reporting' under the aegis of Town Official Language Implementation Committee (TOLIC) was organized on 26.11.2015, wherein 29 employees of various organizations participated. During the 'Vigilance Awareness Week', three competitions were organized in Hindi also. Under various Rajbhasha Incentive Schemes for the year 2014-15, 129 employees were awarded. 5 children of PFC employees were also awarded under one of the incentive schemes.

Six Hindi workshops were organized for 177 executives and non-executives of the Corporation with a view to improve their efficiency in doing their day to day official work in Hindi. Unicode training programmes were also organized. Four Hindi 'Sangoshthi' were organized on various topics wherein 114 employees participated. Internal inspections in the form of personal contact programme were conducted, with a view to discuss and find out the areas for improvement to work in Hindi by respective units and guided them accordingly. SMS were also sent in Hindi to employees related to various activities.

Annual Programme for the year 2015-16 was circulated amongst all the employees and the same was discussed in the Official Language Implementation Committee Meeting held on 29.06.2015. Annual Report of the Corporation was published in bilingual form. Corporation's house magazine 'Urja Deepti' was also published. 'English-Hindi Prashasanik Shabdavali' published by 'Vaigyanik tatha Takneeki Shabdavali Ayog' was distributed to each employee of the Corporation so as to help them in doing their day to day work in Hindi.

All these efforts were motivational tools in creating possibilities of better and progressive use of Hindi in the Corporation.

### **35.0 RIGHT TO INFORMATION ACT**

The Right to Information Act (RTI) is an Act of the Parliament of India "to provide for setting out the practical regime of right to information for citizens". The Right to Information Act, 2005 is a powerful tool to usher in public probity and empower 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.

During the FY 2015-16, all 173 applications received under the RTI Act, were duly processed and replied to. In compliance with Section 4 of the RTI Act, requisite disclosures have been updated and hosted on PFC website. Your company has also complied with the directions of Central Information Commission (CIC) regarding filing of online Quarterly/Annual Return for the FY 2015-16.

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

During FY 2015-16, in order to strengthen compliance of the provisions of disclosures as contained in Section 4 of the RTI Act, 2005, Department of Personnel & Training (DoPT) vide its OM No. 1/6/2011-IR dated 15.04.2013 issued guidelines on the following :-

- (i) Suo-moto disclosure of more items under Section 4;
- (ii) Guidelines for digital publication of proactive disclosure under Section 4;

- (iii) Guidelines for certain clauses of Section 4(1) (b) to make disclosure more effective;
- (iv) Compliance mechanism for suo-moto 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.

### **36.0 GRIEVANCE REDRESSAL**

Your Company has separate grievance redressal systems for dealing with the grievances of the employees, its customers and the public at large. The systems are duly notified and are easily accessible. A designated Nodal Officer is responsible to ensure quick redressal of grievances within the permissible time frame. The company also has a notified Citizen's Charter to ensure transparency in its work activities. This Charter is available on the website of the Company to facilitate easy access.

### **37.0 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 2015-16.

### **38.0 DETAILS OF PROCUREMENT FROM MSEs**

The details of the procurements made from Micro and Small Enterprises (MSEs) during the FY 2015-16 and the targets for FY 2016-17 as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 is as under:

Sl. No.	Particulars	FY 2015-16	Target for FY2016-17
I	Total annual procurement (in value)	₹15,63,36,257	₹15,00,00,000
II	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)*	₹26,18,3,291	₹3,00,00,000
III	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs**	-	₹60,00,000
IV	%age of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of total procurement	16.75%	20%
V	%age of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement	-	4%
VI	Total number of vendor development programmes for MSEs	5 vendors half yearly depending upon EOJ repayment	3 Vendors half yearly
VII	Confirmation of uploading annual MSE procurement profile on your website by hyperlink of same	At <a href="http://www.pfcindia.com">www.pfcindia.com</a>	

\* Procurement value includes the purchase from MSME, KB, NCCF, DCCWS Ltd., Handicraft Emporiums and Central Cottage Industries.

\*\* Subject to ability of the product through MSME SC/ST Agency

## 39.0 STATUTORY AND OTHER INFORMATION

Information required to be furnished as per the Companies Act, 2013, SEBI (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
Report on Corporate Governance	F
Business Responsibility Report	G
Secretarial Audit Report	H



#### **40.0 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, the Statutory Auditors and Secretarial Auditor for their constructive suggestions and co-operation.

Your Directors also recognize and appreciate 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**



**(M. K. Goel)**

**Chairman & Managing Director**

**DIN : 00239813**

**Place : New Delhi**  
**Dated : July 26, 2016**

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

Sl. No.	Name and Address of Trustee	Bond Series
1.	<b>IDBI Trusteeship Services Ltd</b> Vishawastha Bhavan, 1 Floor 218 Pratapganj Peth Satara-415002	7.6% TAXABLE BOND SERIES XXV 8.85% TAXU BOND SERIES XXVIII 8.80% TAXU BONDS SERIES XXIX-A 8.78%TAXU BONDS-XXXI-ASERIES 9.90%TAXU BOND SERIES XXXIIIB 9.90% TAXU BOND SERIES XXXIV 9.96% TAXU BOND SERIES- XXXV 9.28% TAXU BOND SERIES-XLC 9.68% BOND SERIES XLVII-C 10.55% TAXU BOND (XLVIII-C)-2018 10.85%-TAXU BONDS-XLIX-B 11.00% TAXU BONDS-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-59 B 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 BONDS SERIES-63 8.90% TAXU BONDS SERIES-63 8.95% TAXU BOND SERIES-64 8.95% TAXU BOND SERIES-64
2.	<b>PNB Investment Services Limited,</b> 10 Rakeshdeep Building, Yusuf Sarai Commercial Complex, Gulmohar Enclave, New Delhi - 110049	8.70% TAXU PFC BONDS-65-SERIES 8.70% TAXU PFC BONDS-65-SERIES 8.65% TAXU PFC BONDS-66 A SERIES 8.75% TAXU PFC BONDS-66 B SERIES 8.85% TAXU PFC BONDS-66 C SERIES 8.70% TAXU PFC BONDS-68 B SERIES 8.78% TAXU PFC BONDS-70-SERIES 9.05% TAXU PFC BONDS-71-SERIES 9.05% TAXU PFC BONDS-71-SERIES 9.05% TAXU PFC BONDS-71-SERIES 8.97% TAXU PFC BONDS-72-A-SERIES 8.99% TAXU PFC BONDS-72 B-SERIES Long Term Infrastructure Bonds 2011-12 -Series-I Long Term Infrastructure Bonds 2011-12 -Series-II Long Term Infrastructure Bonds 2011-12 -Series-III Long Term Infrastructure Bonds 2011-12 -Series-IV Long Term Infrastructure Bonds 2011-12 -Series-86A Long Term Infrastructure Bonds 2011-12 -Series-86B Long Term Infrastructure Bonds 2011-12 -Series-86C Long Term Infrastructure Bonds 2011-12 -Series-86D 9.18% TAXU PFC Bond Series - 73 9.70% TAXU PFC Bond Series - 74 9.62% TAXU PFC Bond Series - 75-B 9.61% TAXU PFC Bond Series - 75-C 9.36% TAXU PFC Bond Series - 76-A 9.46% TAXU PFC Bond Series - 76-B 9.41% TAXU PFC Bond Series - 77-A 9.45% TAXU PFC Bond Series - 77-B 9.44% TAXU PFC Bond Series - 78-B 7.51% SEC TAX FREE PFC BONDS - Series 79-A 7.75% SEC TAX FREE PFC BONDS - Series 79-B 8.09% SEC TAX FREE PFC BONDS - Series 80-A 8.16% SEC TAX FREE PFC BONDS - Series 80-B 9.64% TAXU PFC Bonds - Series 82-B 9.70% TAXU PFC Bonds - Series 82-C 9.33% TAXU PFC Bonds - Series 84 9.30% TAXU PFC Bonds - Series 85-C 9.26% TAXU PFC Bonds - Series 85-D 9.72% TAXU PFC Bonds - Series 87-B 9.42% TAXU PFC Bonds - Series 87-D 9.48% TAXU PFC Bonds - Series 88-C

3.	<p><b>Catalyst Trusteeship Limited</b>  <b>(Formerly known as "GDA Trusteeship Ltd.")</b>          "GDA HOUSE", Plot No.85, Survey No. 94/95          Paud Road, Pune- 411038.</p>	<p>Long Term Infrastructure Bonds 2010-11-Series-I          Long Term Infrastructure Bonds 2010-11-Series-II          Long Term Infrastructure Bonds 2010-11-Series-III          Long Term Infrastructure Bonds 2010-11-Series-IV          Tax Free Bonds 2011-12 Series I          Tax Free Bonds 2011-12 Series II          7.21% Tax Free Bond Series 94-A          7.38% Tax Free Bond Series 94-B          7.22% Tax Free Bonds Series 95-A          7.38% Tax Free Bonds Series 95 B          9.52% PFC BOND SERIES 89-A          9.61% PFC BOND SERIES 90-A          9.41% PFC BOND SERIES 90-B          BOND SERIES 91-A          BOND SERIES 91-B          9.01% PFC BOND SERIES 92-A          9.27% PFC BOND SERIES 92-B          9.29% PFC BOND SERIES 92-C          PFC BOND SERIES 93-B          8.72% TAXABLE BOND SERIES 98-I (2017)          8.72% TAXABLE BOND SERIES 98-II (2018)          8.72% TAXABLE BOND SERIES 98-III (2019)          8.77% PFC BOND SERIES 99-A          8.82% PFC BOND SERIES 99-B          8.86% PFC BOND SERIES 100-A          8.84% PFC BOND SERIES 100-B          8.95% PFC BOND SERIES 101-A          9.00% PFC BOND SERIES 101-B          8.90% PFC BOND SERIES 102-A (I)          8.90% PFC BOND SERIES 102-A (II)          8.90% PFC BOND SERIES 102-A (III)          8.87% PFC BOND SERIES 102-B          8.94% PFC BOND SERIES 103          9.11% PFC BOND SERIES 115-I          9.15% PFC BOND SERIES 115-II          9.20% PFC BOND SERIES 115-III          9.16% PFC BOND SERIES 116          9.32% PFC BOND SERIES 117-A          9.37% PFC BOND SERIES 117-B          9.30% PFC BOND SERIES 118-A          9.39% PFC BOND SERIES 118-B-I          9.39% PFC BOND SERIES 118-B-II          9.39% PFC BOND SERIES 118-B-III          9.32% PFC BOND SERIES 119-B          8.98% PFC BOND SERIES 120-A          8.98% PFC BOND SERIES 120-B          8.90% PFC BOND SERIES 121-A          8.96% PFC BOND SERIES 121-B          8.76% PFC BOND SERIES 122          8.50% PFC BOND SERIES 123-A          8.65% PFC BOND SERIES 123-B          8.66% PFC BOND SERIES 123-C          8.52% PFC BOND SERIES 124-A          8.55% PFC BOND SERIES 124-B          8.48% PFC BOND SERIES 124-C          8.65% PFC BOND SERIES 125          8.65% PFC BOND SERIES 126          8.36% PFC BOND SERIES 127          8.20% PFC BOND SERIES 128          8.29% PFC BOND SERIES 129-A          8.29% PFC BOND SERIES 129-B          8.40% PFC BOND SERIES 130-A          8.42% PFC BOND SERIES 130-B          8.39% PFC BOND SERIES 130-C          8.34% PFC BOND SERIES 131-A          8.38% PFC BOND SERIES 131-B          8.41% PFC BOND SERIES 131-C</p>
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4.	<b>IL&amp;FS Trust Company Ltd.</b> IL&FS Financial Centre Plot C- 22, G Block, Bandra Kurla Complex, Bandra(E), Mumbai 400051	9.60% TAXU PFC Bonds (2017)- XIII Series 8.21% TAXU PFC Bonds (2017)-XVII Series 7.87% TAXU PFC Bonds (2017)-XVIII Series Zero Coupon Bonds-(2022) XIX Series 8.35% PFC BOND SERIES 104-A 8.19% PFC SUBORDINATED TIER II - DEBT BOND SERIES 105 8.27% PFC BOND SERIES 106-B 8.01% TAX FREE BOND SERIES 107-A 8.46% TAX FREE BOND SERIES 107-B 9.80% TAXABLE BOND SERIES 108 9.81% SECURED TAXABLE BOND SERIES 109 9.65% PFC SUBORDINATED TIER II - DEBT BOND SERIES 111 9.70% TAXABLE SECURED BOND SERIES 112 A 9.70% TAXABLE SECURED BOND SERIES 112 B 9.70% TAXABLE SECURED BOND SERIES 112 C 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 Tax Free Bonds 2013-14 Tranche I Series 1A Tax Free Bonds 2013-14 Tranche I Series 2A Tax Free Bonds 2013-14 Tranche I Series 3A Tax Free Bonds 2013-14 Tranche I Series 1B Tax Free Bonds 2013-14 Tranche I Series 2B Tax Free Bonds 2013-14 Tranche I Series 3B
5.	<b>Milestone Trusteeship Services Pvt Ltd</b> 602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital Bandra(E), Mumbai-400 051.	8.03% PFC BOND SERIES 132-A 8.09% PFC BOND SERIES 132-B 8.00% PFC BOND SERIES 133-A 8.00% PFC BOND SERIES 133-B 8.35% PFC BOND SERIES 134-A 8.39% PFC BOND SERIES 134-B 8.40% PFC BOND SERIES 135-A 8.50% PFC BOND SERIES 135-B 7.16% PFC BOND SERIES 136 8.53% PFC BOND SERIES 137 8.45% PFC BOND SERIES 138 8.12% PFC BOND SERIES 139-A 8.12% PFC BOND SERIES 139-B 8.17% PFC BOND SERIES 139-C 8.28% PFC BOND SERIES 140-A 8.36% PFC BOND SERIES 140-B 8.46% PFC BOND SERIES 141-A 8.40% PFC BOND SERIES 141-B 7.88% PFC BOND SERIES 142-A 8.00% PFC BOND SERIES 142-A 8.12% PFC BOND SERIES 143 7.98% PFC BOND SERIES 144 7.11% TAX FREE BONDS 1A 17.10.2015 7.36% TAX FREE BONDS 1B 17.10.2015 7.27% TAX FREE BONDS 2A 17.10.2015 7.52% TAX FREE BONDS 2B 17.10.2015 7.35% TAX FREE BONDS 3A 17.10.2015 7.60% TAX FREE BONDS 3B 17.10.2015

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2016**

[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	16 <sup>th</sup> July, 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	<b>Registered Office:</b> 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi- 110001  <b>Company Secretary</b> 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	<b>Registered Office</b> Karvy Computershare Private Limited "Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad 500034, Telangana India Tel: +91 40 23312454 Toll Free: 1800 4258282 Fax: +91 40 23311968	<b>Communication Address</b> Karvy Computershare Private Limited "Karvy Selenium Tower B" Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad-500032. 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**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Interest on Loans and Income from other services	64920 (Other financial service activities, except insurance and pension funding Activities)	100



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

Sl. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable section
1	PFC Consulting Limited	U74140DL2008GOI175858	Subsidiary	100	Section 2(87) of the 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 (Previously known as Akaltara Power Ltd.)	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	Cheyur Infra Limited	U93000DL2014GOI263819	Subsidiary	100	
15	Odisha Infrapower 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	Ballabgarh-GN Transmission Company Limited	U74999DL2013GOI257470	Subsidiary	Nil	
21	Tanda Transmission Company Limited	U74999DL2013GOI257471	Subsidiary	Nil	
22	Mohindergarh-Bhiwani Transmission Limited	U40106DL2014GOI274558	Subsidiary	Nil	
23	South-Central East Delhi Power Transmission Limited	U40109DL2015GOI276863	Subsidiary	Nil	
24	Odisha Generation Phase-II Transmission Limited	U40300DL2015GOI279183	Subsidiary	Nil	
25	Warora-Kurnool Transmission Limited	U40300DL2015GOI279272	Subsidiary	Nil	
26	Gurgaon-Palwal Transmission Limited	U40300DL2015GOI286783	Subsidiary	Nil	
27	Kohima-Mariani Transmission Limited	U40102DL2016GOI290060	Subsidiary	Nil	
28	Medinipur-Jeerat Transmission Limited	U40300DL2016GOI290075	Subsidiary	Nil	
29	National Power Exchange Limited	U40100DL2008PLC185689	JV	16.66	Section 2(6) of the Companies Act, 2013
30	Energy Efficiency Services Limited	U40200DL2009PLC196789	JV	28.79	

#### 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. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	960955589	0	960955589	72.80	894924366	0	894924366	67.80	-5.00
c) State Govt. (s)	0	0	0	0	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0	0	0	0	0.00	0.00
Sub-total (A) (1):-	960955589	0	960955589	72.80	894924366	0	894924366	67.80	-5.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0	0.00
Total shareholding of Promoter (A) = (A)(1)+(A( 2)	960955589	0	960955589	72.80	894924366	0	894924366	67.80	-5.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	23528012	0	23528012	1.78	19790150	0	19790150	1.50	-0.28
b) Banks / FI	25403394	0	25403394	1.92	39198732	0	39198732	2.97	1.05
c) Central Govt.	0	0	0	0	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
f) Insurance Companies	67874670	0	67874670	5.14	128979672	0	128979672	9.77	4.63
g) FIs	173108474	0	173108474	13.11	176100368	0	176100368	13.34	0.23
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0	0	0	0	0.00	0.00
Sub-total (B)(1):-	289914550	0	289914550	21.96	364068922	0	364068922	27.58	5.62
2. Non-Institutions									
a) Bodies Corp.	35896125	0	35896125	2.72	18411601	0	18411601	1.39	-1.32
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	26892038	13436	26905474	2.04	33900166	16888	33917054	2.57	0.53
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	3786473	0	3786473	0.29	4193186	0	4193186	0.32	0.03
c) Others (specify)									
Clearing Members	391937	0	391937	0.03	504699	0	504699	0.04	0.01
Foreign Nationals	800	0	800	0.00	800	0	800	0.00	0.00
Non-Resident Indians	737387	0	737387	0.06	1490147	0	1490147	0.11	0.06

Trusts	1452369	0	1452369	0.11	2529929	0	2529929	0.19	0.08
Sub-total (B)(2):-	69157129	13436	69170565	5.24	61030528	16888	61047416	4.62	-0.62
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>359071679</b>	<b>13436</b>	<b>359085115</b>	<b>27.20</b>	<b>425099450</b>	<b>16888</b>	<b>425116338</b>	<b>32.20</b>	<b>5.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>1320027268</b>	<b>13436</b>	<b>1320040704</b>	<b>100.00</b>	<b>1320023816</b>	<b>16888</b>	<b>1320040704</b>	<b>100.00</b>	

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	President of India	960955589	72.80	0.00	894924366	67.80	NIL	-5.00
	<b>Total</b>	<b>960955589</b>	<b>72.80</b>	<b>0.00</b>	<b>894924366</b>	<b>67.80</b>	<b>NIL</b>	<b>-5.00</b>

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

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		960955589	72.80		
	Date	Type of Transaction				
	10.04.2015	Sale	29188	0.00	960926401	72.80
	31.07.2015	Sale	66002035	5.00	894924366	67.80
	At the End of the year – Closing balance				894924366	67.80

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

Sl. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Life Insurance Corporation of India					
	At the beginning of the year – Opening balance		63495336	4.81	63495336	4.81
	Date	Type of Transaction				
	10.04.2015	Purchase	375000	0.03	63870336	4.84
	24.04.2015	Purchase	1564002	0.12	65434338	4.96
	01.05.2015	Purchase	1849077	0.14	67283415	5.10
	08.05.2015	Purchase	3713318	0.28	70996733	5.38

	15.05.2015	Purchase	1791151	0.14	72787884	5.51
	22.05.2015	Purchase	500720	0.04	73288604	5.55
	05.06.2015	Purchase	2026577	0.15	75315181	5.71
	12.06.2015	Purchase	1047509	0.08	76362690	5.78
	31.07.2015	Purchase	31794411	2.41	108157101	8.19
	07.08.2015	Purchase	2146936	0.16	110304037	8.36
	14.08.2015	Purchase	3731902	0.28	114035939	8.64
	21.08.2015	Purchase	1138854	0.09	115174793	8.73
	28.08.2015	Purchase	174500	0.01	115349293	8.74
	16.10.2015	Purchase	1354656	0.10	116703949	8.84
	23.10.2015	Purchase	283487	0.02	116987436	8.86
	30.10.2015	Purchase	107346	0.01	117094782	8.87
	06.11.2015	Purchase	809848	0.06	117904630	8.93
	13.11.2015	Purchase	1926158	0.15	119830788	9.08
	At the End of the year – Closing balance				119830788	9.08
<b>2.</b>	<b>Life Insurance Corporation of India P &amp; GS Fund</b>					
	At the beginning of the year – Opening balance		17468596	1.32	17468596	1.32
	Date	Type of Transaction				
	10.04.2015	Sale	92297	0.01	17376299	1.32
	16.10.2015	Purchase	100658	0.01	17476957	1.32
	23.10.2015	Purchase	244141	0.02	17721098	1.34
	06.11.2015	Purchase	190000	0.01	17911098	1.36
	13.11.2015	Purchase	380000	0.03	18291098	1.39
	At the End of the year – Closing balance				18291098	1.39
<b>3.</b>	<b>HDFC Standard Life Insurance Company Limited</b>					
	At the beginning of the year – Opening balance		16080746	1.22	16080746	1.22
	Date	Type of Transaction				
	10.04.2015	Purchase	4144	0.00	16084890	1.22
	17.04.2015	Purchase	239290	0.02	16324180	1.24
	24.04.2015	Sale	59821	0.00	16264359	1.23
	01.05.2015	Sale	40880	0.00	16223479	1.23
	08.05.2015	Sale	1241727	0.09	14981752	1.13
	15.05.2015	Purchase	182010	0.01	15163762	1.15
	22.05.2015	Sale	120000	0.01	15043762	1.14
	05.06.2015	Sale	22573	0.00	15021189	1.14
	12.06.2015	Sale	53255	0.00	14967934	1.13
	19.06.2015	Sale	22838	0.00	14945096	1.13
	26.06.2015	Sale	145012	0.01	14800084	1.12
	03.07.2015	Purchase	49469	0.00	14849553	1.12
	10.07.2015	Sale	60420	0.00	14789133	1.12
	24.07.2015	Purchase	323978	0.02	15113111	1.14

	31.07.2015	Purchase	97	0.00	15113208	1.14
	07.08.2015	Purchase	193645	0.01	15306853	1.16
	14.08.2015	Sale	199948	0.02	15106905	1.14
	21.08.2015	Purchase	200000	0.02	15306905	1.16
	28.08.2015	Sale	354510	0.03	14952395	1.13
	04.09.2015	Sale	218471	0.02	14733924	1.12
	11.09.2015	Sale	301190	0.02	14432734	1.09
	18.09.2015	Sale	853000	0.06	13579734	1.03
	30.09.2015	Purchase	65	0.00	13579799	1.03
	16.10.2015	Purchase	91	0.00	13579890	1.03
	23.10.2015	Purchase	71	0.00	13579961	1.03
	30.10.2015	Sale	24759	0.00	13555202	1.03
	06.11.2015	Sale	599009	0.05	12956193	0.98
	13.11.2015	Purchase	37509	0.00	12993702	0.98
	20.11.2015	Sale	427000	0.03	12566702	0.95
	27.11.2015	Sale	288264	0.02	12278438	0.93
	04.12.2015	Sale	412913	0.03	11865525	0.90
	11.12.2015	Sale	1021887	0.08	10843638	0.82
	18.12.2015	Sale	98827	0.01	10744811	0.81
	31.12.2015	Sale	351000	0.03	10393811	0.79
	01.01.2016	Sale	514034	0.04	9879777	0.75
	08.01.2016	Sale	285855	0.02	9593922	0.73
	22.01.2016	Purchase	154711	0.01	9748633	0.74
	29.01.2016	Sale	55881	0.00	9692752	0.73
	05.02.2016	Purchase	261	0.00	9693013	0.73
	12.02.2016	Sale	2056450	0.16	7636563	0.58
	19.02.2016	Sale	790594	0.06	6845969	0.52
	26.02.2016	Sale	350915	0.03	6495054	0.49
	04.03.2016	Sale	405933	0.03	6089121	0.46
	11.03.2016	Sale	50000	0.00	6039121	0.46
	18.03.2016	Sale	115000	0.01	5924121	0.45
	25.03.2016	Sale	75000	0.01	5849121	0.44
	31.03.2016	Sale	210000	0.02	5639121	0.43
	At the End of the year – Closing balance				5639121	0.43
<b>4.</b>	<b>Swiss Finance Corporation (Mauritius) Limited</b>					
	At the beginning of the year – Opening balance		14420681	1.09	14420681	1.09
	Date	Type of Transaction				
	10.04.2015	Purchase	37000	0.00	14457681	1.10
	17.04.2015	Sale	69000	0.01	14388681	1.09
	01.05.2015	Sale	15296	0.00	14373385	1.09
	08.05.2015	Sale	154615	0.01	14218770	1.08
	15.05.2015	Sale	87067	0.01	14131703	1.07



22.05.2015	Sale	4264828	0.32	9866875	0.75
29.05.2015	Purchase	78535	0.01	9945410	0.75
05.06.2015	Sale	65901	0.00	9879509	0.75
12.06.2015	Sale	383296	0.03	9496213	0.72
19.06.2015	Sale	279368	0.02	9216845	0.70
26.06.2015	Purchase	460691	0.03	9677536	0.73
30.06.2015	Purchase	3000	0.00	9680536	0.73
03.07.2015	Purchase	9728	0.00	9690264	0.73
10.07.2015	Purchase	426000	0.03	10116264	0.77
17.07.2015	Purchase	34680	0.00	10150944	0.77
24.07.2015	Purchase	55592	0.00	10206536	0.77
31.07.2015	Purchase	96668	0.01	10303204	0.78
07.08.2015	Purchase	143093	0.01	10446297	0.79
14.08.2015	Sale	23830	0.00	10422467	0.79
21.08.2015	Purchase	44854	0.00	10467321	0.79
28.08.2015	Purchase	191523	0.01	10658844	0.81
04.09.2015	Purchase	119020	0.01	10777864	0.82
11.09.2015	Purchase	236862	0.02	11014726	0.83
18.09.2015	Purchase	4279	0.00	11019005	0.83
25.09.2015	Purchase	60737	0.00	11079742	0.84
30.09.2015	Purchase	3905	0.00	11083647	0.84
02.10.2015	Purchase	13923	0.00	11097570	0.84
09.10.2015	Sale	65425	0.00	11032145	0.84
16.10.2015	Purchase	248671	0.02	11280816	0.85
23.10.2015	Purchase	152818	0.01	11433634	0.87
30.10.2015	Sale	82441	0.01	11351193	0.86
06.11.2015	Purchase	640189	0.05	11991382	0.91
13.11.2015	Purchase	1562	0.00	11992944	0.91
20.11.2015	Purchase	320181	0.02	12313125	0.93
27.11.2015	Sale	6000	0.00	12307125	0.93
04.12.2015	Purchase	82638	0.01	12389763	0.94
11.12.2015	Purchase	12083	0.00	12401846	0.94
18.12.2015	Purchase	26113	0.00	12427959	0.94
25.12.2015	Purchase	414000	0.03	12841959	0.97
31.12.2015	Sale	65661	0.00	12776298	0.97
01.01.2016	Sale	738000	0.06	12038298	0.91
08.01.2016	Purchase	36376	0.00	12074674	0.91
15.01.2016	Purchase	44648	0.00	12119322	0.92
22.01.2016	Purchase	10455	0.00	12129777	0.92
29.01.2016	Sale	544850	0.04	11584927	0.88
05.02.2016	Sale	308219	0.02	11276708	0.85
12.02.2016	Purchase	520279	0.04	11796987	0.89

	19.02.2016	Sale	96782	0.01	11700205	0.89
	26.02.2016	Sale	95929	0.01	11604276	0.88
	04.03.2016	Sale	2000	0.00	11602276	0.88
	11.03.2016	Purchase	10000	0.00	11612276	0.88
	18.03.2016	Sale	678730	0.05	10933546	0.83
	25.03.2016	Purchase	18287	0.00	10951833	0.83
	31.03.2016	Purchase	9912	0.00	10961745	0.83
	At the End of the year – Closing balance			0.00	10961745	0.83
<b>5.</b>	<b>HDFC Trustee Company Ltd - A/C HDFC MID - CAOPPOR</b>					
	At the beginning of the year – Opening balance		6700000	0.51	6700000	0.51
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		No Change	No Change	No Change	No Change
	At the End of the year – Closing balance				6700000	0.51
<b>6.</b>	<b>Wisdomtree Trust A/C Wisdomtree India Investment P</b>					
	At the beginning of the year – Opening balance		6269854	0.47	6269854	0.47
	Date	Type of Transaction				
	10.04.2015	Purchase	23948	0.00	6293802	0.48
	17.04.2015	Purchase	23948	0.00	6317750	0.48
	01.05.2015	Purchase	24160	0.00	6341910	0.48
	08.05.2015	Purchase	60391	0.00	6402301	0.49
	15.05.2015	Purchase	120790	0.01	6523091	0.49
	22.05.2015	Purchase	144968	0.01	6668059	0.51
	29.05.2015	Purchase	169209	0.01	6837268	0.52
	05.06.2015	Purchase	133050	0.01	6970318	0.53
	12.06.2015	Purchase	36729	0.00	7007047	0.53
	10.07.2015	Sale	24498	0.00	6982549	0.53
	31.07.2015	Sale	232674	0.02	6749875	0.51
	07.08.2015	Sale	434661	0.03	6315214	0.48
	14.08.2015	Sale	470132	0.04	5845082	0.44
	21.08.2015	Sale	84405	0.01	5760677	0.44
	28.08.2015	Sale	445838	0.03	5314839	0.40
	04.09.2015	Sale	108333	0.01	5206506	0.39
	11.09.2015	Sale	48128	0.00	5158378	0.39
	25.09.2015	Sale	725304	0.05	4433074	0.34
	16.10.2015	Purchase	32160	0.00	4465234	0.34
	23.10.2015	Purchase	32169	0.00	4497403	0.34

	13.11.2015	Sale	149629	0.01	4347774	0.33
	04.12.2015	Sale	42752	0.00	4305022	0.33
	11.12.2015	Sale	21384	0.00	4283638	0.32
	18.12.2015	Sale	53414	0.00	4230224	0.32
	25.12.2015	Sale	64068	0.00	4166156	0.32
	31.12.2015	Sale	128240	0.01	4037916	0.31
	08.01.2016	Sale	96135	0.01	3941781	0.30
	15.01.2016	Sale	96147	0.01	3845634	0.29
	29.01.2016	Sale	52127	0.00	3793507	0.29
	05.02.2016	Sale	146186	0.01	3647321	0.28
	18.03.2016	Purchase	176412	0.01	3823733	0.29
	25.03.2016	Purchase	51016	0.00	3874749	0.29
	At the End of the year – Closing balance				3874749	0.29
<b>7.</b>	<b>Vanguard Emerging Markets Stock Index Fund, Aserie</b>					
	At the beginning of the year – Opening balance		5960004	0.45	5960004	0.45
	Date	Type of Transaction				
	01.05.2015	Purchase	15400	0.00	5975404	0.45
	08.05.2015	Purchase	17500	0.00	5992904	0.45
	26.06.2015	Sale	239988	0.02	5752916	0.44
	14.08.2015	Sale	17500	0.00	5735416	0.43
	21.08.2015	Sale	42000	0.00	5693416	0.43
	28.08.2015	Sale	81900	0.01	5611516	0.43
	04.09.2015	Sale	112000	0.01	5499516	0.42
	11.09.2015	Sale	58800	0.00	5440716	0.41
	25.09.2015	Sale	15400	0.00	5425316	0.41
	30.09.2015	Sale	39389	0.00	5385927	0.41
	20.11.2015	Sale	41186	0.00	5344741	0.40
	27.11.2015	Sale	9610	0.00	5335131	0.40
	18.12.2015	Sale	24156	0.00	5310975	0.40
	25.12.2015	Sale	11124	0.00	5299851	0.40
	15.01.2016	Sale	30674	0.00	5269177	0.40
	22.01.2016	Sale	16056	0.00	5253121	0.40
	05.02.2016	Sale	56185	0.00	5196936	0.39
	12.02.2016	Sale	22435	0.00	5174501	0.39
	11.03.2016	Purchase	12660	0.00	5187161	0.39
	18.03.2016	Sale	16608	0.00	5170553	0.39
	25.03.2016	Sale	26951	0.00	5143602	0.39

	At the End of the year – Closing balance			5143602	0.39
<b>8.</b>	<b>CPSE ETF</b>				
	At the beginning of the year – Opening balance		5424378	0.41	5424378 0.41
	Date	Type of Transaction			
	03.04.2015	Sale	605	0.00	5423773 0.41
	10.04.2015	Purchase	63743	0.00	5487516 0.42
	17.04.2015	Sale	31460	0.00	5456056 0.41
	24.04.2015	Sale	14520	0.00	5441536 0.41
	01.05.2015	Sale	277304	0.02	5164232 0.39
	08.05.2015	Sale	7501	0.00	5156731 0.39
	15.05.2015	Purchase	31717	0.00	5188448 0.39
	22.05.2015	Sale	67396	0.01	5121052 0.39
	29.05.2015	Sale	8134	0.00	5112918 0.39
	05.06.2015	Sale	4648	0.00	5108270 0.39
	12.06.2015	Sale	4067	0.00	5104203 0.39
	19.06.2015	Sale	5229	0.00	5098974 0.39
	26.06.2015	Sale	17430	0.00	5081544 0.38
	30.06.2015	Sale	13944	0.00	5067600 0.38
	03.07.2015	Sale	12103	0.00	5055497 0.38
	10.07.2015	Sale	6391	0.00	5049106 0.38
	17.07.2015	Sale	8715	0.00	5040391 0.38
	24.07.2015	Sale	1162	0.00	5039229 0.38
	31.07.2015	Purchase	3486	0.00	5042715 0.38
	07.08.2015	Purchase	49966	0.00	5092681 0.39
	14.08.2015	Purchase	860329	0.07	5953010 0.45
	21.08.2015	Purchase	18090	0.00	5971100 0.45
	28.08.2015	Sale	60970	0.00	5910130 0.45
	04.09.2015	Purchase	11390	0.00	5921520 0.45
	11.09.2015	Sale	852994	0.06	5068526 0.38
	18.09.2015	Purchase	10368	0.00	5078894 0.38
	25.09.2015	Purchase	23831	0.00	5102725 0.39
	30.09.2015	Purchase	4616	0.00	5107341 0.39
	02.10.2015	Purchase	5770	0.00	5113111 0.39
	09.10.2015	Purchase	31160	0.00	5144271 0.39
	16.10.2015	Purchase	10404	0.00	5154675 0.39
	30.10.2015	Sale	1734	0.00	5152941 0.39
	06.11.2015	Sale	1734	0.00	5151207 0.39

	13.11.2015	Sale	108163	0.01	5043044	0.38
	20.11.2015	Purchase	28289	0.00	5071333	0.38
	27.11.2015	Purchase	1138	0.00	5072471	0.38
	04.12.2015	Sale	5121	0.00	5067350	0.38
	11.12.2015	Purchase	1138	0.00	5068488	0.38
	18.12.2015	Purchase	569	0.00	5069057	0.38
	25.12.2015	Sale	1707	0.00	5067350	0.38
	31.12.2015	Sale	3414	0.00	5063936	0.38
	08.01.2016	Purchase	14482	0.00	5078418	0.38
	15.01.2016	Purchase	572	0.00	5078990	0.38
	22.01.2016	Sale	572	0.00	5078418	0.38
	29.01.2016	Sale	572	0.00	5077846	0.38
	05.02.2016	Purchase	23452	0.00	5101298	0.39
	12.02.2016	Sale	16588	0.00	5084710	0.39
	19.02.2016	Sale	4004	0.00	5080706	0.38
	26.02.2016	Sale	31460	0.00	5049246	0.38
	04.03.2016	Purchase	152531	0.01	5201777	0.39
	11.03.2016	Sale	586	0.00	5201191	0.39
	18.03.2016	Sale	586	0.00	5200605	0.39
	25.03.2016	Sale	111206	0.01	5089399	0.39
	31.03.2016	Purchase	33689	0.00	5123088	0.39
	At the End of the year – Closing balance				5123088	0.39
<b>9.</b>	<b>Credit Suisse (Singapore) Limited</b>					
	At the beginning of the year – Opening balance		5316545	0.40	5316545	0.40
	Date	Type of Transaction				
	10.04.2015	Sale	344466	0.03	4972079	0.38
	17.04.2015	Purchase	4936	0.00	4977015	0.38
	01.05.2015	Purchase	4927	0.00	4981942	0.38
	08.05.2015	Purchase	8000	0.00	4989942	0.38
	15.05.2015	Sale	82759	0.01	4907183	0.37
	29.05.2015	Sale	193318	0.01	4713865	0.36
	05.06.2015	Sale	34505	0.00	4679360	0.35
	19.06.2015	Sale	19211	0.00	4660149	0.35
	26.06.2015	Purchase	6194	0.00	4666343	0.35
	30.06.2015	Sale	323357	0.02	4342986	0.33
	03.07.2015	Sale	132314	0.01	4210672	0.32
	10.07.2015	Sale	57562	0.00	4153110	0.31



	17.07.2015	Sale	116576	0.01	4036534	0.31
	24.07.2015	Sale	109731	0.01	3926803	0.30
	31.07.2015	Purchase	1056199	0.08	4983002	0.38
	07.08.2015	Purchase	904715	0.07	5887717	0.45
	14.08.2015	Purchase	113744	0.01	6001461	0.45
	21.08.2015	Sale	325750	0.02	5675711	0.43
	28.08.2015	Sale	2073746	0.16	3601965	0.27
	04.09.2015	Sale	134831	0.01	3467134	0.26
	11.09.2015	Sale	6195	0.00	3460939	0.26
	25.09.2015	Purchase	147672	0.01	3608611	0.27
	30.09.2015	Sale	375000	0.03	3233611	0.24
	09.10.2015	Purchase	39158	0.00	3272769	0.25
	16.10.2015	Purchase	289893	0.02	3562662	0.27
	30.10.2015	Sale	405313	0.03	3157349	0.24
	06.11.2015	Sale	218143	0.02	2939206	0.22
	20.11.2015	Purchase	186696	0.01	3125902	0.24
	04.12.2015	Sale	2525	0.00	3123377	0.24
	31.12.2015	Purchase	7342	0.00	3130719	0.24
	01.01.2016	Purchase	9714	0.00	3140433	0.24
	08.01.2016	Purchase	5912	0.00	3146345	0.24
	15.01.2016	Sale	11075	0.00	3135270	0.24
	22.01.2016	Sale	11075	0.00	3124195	0.24
	29.01.2016	Sale	329918	0.02	2794277	0.21
	05.02.2016	Sale	11750	0.00	2782527	0.21
	12.02.2016	Sale	286650	0.02	2495877	0.19
	19.02.2016	Sale	233144	0.02	2262733	0.17
	26.02.2016	Sale	211346	0.02	2051387	0.16
	11.03.2016	Purchase	1877	0.00	2053264	0.16
	18.03.2016	Sale	308949	0.02	1744315	0.13
	25.03.2016	Purchase	79903	0.01	1824218	0.14
	31.03.2016	Purchase	49019	0.00	1873237	0.14
	At the End of the year – Closing balance				1873237	0.14
<b>10.</b>	<b>Government Pension Fund Global</b>					
	At the beginning of the year – Opening balance		4938388	0.37	4938388	0.37
	Date	Type of Transaction				
	25.12.2015	Sale	807302	0.06	4131086	0.31
	22.01.2016	Sale	149924	0.01	3981162	0.30
	05.02.2016	Sale	213920	0.02	3767242	0.29
	At the End of the year – Closing balance				3767242	0.29

**(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
<b>1.</b>	<b>M. K. Goel</b>				
	At the beginning of the year	12389	0.000939%	12389	0.000939%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	12389	0.000939%	12389	0.000939%
<b>2.</b>	<b>R. Nagarajan</b>				
	At the beginning of the year	26869	0.002035%	26869	0.002035%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	26869	0.002035%	26869	0.002035%
<b>3.</b>	<b>A. K. Agarwal</b>				
	At the beginning of the year	25859	0.001959%	25859	0.001959%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	25859	0.001959%	25859	0.001959%
<b>4.</b>	<b>D. Ravi (w.e.f. November 16, 2015)</b>				
	At the beginning of the year	1000	0.000075%	1000	0.000075%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	1000	0.000075%	1000	0.000075%
<b>5.</b>	<b>B. N. Sharma (upto October, 12, 2015)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	Nil	0.00	Nil	0.00

6.	<b>A. K. Verma (w.e.f. October 13, 2015)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	Nil	0.00	Nil	0.00
7.	<b>J. N. Prasanna Kumar (upto December 21, 2015)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	Nil	0.00	Nil	0.00
8.	<b>Vijay Mohan Kaul</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	Nil	0.00	Nil	0.00
9.	<b>Yogesh Chand Garg</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	Nil	0.00	Nil	0.00
10.	<b>Manohar Balwani</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	Nil	0.00	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	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	24705	163068	-	187773
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	858	5497	-	6354
	<b>Total (i+ii+iii)</b>	<b>25563</b>	<b>168565</b>	<b>-</b>	<b>194128</b>
<b>Change in Indebtedness during the financial year</b>					
	Addition	1866	69478	-	71343
	Reduction	2848	56217	-	59065
	<b>Net Change</b>	<b>4713</b>	<b>126499</b>	<b>-</b>	<b>131213</b>
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	21787	178698	-	200484
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	866	6222	-	7088
	<b>Total (i+ii+iii)</b>	<b>22652</b>	<b>184920</b>	<b>-</b>	<b>207572</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in ₹)						
Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		M. K. Goel	R. Nagarajan	A. K. Agarwal	D. Ravi (w.e.f. November 16, 2015)	
1.	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	55,16,310	51,00,821	41,87,475	17,95,543	1,66,00,149
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	3,46,778	29,22,18	4,92,191	2,93,071	14,24,258
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission	0	0	0	0	0
	- as % of profit	0	0	0	0	0
	- others	0	0	0	0	0
5.	Others, (Company Contribution to PF & Non-Taxable Perquisites)	10,28,599	6,99,160	5,97,896	2,25,166	25,50,821
	<b>Total (A)</b>	<b>68,91,687</b>	<b>60,92,199</b>	<b>52,77,562</b>	<b>23,13,780</b>	<b>2,05,75,228</b>
	Ceiling as per the Act*					

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

## B. Remuneration to other directors:

(in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	J. N. Prasanna Kumar (upto December 21, 2015)	Vijay Mohan Kaul	Yogesh Chand Garg	
	Fee for attending board / committee meetings	4,40,000	5,60,000	7,20,000	17,20,000
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	4,40,000	5,60,000	7,20,000	17,20,000
2.	Other Non-Executive Directors #	B. N. Sharma (upto October, 12, 2015)	A. K. Verma (w.e.f. October 13, 2015)	-	
	Fee for attending board / committee meetings	0	0	-	0
	Commission	0	0	-	0
	Others, please specify	0	0	-	0
	Total (2)	0	0	-	0
	<b>Total (B)=(1+2)</b>	<b>4,40,000</b>	<b>5,60,000</b>	<b>7,20,000</b>	<b>17,20,000</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>22,295,228</b>
	<b>Overall Ceiling as per the Act*</b>				

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

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

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

(in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		<b>CS Manohar Balwani</b>	<b>Total Amount</b>
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,48,859	23,48,859
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	2,27,090	2,27,090
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission	0	0
	- as % of profit	0	0
	- others	0	0
5.	Others, (Company Contribution to PF & Non-Taxable Perquisites)	4,50,650	4,50,650
	<b>Total</b>	<b>30,26,599</b>	<b>30,26,599</b>



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

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

## Annual Report on CSR Activities for the FY 2015-16

(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 the 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.	<p>The aim of PFC's Corporate Social Responsibility and Sustainability Policy (CSR and Sustainability Policy) is to ensure that the Corporation becomes a socially responsible corporate entity committed to improving the quality of life of the society at large by undertaking projects for Sustainable Development, mainly focusing on fulfillment of Power and Energy needs of the society.</p> <p>After the notification of Companies Act 2013, PFC's Corporate Social Responsibility Policy was revised with the approval of Board of Directors in its meeting held on August 14, 2014 with the recommendation of the CSR&amp;SD Committee. Subsequently, based on the fresh DPE guidelines and notifications from Ministry of Corporate Affairs (MCA), the Policy was again revised, by the Board in its meeting held on February 27, 2015 and the CSR Policy was renamed as CSR and Sustainability Policy.</p> <p>In line with Section 135 of the Companies Act, 2013, at least 2% of the average Stand-alone Net Profit Before Tax (PBT) of the company earned during the three immediately preceding financial years is allocated every financial year for CSR activities.</p> <p>PFC has implemented its CSR and Sustainability Policy with all its earnest and zeal. To oversee the activities of CSR, PFC has in place a Board level CSR&amp;SD Committee of Directors headed by an Independent Director.</p> <p>During the year, PFC had implemented wide range of activities in the field of Solar energy, Sanitation in different states/districts, etc. PFC had constructed (provided funds) for 9200 toilets in Govt. schools of Andhra Pradesh and Rajasthan under 'Swachh Bharat Swachh Vidyalaya Abhiyan' of Govt. of India.</p> <p>The details of the PFC's CSR policy and projects/programmes is available at the following link: <a href="http://pfcindia.com/writereaddata/userfiles/file/CSR/policy_18%2003%202015.pdf">http://pfcindia.com/writereaddata/userfiles/file/CSR/policy_18%2003%202015.pdf</a></p>						
2	The Composition of the CSR Committee	<p>PFC has in place a CSR&amp;SD Committee to give direction to the CSR and SD activities of PFC and to make recommendations to the Board of Directors for taking up various CSR &amp; SD projects.</p> <p>As on March 31, 2016 the Committee comprised of the following:</p> <table><tr><td>1. Shri Yogesh Chand Garg (Independent Director)</td><td>Chairman</td></tr><tr><td>2. Shri Vijay Mohan Kaul (Independent Director)</td><td>Member</td></tr><tr><td>3. Shri D. Ravi (Director, Commercial, PFC)</td><td>Member</td></tr></table>	1. Shri Yogesh Chand Garg (Independent Director)	Chairman	2. Shri Vijay Mohan Kaul (Independent Director)	Member	3. Shri D. Ravi (Director, Commercial, PFC)	Member
1. Shri Yogesh Chand Garg (Independent Director)	Chairman							
2. Shri Vijay Mohan Kaul (Independent Director)	Member							
3. Shri D. Ravi (Director, Commercial, PFC)	Member							
3	Average net profit of PFC for last three financial years	₹7,289.31 crore						

4	Prescribed CSR Expenditure (two percent. of the amount as in item 3 above)	For the FY 2015-16, the Board had approved the CSR budget of ₹145.79 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;	₹260.09 crore ^
b	Amount unspent, if any;	^
c	Manner in which the amount spent during the financial year is detailed below.	<p>PFC has spent the entire budget of FY 2015-16. During the year, PFC disbursed ₹192.13 crore out of the sanctions of FY 2015-16 and available sanctions of earlier FYs.^</p> <p>In addition, PFC has incurred an amount of ₹3.39 crores towards Administrative Overheads which includes pay &amp; allowances of CSR staff and travelling expenses in r/o CSR activities.</p>
<p>^ As per the DPE guidelines, the CSR Budget is non-lapsable and any unspent amount is carried forward to the next year. PFC had an unspent amount of ₹114.30 crore from previous FY, i.e. 2014-15. Therefore, the total amount to be spent in the current FY, i.e. 2015-16 was ₹260.09 crore (CSR budget for FY 2015-16 of ₹145.79 crore plus unspent/spillover amount of previous FY 2014-15 of ₹114.30 crore). Considering the fact that ₹192.13 crore have been disbursed during FY 2015-16, the amount unspent in totality is ₹102.16 crore, which shall be utilized/ disbursed based on the progress achieved for completion of the projects, i.e. entire budget will be utilized for CSR activities.</p>		

Sl. No.	CSR Project or activity identified in FY 2015-16	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) State and district	Amount outlay (budget/ sanctioned) project or Programmes wise (₹ crore)	Amount disbursed (₹ crore) in FY 15-16 on the projects or Programmes Sub heads: (1) Direct expenditure (2) Overheads	Cumulative expenditure upto the reporting period (₹ crore)	Amount spent: Direct or through Implementing agency
<b>A. Projects sanctioned in Financial Year 2015-16</b>							
1	Impact Assessment study of Project for Supply, Installation and Commissioning of Grid connected Rooftop Solar PV (RTSPV) projects of aggregate capacity of 500 kWp in Kalinga Institute of Social Sciences (KISS), Bhubaneswar (Odisha)	Impact Assessment/ Training/ Overheads	Bhubaneswar (Odisha)	0.0150	0.0075	0.0075	Indian Institute of Social Welfare And Business Management (IISWBM), Kolkata
2	Impact Assessment Study of Project for Supply, Installation and Commissioning of Solar Photo Voltaic (SPV) Power Plants with aggregate capacity of 245KWp in the 45 Akal Academies of Punjab (5KWp capacity for 42 academies, 10KWp for 2 academies and 15 KWp for 1 academy) belonging to 'The Kalgidhar Trust'	Impact Assessment/ Training/ Overheads	Punjab	0.0150	0.0075	0.0075	PEC University of Technology (PECUT), Chandigarh

3	Impact Assessment study of Project for Skill development programme for SC/ST/OBC/Women & EWS of society for 1000 persons implemented by CIDC	Impact Assessment/ Training/ Overheads	All over India	0.0165	0.00825	0.00825	Kirori Mal College, University of Delhi
4	Providing the services of Automatized Sweeping Collection & Transportation of Municipal Solid Waste (MSW) in Fourteen wards of Varanasi Municipal Area in lieu of E-Vehicles	Sanitation/ Waste Management/ Drinking water	Varanasi	8.00	0.00	0.00	Varanasi Nagar Nigam (VNN)
5	Financial Assistance to Project for implementation of 500 nos. of Solar based LED Street Lighting Systems in Bhadohi district of Uttar Pradesh through Rajasthan Electronics and Instruments Ltd.	Solar applications	Bhadohi-Parliamentary Constituency of Uttar Pradesh	1.090	0.538	0.538	Rajasthan Electronics and Instruments Ltd. (REIL)
6	Financial Assistance to Project for implementation of 500 nos. of Solar based LED Street Lighting Systems in Phoolpur, Uttar Pradesh through Rajasthan Electronics and Instruments Ltd.	Solar applications	Phoolpur Parliamentary Constituency of Uttar Pradesh	1.090	0.538	0.538	Rajasthan Electronics and Instruments Ltd. (REIL)
7	Financial Assistance for construction & procurement-cum-installation of required equipments for Multi Therapy Unit (MTU) at Ground Floor of Manav Mandir Hospital at Jatoli, Solan (HP)	Health Sector activity	Solan, Himachal Pradesh	1.94	0.00	0.00	To be decided
<b>SUB-TOTAL (A)</b>				<b>12.166</b>	<b>1.099</b>	<b>1.099</b>	
<b>B. Projects that were sanctioned in earlier Financial Years</b>							
1	Financial Assistance for Employment Oriented Skill Development Programme for SC/ ST/ OBC /Women & EWS of society through CRISP (1425 persons)	Skill development	Madhya Pradesh, Chhattisgarh, Maharashtra, Uttar Pradesh & Rajasthan	5.059	2.002	2.839	Centre for Research & Industrial Staff Performance (CRISP)
2.	Financial Assistance for promotion of Sustainable Sanitation by creating awareness and construction of 3,000 nos. of Toilets in the villages of Rajasthan, Bihar & West Bengal through Gramin Vikas Trust (GVT)	Sanitation/ Waste Management/ Drinking water	Bihar, Rajasthan & West Bengal	7.155	2.862	6.440	Gramin Vikas Trust (GVT)
3.	Financial Assistance for Construction of Toilets in the Government Schools of Rajasthan under Swachh Bharat Swachh Vidyalaya Abhiyan (1100 toilets) through Ircon Infrastructure Services Limited (Ircon ISL) and State Govt. of Rajasthan/ RCEE/SSA/TAD.	Sanitation/ Waste Management/ Drinking water	Rajasthan	25.970	16.208	16.208	Ircon Infrastructure Services Limited (Ircon ISL) and State Govt. of Rajasthan/RCEE/ SSA/TAD

4.	Financial Assistance for Construction of Toilets in the Government Schools of Andhra Pradesh under Swachh Bharat Swachh Vidyalaya Abhiyan (8100 toilets) through Hindustan Prefab Limited (HPL) and State Govt./District Administration	Sanitation/ Waste Management/ Drinking water	Andhra Pradesh	209.62	156.776	172.326	Hindustan Prefab Limited (HPL) and State Govt./District Administration.
5	Financial assistance for conducting Vocational Skill Development Training for Unprivileged/Unemployed Youth of SC/ST/OBC/PWD/ Women & EWS of society through CIPET for 2000 participants	Skill development	All over India	12.00	5.904	11.856	Central Institute of Plastics Engineering & Technology (CIPET)
6	Improving Operational Reliability and Service Quality of Primary Health Centres (PHCs) through provision of Clean & Reliable Power by installing micro solar PV power plants	Solar applications	J&K, UP & Assam	7.535	0.981	5.502	The Energy & Resources Institute (TERI)
7	Skill Development Programme for SC/ ST/ OBC / Women & EWS of society through L&T Construction (1500 persons)	Skill development	Uttar Pradesh, Punjab, J&K, Himachal Pradesh, Uttarakhand, Bihar, Jharkhand, Chhattisgarh, North Eastern States (07 States), West Bengal, Odisha, Andhra Pradesh, Tamil Nadu, Maharashtra, Karnataka, Kerala, Rajasthan, Delhi and Gujarat	4.125	2.452	3.690	L&T Construction
8	Skill Development Training Programme to benefit 900 nos. of Women Safai Karamcharis and their dependents	Skill development	Haryana, UP, MP & Bihar	1.933	1.074	1.623	National Safai Karamcharis Finance and Development Corporation (NSKFDC)
9	Financial Assistance for Skill Development Training to 4230 Persons with Disabilities (PwDs) through NHFDC	Skill development	All over India	0.982	0.585	0.880	National Handicapped Finance and Development Corporation (NHFDC)
10	Financial Assistance for providing LED based Solar Home Lighting for Bidi Workers in Ashok Nagar District of Madhya Pradesh (3675 nos) through EESL	Solar applications	Madhya Pradesh (Ashok Nagar District)	5.445	0.545	5.445	Energy Efficiency Services Ltd (EESL)

11	Financial Assistance towards Employment Oriented Training and Skill Development Programme for SC/ST/Women & EWS of Society for 1500 persons under CSR initiative through Construction Industry Development Council (CIDC)	Skill development	Uttar Pradesh, Bihar, Odisha & Jharkhand	5.919	0.826	5.661	Construction Industry Development Council (CIDC)
12	Financial Assistance for Skill Development Training Programmes for youth belonging to Scheduled Castes through National Scheduled Castes Finance and Development Corporation (NSFDC) for 4750 persons	Skill development	Andhra Pradesh, Assam, Bihar, Chhattisgarh, Haryana, Karnataka, MP, Maharashtra, Punjab, Rajasthan, Tamil Nadu, UP & West Bengal	4.75	1.304	2.302	National Scheduled Castes Finance and Development Corporation (NSFDC)
13	Financial Assistance for Skill Development programme for SC/ST/OBC/Women & EWS of society (1000 persons)	Skill Development	UP, Bihar, Jharkhand, West Bengal and North-Eastern states	3.846	0.192	3.846	Construction Industry Development Council (CIDC)
14	Upgradation of Adult Education Centers (AECs) to Model AECs under Saakshar Bharat Programme of Ministry of HRD. (264 Nos. in 9 States)	Skill development	264 Adult Education centres in 9 states - AP, Telangana, Karnataka, Punjab, HP, Tamil Nadu, Rajasthan, Dadra & Nagar Haveli and Gujarat	6.60	(0.625)*	5.975	Respective State Literacy Mission Authority (SLMAs)
15	Afforestation (plantation of 3400 trees) in Delhi	Tree Plantation	Buddha Jayanti Park, Delhi	0.235	(0.0516)*	0.1834	CPWD, New Delhi
<b>SUB-TOTAL (B)</b>				<b>301.174</b>	<b>191.034</b>	<b>244.776</b>	
<b>C. Administrative overhead of PFC</b>							
1.	Administrative overhead (pay & allowances of CSR staff and travelling expenses in r/o CSR activities)	Impact Assessment/ Training/ Overheads	NA	3.39	3.39	3.39	NA
<b>SUB-TOTAL (C)</b>				<b>3.39</b>	<b>3.39</b>	<b>3.39</b>	
<b>TOTAL (A+B+C)</b>				<b>316.730</b>	<b>195.523</b>	<b>249.266</b>	

\* Amount refunded by Implementing Agency (Punjab SLMA in case of Sl.No. 14) in the FY 2015-16

1.	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.	PFC has spent the entire budget of FY 2015-16. During the year, PFC disbursed ₹192.13 crore out of the sanctions of FY 2015-16 and available sanctions of earlier FYs. ^  In addition, PFC has incurred an amount of ₹3.39 crores towards Administrative Overheads which includes pay & allowances of CSR staff and travelling expenses in r/o CSR activities.
2.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of PFC.	The implementation and monitoring of PFC's CSR and Sustainability Policy is in compliance with CSR objectives and Policy of PFC.



^As per the DPE guidelines, the CSR Budget is non-lapsable and any unspent amount is carried forward to the next year. PFC had an unspent amount of ₹114.30 crore from previous FY, i.e. 2014-15. Therefore, the total amount to be spent in the current FY, i.e. 2015-16 was ₹260.09 crore (CSR budget for FY 2015-16 of ₹145.79 crore plus unspent/spillover amount of previous FY 2014-15 of ₹114.30 crore). Considering the fact that ₹192.13 crore have been disbursed during FY 2015-16, the amount unspent in totality is ₹102.16 crore, which shall be utilized/dispensed based on the progress achieved for completion of the projects, i.e. entire budget will be utilized for CSR activities.

Sd\-	Sd\-
<b>Shri M.K. Goel</b> Chairman & Managing Director <b>DIN.: 00239813</b>	<b>Shri Yogesh Chand Garg</b> Chairman, CSR Committee <b>DIN.: 01768635</b>

## 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	
<b>1.</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis</b>	<b>NIL</b>
(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/arrangements/transactions	-
(c)	Duration of the contracts/arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e)	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	-
<b>2.</b>	<b>Details of material contracts or arrangement or transactions at arm's length basis</b>	<b>NIL</b>
(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/arrangements/transactions	-
(c)	Duration of the contracts / arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	-
(e)	Date(s) of approval by the Board, if any:	-
(f)	Amount paid as advances, if any:	-

For and on behalf of the Board of Directors

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

Chairman & Managing Director  
DIN : 00239813

**Place : New Delhi**  
**Dated : July 26, 2016**

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management of your Company is pleased to present its Report on Industry scenario including Company's performance during FY 2015-16.

### (A) Industry Structure and Development

In an economy, the sustainable growth emanates with progress of all sectors for which growth of infrastructure sector is of paramount importance. Power is one of the most critical components of infrastructure that affects economic growth and the well-being of our nation. The demand of power in India is enormous and is growing steadily due to the diffusion of advanced technology in day chores as well as growth in industrial and commercial activities. Therefore, Power sector is a key enabler for India's economic growth. The electricity Generation (MU) achievement is MU 1107385.79 (97.35%) in 2015-16 against the target of MU 1,137,500.

Considering the importance of power sector in the Indian economy, the Govt. took several initiatives to improve the prospects of this sector. Some of the major initiatives taken in recent times are:

- 24X7 Power For All (PFA) by 2019** : PFA is a comprehensive programme for overall development of power sector including reforms at all India level and envisages building generation, transmission and distribution capacities, operational efficiency & reform measures.
- Amendment in the tariff policy (January, 2016)** : This is for giving push to Signing of PFAs by States, efficiency, environment & ease of doing business.
- "Deep" (Discovery of Efficient Electricity Price)**: Under this initiative an "E-Bidding & E-Reverse Auction Portal" has been developed for Procurement of Short Term Power by DISCOMs. This is for promoting uniformity, transparency & competition in power procurement.
- "IPDS" (R-APDRP subsumed)**: Under IPDS, there has been sanction of ₹24,838 crore for 3486 Towns for 29 States/UTs in about a year. Further, under R-APDRP, 1222 towns have Gone Live in 26 states. including 16 states with 100% Go-Live report.

- UJWAL DISCOM ASSURANCE YOJANA (UDAY)** : UDAY is a comprehensive scheme for turning around DISCOMs, which is being implemented aggressively.
- Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)**: DDUGJY has helped to feeder segregation for 24X7 power (separate line for farmers) and to strengthen Sub T&D in rural areas.
- Coal scenario has improved significantly. Coal production growth for last 2 years has shown average of 7.7% growth.

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 a sustainable performance in future. The developments, achievements and issues in various segments of the industry is as under:-

#### 1. Generation

##### Installed Capacity

As on March 31, 2016, All India installed capacity of Power Stations is 298059 MW. Thermal sources continued to have a dominant share at 71% (210675 MW) followed by Hydro 14% (42,783MW), Renewable 13% (38,821 MW) and Nuclear 2% (5,780MW).The installed capacity stood at 101761 MW (34%) in state sector, 120003 MW (40%) in private sector and 76296 MW (26%) in central sector.

##### Capacity addition

The capacity addition target for FY 2015-16 was set at 20,037.1 MW. However exceeding the target, a capacity addition of 23,976.6 MW has been achieved

Source	Central (MW)	State (MW)	Private (MW)	Total (MW)	Share (%)
Hydro	480	610	426	1516	6%
Thermal	3295.6	6460	12705	22460.6	94%
Nuclear	-	-	-	-	-
<b>Total</b>	<b>3775.6</b>	<b>7070</b>	<b>13131</b>	<b>23976.6</b>	<b>100%</b>

For the 12<sup>th</sup> Plan period (2012-17), the capacity addition has been estimated at 88,537 MW comprising 26,182 MW in the central sector,

15,530 MW in the state sector, and 46,825 MW in the private sector.

Generation capacity of 84990 MW has been added upto March 31, 2016 comprising 16142 MW in the central sector, 19291 MW in the state sector, and 49557 MW in the private sector.

## 2. Transmission

Electric power transmission is the bulk movement of electrical energy from a generating site, such as a power plant, to an electrical substation. The interconnected lines which facilitate this movement are known as a transmission network. It is an important link in power value chain system in the Power Sector. Generation and consumption of electricity has to be supported by a significant expansion and strengthening of the transmission network. Transmission system planning was based on the premise of establishing a power system capable of safely withstanding a contingency without generation rescheduling or load shedding. The role of project financing has expanded for the transmission segment with the government's thrust on tariff-based competitive bidding of projects. Each year, an increasing number of projects are being awarded to private players. Given the massive opportunity, the investor/ financier community is upbeat about the segment. There is a growing realization that transmission stands differentiated within the power sector in terms of the risk-reward matrix. As the appetite for financing transmission project grows, developers and financiers are collectively exploring various structures to efficiently fund projects while minimizing the existing burden on the financing system.

During the year 2015-16, a total of 28,114 circuit-km of transmission lines and 62,849 MVA transformation capacity was added in India. This includes a total of 1 no. of 800kV HVDC line, 19 nos. of 765kV lines and 66 nos. of 400kV lines. With the commissioning of these transmission lines, the inter-state and intra-state capability of power transfer in the country enhanced considerably. Rigorous monitoring is being done for enhancing capacity addition in the XII Five Year Plan. These measures are expected to facilitate the deficit states to reduce their shortages.

## 3. Distribution

The electricity business is not merely about setting up power generation stations and transmission systems, but equally, and probably more crucially,

about retailing electricity and recovering the cost of service from consumers. Despite several schemes for revival of the distribution segment the financial and operational health of the DISCOMs remains bleak.

In order to provide impetus to strengthening of power distribution sector in urban area, Ministry of Power, Government of India launched "Integrated Power Development Scheme" (IPDS) with following components:

- (i) Strengthening of sub-transmission and distribution network in the urban areas;
- (ii) Metering of distribution transformer/feeders/ consumers in the urban areas;
- (iii) IT enablement of distribution sectors and strengthening of distribution network under R-APDRP for 12<sup>th</sup> and 13<sup>th</sup> Plans by carrying forward the approved outlay for R-APDRP to IPDS.

Your Company is the nodal agency for IPDS and is thus, contributing towards upliftment of Power Sector. Erstwhile, R-APDRP Schemes has been subsumed in newly launched IPDS schemes.

The components (i) and (ii) above have a estimated outlay of ₹32,612 crore including a budgetary support of ₹25,354 crore from Government of India during the entire implementation period. The reduction in AT&C losses are likely to be visible in R-APDRP towns in the utilities in next one to five years with establishment of IT system and Part-B completion in various towns coupled with administrative and others measures.

The Government also aims to electrify all villages by May 2018 and provide quality and reliable electricity to all households by 2019 through its flagship programme, 'Deendayal Upadhyaya Gram Jyoti Yojana'(DDUGJY). While 98 percent of the villages in India have been "electrified", electricity is still to reach all homes. Moreover, the quality, reliability and duration of supply to the "electrified" villages continue to be areas of concern.

DISCOMs in the country have accumulated huge losses. Financially stressed DISCOMs are not able to supply adequate power at affordable rates, which hampers quality of life and overall economic growth and development. Ujwal DISCOM Assurance Yojana (UDAY) was announced by Ministry of Power, Govt. of India in November 2015. The scheme is dedicated towards the financial turnaround and revival package for electricity distribution companies of India (DISCOMs).

The scheme comprises four initiatives - improving operational efficiencies of discoms, reduction of cost of power, reduction in interest cost of DISCOMs and enforcing financial discipline on DISCOMs through alignment with state finances. It allows state governments, which own the DISCOMs, to take over 75 percent of their debt, and pay back lenders by selling bonds. DISCOMs are expected to issue bonds for the remaining 25 percent of their debt.

## **(B) Opportunities & Threats**

### **Opportunities**

Indian power sector has made considerable progress in the last decade and has evolved from a nascent market to a developing market led by policy reforms and increased private sector participation. Challenges do exist in the sector, which India has to overcome, to evolve from a developing market to a matured market. Meanwhile, the gap between what can be achieved and what is currently present, uncovers a number of possibilities and opportunities for growth. There is strong growth opportunity in power generation led by exponential growth in economy, increasing propensity for electricity consumption and urbanization. India has made considerable progress in building up capability and uncovering opportunities for capacity additions. Indian companies have shown a huge interest in power generation and the recent change in power procurement landscape towards competitive bidding is expected to drive investments and efficiency in the sector. Compared to the 10<sup>th</sup> Five Year Plan, the capacity additions were increased considerably in 11<sup>th</sup> Five Year Plan as India is slowly developing execution capabilities.

In the 12<sup>th</sup> Five Year Plan, India has planned to add close to 75 GW of power generation capacities. The huge capacity addition plan also offers opportunity for developing evacuation capacities and supply related OEMs like conductor manufacturing, insulator manufacturing, tower fabrication and EPC.

Developing countries like China have ramped up their investments in alternate sources of energy. Steadily, India too is looking at building a strong renewable energy portfolio in coming years. Government of India is offering a number of incentives to renewable energy developers to accelerate investments in renewable energy space. RPO requirements set by state regulators and REC mechanism is expected to create demand for renewable energy across solar and non-solar sources. In addition,

several benefits like accelerated depreciation, preferential tariff and generation based incentives offer attractive incentives to developers investing in renewable energy, and aim to enhance supply through renewable energy. The increased focus of Government of India towards renewable energy has created attractive opportunities for investments in this sector. The recent solar bids concluded is an indication that the players are becoming increasingly competitive in the space while large scale capacity additions in wind continue across country (especially in Tamil Nadu and Rajasthan).

The capacity addition envisaged under 12<sup>th</sup> Five Year Plan is 75 GW (excluding Renewable Energy) and almost double under the next Five Year Plan (13<sup>th</sup> Five Year Plan). In addition, it is also expected that close to ₹33,839 crores would be invested on renovation and modernisation of Power Sector in 12<sup>th</sup> Five Year Plan. The Govt initiatives like IPDS, 24x7 Power for all, Thrust on Hydro and Renewable and UMPP put on fast track, will provide the further business opportunities. Further, with several initiatives of Government are underway, there is likely to be positive environment for further business growth on fund requirement in Power Sector.

### **Threats**

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

- a. **Fuel Security Concerns:** Thermal capacity addition is plagued by the growing fuel availability concerns faced by the Industry. Significant gas based capacity of more than 20,000 MW is idle due to non-availability of gas.
- b. **Financial Health of State Discoms:** Years of populist tariff schemes, mounting AT&C losses and operational inefficiencies have adversely affected the financial health of State DISCOMs which are carrying humongous outstanding debts
- c. **Under-procurement of Power by States:** Increasing power generation costs due to limited fuel availability, poor financial health of State DISCOMs, high AT&C losses have contributed in suppressed demand projections by State DISCOMs.

- d. **Inimical Financing Environment:** Over the last 4-5 years, the lending rates have increased significantly from the time of project appraisal resulting in project cost overrun and hence higher end tariffs.
- e. **After Cancellation of coal blocks,** Govt. has also quickly e-auctioned the coal blocks through a transparent bidding process, availability of coal is therefore not a major issue as it was couple of years back, however coal auction has thrown up new challenge. Some private players have aggressively bid for coal, which requires them to show utmost efficiency in operations in order to avoid any under recovery. This is a significant viability risk for the projects.
- f. **Other Risks associated with Indian Power Sector:** Historically, since its commencement of economic liberalization in 1991, India's increasingly insatiable power needs, along with its general trend toward economic liberalization, led to much Interest among foreign investors in establishing IPP projects in India. While dozens of projects were approved, and the foreign and Indian private sectors constructed several such power plants between 1992 through 2004, most of the largest projects have been stalled by considerable payment risk issues. A number of factors in the power sector hampered IPPs from attaining financial closure. These factors include, but are not limited to, the following:
  - Lack of credit worthiness of the State Electricity Entities
  - Substantial cross-subsidies
  - Inadequate off-take and payment guarantee mechanisms
  - Inadequate fuel supply and transportation agreements, with the significant Issues involving how to cover risks between the State Electricity Entities Coal /Gas supply

However, to address the challenges of Power Sector, Govt. is taking several initiatives to put power sector on revival path. Because of these initiatives significant capacity has been added and Coal scenario has improved significantly. Some of the major initiatives are: 24X7 Power For All (PFA) by 2019, Amendment in the tariff policy (January, 2016), introduction of "Deep" (Discovery of Efficient Electricity Price),

UDAY, IPDS (R-APDRP subsumed), DDUGJY etc. All these initiatives are likely to turnaround power sector.

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

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

### (D) Outlook

Indian Power Sector has been weighed down by the political and regulatory environment along with the inefficiencies of the State Electricity Entities and chronic shortages and pressures to meet demand. This has deterred private investment from flowing into the sector. The investment's first stab on this i.e. the 1990s strategy of bringing in global sponsors to build Independent Power Producers (IPPs) was partly successful. But with the passage of Electricity Act 2003, new rays of hope was opened for growth. The Electricity Act has an overall positive impact on the profitability of the power sector and encourages investment and efficiency. The new power strategy visible in India has much more of a domestic flavour even though bidding is open to foreign players. The government is keen to attract significant private capital into its power sector, which is facing a huge demand-supply gap. Badly affected states such as Maharashtra have 19% energy shortages, and this can rise to 27% peak power shortage levels. This power shortage is holding back industrial growth and corresponding economic development, and the World Bank has estimated that if India is to sustain current GDP growth levels in the 8% to 9% per annum range, it will need to add 160,000 MW of generating capacity over the next 10 years. The basic template evident is domestic sponsors raising cash on the stock market, and using this source of funding as the project equity component for competitive bids. In this new environment, Project Finance will be the key financing mechanism for growth.

Also the investment will have to be directed towards all the components of the electricity delivery chain i.e. Generation, Transmission and Distribution. This would help India to overcome the bottlenecks in the long neglected Transmission and Distribution segments. The financing also needs to move to the next level of Public Private Participation with the Financial Institutions providing equity to the sector and not just debt. The sector also needs to address risks associated with State Electricity Entities



which has been a major concern for IPPs. They have overcome to some extent with SEB restructuring and improvement in the security and payment mechanisms arrangements. But a word of caution needs to be attached to this optimistic view as the efficacy depends on the commitment of the Centre and State machinery to the reforms process. Except for the limited success by a few generation companies in accessing the debt market, transmission and distribution utilities have not managed to raise debt successfully from the open market. The state utilities are too cash strapped for internal resources to be of any significance. Given the excellent commercial potential of merchant power plants, the equity market is a good source of raising funds. In any case, the Indian equity and especially debt market is too narrow and does not have the required depth and breadth to finance these huge requirements. Considering the huge investment requirement, your company being in one of the Niche Institutions, have ample scope to finance power sector. In the recent past, due to your company's experience and expertise, your Company has been well placed in the Power Sector.

### **(E) Risks & Concerns**

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

- a. Promoter's Equity and Internal Accruals: Most project developers invest some amount of the total project cost as promoter's equity to be able to earn the minimum return on equity and raise the required debt. Many developers are increasingly relying on internal accruals for investing equity in new projects.
- b. Raising funds through Capital Market : In recent times, power sector companies have been raising funds from market through Initial Public Offerings (IPOs)/ Follow on Public Offers (FPOs)/private placement with qualified institutional investors. Almost all IPOs / FPOs of power companies in the last two to three years have met with an overwhelming response from investors or have been performing well in the stock markets. Many power companies are expected to launch their IPOs in the coming years.
- c. Equity Funds : Specialized equity funds such as India Development Fund by Infrastructure Development Finance Company (IDFC) have been set up to invest in equity in private sector / power sectors. India Infrastructure Finance Company Limited (IIFCL), Citigroup,

Blackstone have also instituted a USD 5 billion India infrastructure financing initiative for investing in infrastructure projects.

- d. Significant capacity has been added in just last 2 years, however, energy demand has not kept pace with capacity addition primarily due to low power demand from weak DISCOMs. Hence we saw lowest ever energy deficit of 2.1% in FY 2015-16 and we are power surplus now. Low energy demand means less PPAs which significantly increases offtake risk to developers.
- e. Companies generation portfolio is more than 70% and this is Company's main business. Because of significant capacity additions, there are not many new projects and Credit growth is significantly declining and lending opportunities are drying up for the Company.
- f. RBI recently directed the Company to follow RBI Credit Concentration Norms for Govt. sector also, which means PFC lending restricted to 25% of its Net Worth as against earlier 75%-150%. Because of this, PFC has to stop lending to 9 State Utilities for 2-3 years which are big borrowers for PFC. Business with top borrowers coming to a halt suddenly, is likely to significantly impact PFC's business growth.
- g. UDAY is a new challenge for PFC, envisaging huge prepayments by DISCOMs, which means huge loss of assets / income to PFC. Further as per UDAY, transitional funding is not allowed which may result in loss of funding avenue. However, DISCOMs turnaround under UDAY will have a positive impact on overall power sector improving asset quality of PFC in the long term.

### **(F) Internal control system and its adequacy**

To ensure regulatory and statutory compliances as well to provide highest level of corporate governance, your company has robust internal systems and processes in place for smooth and efficient conduct of business and complies with relevant laws and regulations. A comprehensive delegation of power exists for smooth decisions making. Elaborate guidelines for preparation of accounts are followed consistently for uniform compliances. In order to ensure that all checks and balances are in place and all internal control systems are in order, regularly and exhaustive Internal Audits are conducted by the experienced firms of Chartered Accountants in close co-ordination with company's own Internal Audit Department. Besides,

Company's Audit Committee periodically reviews the important findings of different Audits keeping a close watch on compliance with internal control system.

For the FY 2015-16, M/s Bansal Sinha & Company, Chartered Accountants have submitted a Report on adequacy of Internal Financial Controls with reference to Financial Reporting, confirming that they have reviewed the policies and procedures of our Company, existence and operating effectiveness of various internal controls, including entity level control and process level control. On review of records of our company, they have found that there are no material deficiency in the design and operations of internal financial controls.

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

PFC is an ISO 9001:2015 certified Company. These stringent internal control processes and credit review mechanisms reduce the number of defaults and ultimately contribute in gaining the faith of all the stakeholders.

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

### Financial and Operational performance

Your company continued to accomplish a healthy growth during the FY 2015-16. The total revenue grew by 11% from ₹24862 crore to ₹27474 crore in FY 2015-16. Profit before Tax (PBT) grew by 8% from ₹8378 crore to ₹9061 crore while Profit after Tax (PAT) grew by 3% (approx.) from ₹5959 crore to ₹6113 crore in FY 2015-16.

Further, Net Worth (share capital plus free reserves) of the company grew by 10% in FY 2015-16 to ₹32046 crore as compared to ₹29,245 crore in FY 2014-15 and the loan assets as at March 31, 2016 grew by 9% to ₹237462 crore from ₹217161 crore as at March 31, 2015. The gross Non-Performing Assets (NPAs) increased to ₹7519 crore in FY 2015-16 as compared to ₹2533 crore in FY 2014-15.

## Foreign Exchange Earnings and Outgo

During the FY 2015-16, the Foreign exchange outgo aggregating ₹262.29 crore was made on account of debt servicing, financial & other charges and training expenses. The Foreign exchange earnings for the FY 2015-16 were Nil.

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

The employees of your Company are considered as Human Resource Capital and they are the most valuable assets of the company. Your company aims to align human resource practices with its business goals. The employees performed to their full potential and contributed to the growth and development of the Company. Your company lays great emphasis on upgrading the skills of its Human Resources through training and development. The Company focus is on identifying gaps in its employees' competencies and preparing employees for changes in competitive environments, as well as to meet organizational challenges. Towards this direction, the Company has an annual training plan system to assess the various training needs. Requisite skills are also imparted across all level of employees through customized training intervention. Your Company benchmarks its practices with the best practices being followed in the other Public Sector Companies. This, apart from other strategic interventions, lead to an effective management of Human Resources thereby ensuring a high level of productivity. Your Company has very cordial and harmonious relationship with its employees. Your company regularly interacts with the employee representatives to ensure cordinal and harmonious Employee Employer relations. Due to the positive work culture in the organization, no mandays were lost during the period under review. The Company had 467 employees on its rolls as on March 31, 2016.

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

The guiding principle of your company's CSR policy is "Impact through Empowerment," where empowerment is a process of strengthening the future today, so that risks are minimized, value created and certainty is experienced. We strive to ensure that the communities engaged through our CSR initiatives also experience certainty in their lives. The core areas for your company's CSR programs are education, health and environment. The choice of education as a theme flows from your Company

being in the knowledge domain. Similarly, attention to the cause of health acknowledges that health is a vital pre-condition for promoting social good. Concern for the environment is in line with our belief that this global cause demands our attention to ensure a sustainable and productive planet. These themes are established centrally for adoption or adaptation across all geographies.

During the FY 2015-16, your Company's CSR provision amounting to ₹145.79 crore (previous year ₹117.49 crore) has been made at the rate of 2% of average net Profit Before Tax (PBT) of the company earned during the three immediately preceding financial years. PFC has spent the entire budget of FY 2015-16. During the year, PFC disbursed ₹192.13 crore out of the sanctions of FY 2015-16 and available sanctions of earlier FYs. In addition, PFC has incurred an amount of ₹3.39 crores towards Administrative Overheads which includes pay & allowances of CSR staff and travelling expenses in r/o CSR activities.

As at 31.03.2016, CSR and SD provisions stand at ₹102.16 crore (previous year ₹114.30 crore) after adjusting an amount of ₹157.93 crore (Previous year ₹35.52 crore) during the year on account of CSR claims.

## **(J) Renewable Energy**

Power is one of the most important components of infrastructure, critical to sustain economic growth. The Indian power sector is undergoing a significant change that is redefining the industry outlook. Sustained economic growth continues to drive power demand in India. The Government of India's focus to attain 'Power For All' has accelerated capacity addition in the country. Over the years, renewable energy sector in India has emerged as a significant player in the grid connected power

generation capacity. It supports the government agenda of sustainable growth, while, emerging as an integral part of the solution to meet the nation's energy needs and an essential player for energy access. It has been realized that renewable energy has to play a much deeper role in achieving energy security in the years ahead and be an integral part of the energy planning process.

The gross installed power generation capacity of the country as on March 31, 2016 stood at 298 GW. This included installed Renewable Energy capacity of 42752 MW (Grid Connected), constituting 14.34% of the total installed capacity. This comprises 26769 MW of wind power, 4273 MW of small hydro power, 6762 MW solar power, 6831 MW of biomass & cogeneration and 115 MW of waste to water.

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

### **Cautionary Note**

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

## REPORT ON CORPORATE GOVERNANCE

Corporate governance is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance. Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for the sustainable development of all stakeholders.

Your company's corporate governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders' expectations. Good governance practices stem from the culture and mindset of the organization and here, we are committed to meet the aspirations of all our stakeholders and believes in adopting best corporate practices for ethical conduct of business.

A Report in line with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (came into effect from 01.12.2015) 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 provide 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 presently holds 67.80 % 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, 2016 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 2015-16, the following changes took place in the Directors of the Company :-

- (i) Consequent upon withdrawal of nomination of Shri B.N. Sharma, Director (Govt Nominee), Shri Arun Kumar Verma, Joint Secretary, Ministry of Power was nominated by Ministry of Power, Government of India as Director (Govt. Nominee) in the Board of Power Finance Corporation Limited w.e.f. 13<sup>th</sup> October, 2015.
- (ii) Consequent upon appointment to the post of Director (Commercial) by Ministry of Power, Government of India, Shri D. Ravi, ED (Legal & Documentation) assumed the charge of Director (Commercial), Power Finance Corporation Limited w.e.f. 16<sup>th</sup> November, 2015.
- (iii) Consequent upon completion of his tenure of three years, Shri J. N. Prasanna Kumar, Independent Director, Power Finance Corporation Limited has ceased his office in the corporation w.e.f. 21<sup>st</sup> December, 2015.

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

The Company has already requested the Ministry of Power, Government of India, the appointing authority, to expedite appointment of the requisite number of Independent Directors and a Woman Director on the Board of the Company to enable the company to comply with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE guidelines and the Provisions of Section 149 (1) of Companies Act, 2013, rules made thereunder.

During the year, in absence of requisite number of

The composition of Board of Directors as on March 31, 2016 was as follows:

Whole Time Directors		
i)	Shri M.K. Goel*	Chairman and Managing Director, Chief Executive Officer and Key Managerial Personnel
ii)	Shri R. Nagarajan	Director (Finance), Chief Finance Officer and Key Managerial Personnel
iii)	Shri A. K. Agarwal	Director (Projects) and Key Managerial Personnel
iv)	Shri D. Ravi	Director (Commercial) and Key Managerial Personnel
Government Nominee Director		
v)	Dr. Arun Kumar Verma	Director (Government Nominee)
Non Official Part Time (Independent) Directors		
vi)	Shri Vijay Mohan Kaul**	Independent Director
vii)	Shri Yogesh Chand Garg	Independent Director

\*Holding additional charge of Director (Commercial) till 15.11.2015.

\*\*Tenure of Shri Vijay Mohan Kaul, Independent Director has expired on 23.06.2016.

## 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 has implemented Secretarial Standard-1 on Meetings of the Board of Directors as issued by the Institute of Company Secretaries of India w.e.f. 1<sup>st</sup> July, 2015 in its letter and spirit.

During the year under review, the Board met 15 times on the following dates:

- (i) April, 8, 2015 (ii) April, 17, 2015 (iii) May 15, 2015 (iv) May 28, 2015 (v) July 20, 2015 (vi) August 14, 2015 (vii) September 23, 2015 (viii) November 3, 2015 (ix) November 26, 2015 (x) December 16, 2015 (xi) January 21, 2016 (xii) February 9, 2016 (xiii) February 16, 2016 (xiv) March 18, 2016 (xv) March 23, 2016.



## Annual General Meeting

The last Annual General Meeting of the Company was held on September 24, 2015.

**Directors' attendance at the Board Meetings held during the FY 2015-16 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, 2016*	Chairmanship/ Membership in the committees of other companies as on March 31, 2016**		Attendance at the last AGM held on September 24, 2015
	Held during the tenure	Attended		Member	Chairman	
<b>Shri M.K. Goel</b> Chairman and Managing Director	14	14	3	Nil	Nil	Present
Chairman and Managing Director and holding Additional Charge of Director (Commercial)	1	1				
<b>Shri R. Nagarajan</b> Director (Finance)	15	15	9	Nil	2	Present
<b>Shri A. K. Agarwal</b> Director (Projects)	15	15	8	2	Nil	Present
<b>Shri D. Ravi</b> Director (Commercial)	7	7	7	2	Nil	-
<b>Shri B. N. Sharma</b> Director (Government Nominee)	7	7	Term of office expired on 12.10.2015			Present
<b>Dr. Arun Kumar Verma</b> Director (Government Nominee)	8	8	1	Nil	Nil	-
<b>Shri Vijay Mohan Kaul</b> Independent Director/ Chairman, Nomination & Remuneration Committee and Chairman, Stakeholders Relationship and Shareholders'/ Investors' Grievance Committee	15	15	1	1	Nil	Present
<b>Shri Yogesh Chand Garg</b> Independent Director/ Chairman, Audit Committee and Chairman, CSR & Sustainable Development Committee	15	15	Nil	Nil	Nil	Present
<b>Shri J. N. Prasanna Kumar</b> Independent Director	10	9	Term of office expired on 21.12.2015			Present

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

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

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

## Separate Meeting of Independent Directors

The Separate Meeting of Independent Directors was held on 13 October, 2015 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 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 DPEs 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 policy is also available on the website of your Company. i.e [www.pfcindia.com](http://www.pfcindia.com).

**3. Committees of the Board of Directors**

To facilitate expeditious consideration and arriving at decisions with focused attention 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) Loans Committee of Directors
- v) Committee of Functional Directors
- vi) Committee of Directors for Investment in IPO of Central Power Sector Undertakings
- vii) CSR & Sustainable Development Committee of Directors
- viii) Risk & Management Committee
- ix) HR Committee

**3.1 Audit Committee**

The Audit Committee of the company constituted by the Board, comprises of two independent directors and one functional Director. Independent Director is the Chairman of the Committee. 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

As on March 31, 2016, the composition of Audit Committee was as under:

Sl. No.	Name of Member	Designation
1.	Shri Yogesh Chand Garg	Chairman
2.	Shri Vijay Mohan Kaul	Member
3.	Shri A. K. Agarwal	Member

During the FY 2015-16, 7 meetings of the Audit Committee were held, i.e. (i) May 28-29, 2015 (ii) August 13, 2015 (iii) October 13, 2015 (iv) November 2, 2015 (v) December 16, 2015 (vi) February 9, 2016 and (vii) March 23, 2016.

The details of the meetings attended by members during the FY 2015-16 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Yogesh Chand Garg	Independent Director	7	7
Shri Vijay Mohan Kaul**	Independent Director	2	2
Shri A. K. Agarwal	Director (Projects)	7	7
Shri J. N. Prasanna Kumar*	Independent Director	5	5

\* Term of office expired on 21.12.2015

\*\*Shri Vijay Mohan Kaul inducted in the Committee in place of Shri J. N. Prasanna Kumar w.e.f. 22.12.2015.

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

### 3.2 Nomination and Remuneration Committee

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

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.

As on March 31, 2016, the Nomination and Remuneration Committee comprised of the following Independent Directors:

Sl. No.	Name of Member	Designation
1.	Shri Vijay Mohan Kaul	Chairman
2.	Dr. Arun Kumar Verma	Member
3.	Shri Yogesh Chand Garg	Member

Director (Finance), Director (Projects) and Director (Commercial) are permanent invitees to the meetings of the said committee.

During the FY 2015-16, 5 meetings of the Nomination and Remuneration Committee were held, i.e. (i) May 28, 2015 (ii) July 7, 2015 (iii) October 13, 2015 (iv) March 7, 2016 and (v) March 23, 2016.

The detail of the meetings attended by members during the FY 2015-16 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Shri Vijay Mohan Kaul	Independent Director	5	5
Dr. Arun Kumar Verma**	Director (Government Nominee)	2	2
Shri Yogesh Chand Garg	Independent Director	5	5
Shri J. N. Prasanna Kumar*	Independent Director	3	3

\* Term of office expired on 21.12.2015

\*\*Dr. Arun Kumar Verma inducted in the Committee in place of Shri J. N. Prasanna Kumar w.e.f. 22.12.2015.

### 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 Functional Directors, do not have any, material pecuniary relationship or transaction with the company, its promoters or its subsidiary, which in the judgment of Board may affect independence of judgment of Directors.

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

### Remuneration of Whole Time Directors

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

Details of remuneration of Whole Time Directors of the company during FY 2015-16 are given below:

Details of Remuneration paid to Functional Directors of the company during the year 2015-2016						
Name of the Director	Salary (₹)	Benefits (₹)	Bonus/ Commission ex-gratia (₹)	Performance linked incentives (₹)	Stock Options	Total
<b>SHRI M.K. GOEL</b>	31,05,398.00	20,18,007.00	0.00	17,68,282.00	0.00	68,91,687.00
<b>SHRI R.NAGARAJAN</b>	29,25,030.00	15,82,552.00	0.00	15,84,617.00	0.00	60,92,199.00
<b>SHRI A.K. AGARWAL</b>	21,70,058.00	16,40,280.00	0.00	14,67,224.00	0.00	52,77,562.00
<b>SHRI D.RAVI</b>	9,24,215.00	6,97,405.00	0.00	6,92,160.00	0.00	23,13,780.00

### 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 within the limits as prescribed under the Companies Act, 2013 for attending the meetings of the Board and Committees of Directors. Presently, sitting fee of ₹20,000 for attending each meeting of the Board and Committees of Directors is being paid to each Independent Director.

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

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

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

As on March 31, 2016 the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee comprised of the following members:

Shri Vijay Mohan Kaul	Chairman
Shri R. Nagarajan	Member
Shri A. K. Agarwal	Member

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

During the FY 2015-16, 4 meetings of the Stakeholder Relationship and Shareholders'/Investors' Grievance Committee were held on (i) May 28, 2015 (ii) August 13, 2015 (iii) October 2, 2015 and (iv) February 9, 2016.

Information on investor complaints for the year ended March 31, 2016 is as follows:

Particulars	Equity
Pending at the beginning of the year	1
Received during the year	507
Disposed off during the year	507
Lying unresolved at the end of the year	1*

\*subjudice

### 3.4 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, 2016 the Committee comprised of the following:

Shri M.K. Goel	Chairman
Dr. Arun Kumar Verma	Member
Shri R. Nagarajan	Member
Shri A. K. Agarwal	Member
Shri D. Ravi	Member

During the FY 2015-16, 6 meetings of the Loans Committee were held on (i) July 27, 2015 (ii) August 17, 2015 (iii) September 21, 2015 (iv) November 3, 2015 (v) January 8, 2016 and (vi) February 8, 2016.

### 3.5 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, 2016, the Committee comprised of the following:

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

During the FY 2015-16, 3 meetings of the Committee of Functional Directors were held on (i) August 28, 2015 (ii) January 13, 2016 (iii) March 4, 2016.

### 3.6 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, 2016 the Committee comprised of the following:

Shri M.K. Goel	Chairman
Shri Yogesh Chand Garg	Member
Shri R. Nagarajan	Member

Shri A. K. Agarwal	Member
Shri D. Ravi	Member

During the FY 2015-16, 1 meeting of the Committee of Directors for Investment in IPO of Central Power Sector Undertakings was held on September 23, 2015.

### **3.7 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, 2016 the Committee comprised of the following:

Shri Yogesh Chand Garg	Chairman
Shri Vijay Mohan Kaul	Member
Shri D. Ravi	Member

During the FY 2015-16, 4 meetings of the CSR & Sustainable Development Committee of Directors were held on (i) October 13, 2015 (ii) February 22, 2016 (iii) March 18, 2016 and (iv) March 22, 2016.

### **3.8 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, 2016 the Committee comprised of the following:

Shri R. Nagarajan	Chairman
Shri A.K. Agarwal	Member
Shri Y.C. Garg	Member

During the FY 2015-16, 4 meetings of the Risk Management Committee were held on (i) July 15, 2015 (ii) October 13, 2015 (iii) January 12, 2016 and (iv) March 30, 2016.

### **3.9 HR Committee**

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

Director (Finance) and Director (Projects) are permanent invitees to the meetings of the said committee.

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

Shri Vijay Mohan Kaul	Chairman
Shri Y.C. Garg	Member
Shri D. Ravi	Member

#### 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
27 <sup>th</sup>	September 26, 2013	Thursday	10:00 A.M.	Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi-10	No Special Resolution was passed
28 <sup>th</sup>	September 26, 2014	Friday	10:00 A.M.	Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi-10	<ul style="list-style-type: none"> <li>For Adoption of new Articles of Association</li> <li>For Raising funds through issue of Bonds/ Debentures, etc. on Private Placement basis</li> </ul>
29 <sup>th</sup>	September 24, 2015	Thursday	10:00 A.M.	Weightlifting Auditorium, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-03.	For Raising funds upto Rs. 60,000 crore through issue of Bonds/Debentures, etc. on Private Placement basis

#### POSTAL BALLOT

No Special Resolution was passed last year through Postal Ballot. Further, no special resolution is proposed to be conducted through postal ballot upto the ensuing AGM.

#### 5. Subsidiary Companies

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

Pursuant to Regulation 34 (3) read with Schedule V Part-C (10) (e ) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a "Policy on Material Subsidiary" and the same is available at <http://www.pfcindia.com/writereaddata/userfiles/file/About%20Us/Policy%20on%20Material%20Subsidiary.pdf>.

#### 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/writereaddata/userfiles/file/About%20Us/Policy%20on%20Related%20Party%20Transactions.pdf>.

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

In terms of the requirements under Section 177 of the Companies Act, 2013 read with the relevant Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to, inter-alia, establish a 'Vigil Mechanism'/ 'Whistle Blower Policy' for Directors and Employees to report their genuine concerns or grievances, about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. As an integral part of such Vigil Mechanism, 'Whistle Blower Policy' of PFC has been introduced with a view to empower the Directors and Employees of PFC and/or its subsidiary companies, to detect and report any Improper Activity within the Company and the same is available at <http://www.pfcindia.com/writereaddata/userfiles/file/About%20Us/WBP.pdf>.

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 all external constituencies. 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. While the Quarterly/annual financial results are published in national newspapers like Business Standard (English), Navbharat times (Hindi), The Navbharat Times, Jansatta (Hindi), The Times of India, Business Lines, Dainik Jagran (Hindi), The Statesman, etc. The same are also available on the website of the Company, viz. [www.pfcindia.com](http://www.pfcindia.com) and are also submitted to stock exchanges for wider dissemination.

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

## **8. CEO/CFO certification**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate duly signed by CEO, i.e. Shri M.K. Goel, Chairman & Managing Director and CFO, i.e. Shri R. Nagarajan, Director (Finance) was placed before the Board of Directors at its meeting held on May 25, 2016.

## **9. Compliance with applicable laws**

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

## **10. Code of Conduct**

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

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

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

"All the members of the Board and Senior Management Personnel have affirmed compliance of the 'Code of Business Conduct & Ethics for Board Members and Senior Management' for the financial year ended on March 31, 2016."

**Sd/-**  
**M.K. Goel**  
Chairman & Managing Director  
**DIN.: 00239813**

## 11. Code for Prevention of Insider Trading

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

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

## 12. Shareholders Information

### 1) Annual General Meeting

Date	Time	Venue
August 19, 2016	11.00 A.M.	Weightlifting Auditorium, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi

### 2) Financial calendar for FY 2016-17 (Tentative)

Particulars	Date
Financial year	April 1, 2016 to March 31, 2017
Un-audited financial results for the first three quarters	Will be announced within 45 days from the end of each quarter.
Audited Financial Results	Audited Financial Results will be announced on or before May 30, 2017.
<b>AGM (Next year)</b>	September 2017

### 3) Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from August 13, 2016 to August 19, 2016 inclusive of both days.

### 4) Payment of Dividend

The Board of Directors of the Company, has recommended payment of final dividend of ₹0.60 per share for the financial year ended March 31, 2016 on the paid up equity share capital of the Company, which will be paid after approval at the Annual General Meeting. This is in addition to the First Interim Dividend of ₹8.80 per share and Second Interim Dividend of ₹4.50 already paid in Jan. 2016 and Feb, 2016 respectively on the paid up equity share capital of the Company. Thus, the total dividend for the FY 2015-16 amounts to ₹13.90 per equity share.

The final dividend on equity shares as recommended by the Board of Directors, subject to the provisions of the Companies Act, if approved by the members at the Annual General Meeting, will be paid to the Members or their mandates whose names appear on the Company's Register of Members on August 19, 2016 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of business hours on August 12, 2016. The Dividend, if declared at the AGM, would be paid to the shareholders within 30 days from the date of declaration of the same at the AGM.

## 5) Dividend History

Year	Total Paid-up Capital (₹in crore)	Total Amount of Dividend paid (₹in crore)	Rate of Dividend (%)	Date of Payment (Interim & Final)
2010-11	1147.77 (Interim)	401.72	35%	January 31, 2011 (Interim)
	1319.93 (Final)	197.99	15%	October 8, 2011 (Final)
	<b>Total</b>	<b>599.71</b>	<b>50%</b>	-
2011-12	1319.93 (Interim)	659.97	50%	February 17, 2012 (Interim)
	1320.00 (Final)	132.00	10%	October 3, 2012 (Final)
	<b>Total</b>	<b>791.97</b>	<b>60%</b>	-
2012-13	1320.00	792.01	60%	February 13, 2013 (Interim)
		132.00	10%	October 7, 2013 (Final)
	<b>Total</b>	<b>924.01</b>	<b>70%</b>	-
2013-14	1320.03 (Interim)	1161.63	88%	February 17, 2014 (Interim)
	1320.04 (Final)	26.40	2%	October 10, 2014 (Final)
	<b>Total</b>	<b>1188.04</b>	<b>90%</b>	-
2014-15	1320.04 (Interim)	1,122.04	85%	March 13, 2015 (Interim)
	1320.04 (Final)	79.20	6%	October 8, 2015 (Final)
	<b>Total</b>	<b>1201.24</b>	<b>91%</b>	-

## 6) Listing on Stock Exchanges

PFC shares are listed on the following stock exchanges:

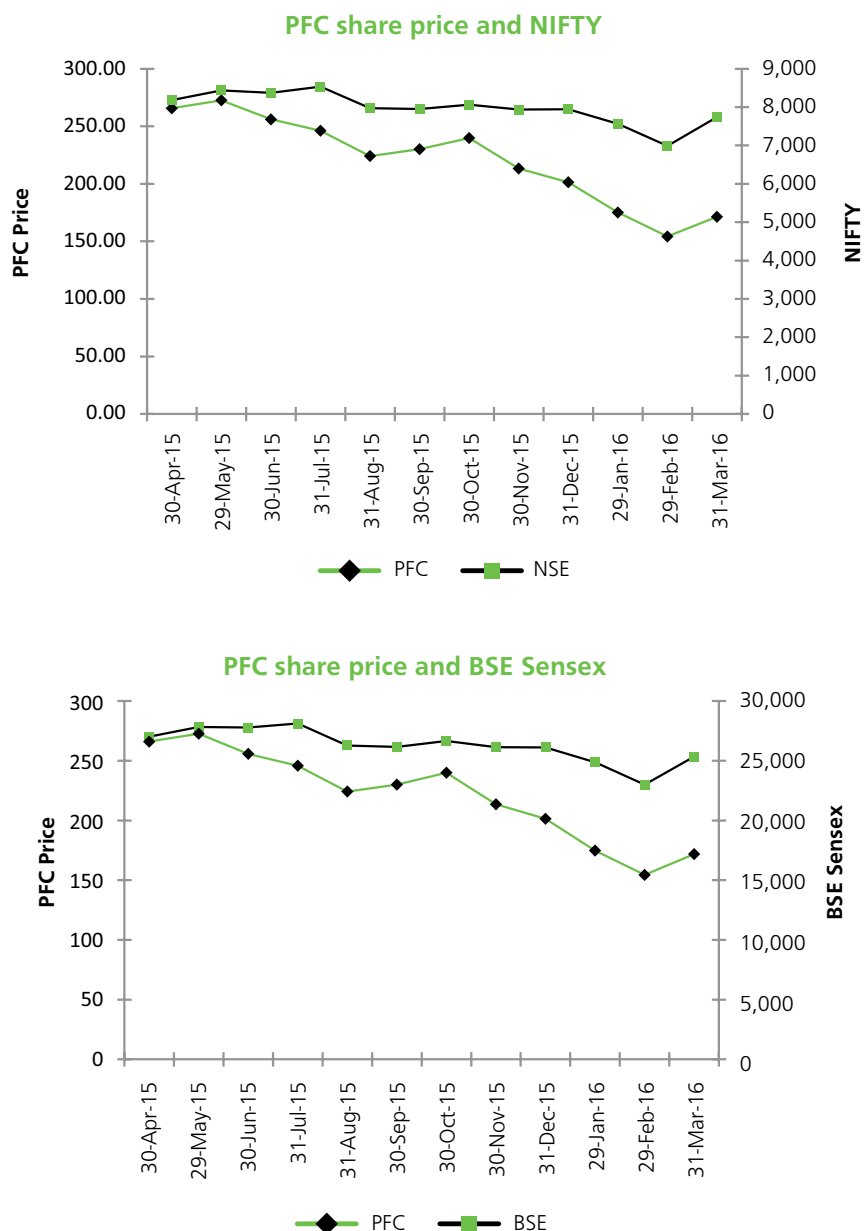
<b>National Stock Exchange of India Limited (NSE)</b> Scrip Code: PFC EQ	<b>Bombay Stock Exchange Limited (BSE)</b> Scrip Code: 532810
Stock Code (ISIN) : INE134E01011	

The annual listing fees for the FY 2016-17 have been paid to NSE and BSE.

## 7) Market Price Data

Month	High (₹)		Low (₹)		Closing (₹)	
	NSE	BSE	NSE	BSE	NSE	BSE
April'15	292.2	291.9	255.05	255.75	265.65	266
May'15	283.4	283	249.8	250	272.6	272.65
June'15	281.5	281.4	251.05	251.75	256	255.8
July'15	270.7	270.6	239.7	239.75	246.15	245.85
August'15	253.25	253.1	185.5	185.4	224.15	224.25
September'15	245.8	246	201	201.1	230.1	230.05
October'15	253.9	254	222	222	239.8	240
November'15	256.75	256.6	207.55	207.55	213.3	213.55
December'15	221	221	196.6	196.5	201.4	201.4
January'16	205.45	205.45	148.2	148.8	175.1	174.8
February'16	186.2	185.8	140.25	140.4	154.25	154.4
March'16	174.55	174.9	152.85	153	171.35	171.85

## 8) Performance in comparison to indices



## 9) Registrar and Transfer Agent for Equity Shares

### Registered Office

Karvy Computershare Private Limited  
 "Karvy House", 46, Avenue 4,  
 Street No. 1, Banjara Hills,  
 Hyderabad 500034, Telangana India  
 Tel: +91 40 23312454  
 Toll Free: 1800 4258282  
 Fax: +91 40 23311968

### Communication Address

Karvy Computershare Private Limited  
 "Karvy Selenium Tower B"  
 Plot No. 31 & 32,  
 Financial District, Nanakramguda, Gachibowli,  
 Hyderabad-500032.  
 Andhra Pradesh, India  
 Tel: +91 40 67162222  
 Fax: +91 40 23420814  
 Email: support@karvy.com  
 Website: www.karvycomputershare.com

## 10) Share Transfer System

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

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

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

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

## 11) Details of Demat Suspense Account

The details of shares in the Demat Suspense account as on March 31, 2016 is as follows:

Sl. No.	Description	No. of Cases	No. of Shares
i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year, i.e. April 1, 2015	48	5238
ii)	Number of shareholders who approached the Company for transfer of shares from suspense account during the year 2015-16	3	267
iii)	Number of shareholders to whom shares were transferred from suspense account during the year 2015-16	3	267
iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year, i.e. March 31, 2016	45	4971

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

## 12) Distribution of shareholding

### • Distribution of shareholding as on March 31,2016

Sl. No.	Amount	No. of Share Holders	% To Share Holders	Amount (₹)	% of Shares
1	1 - 5000	197833	94.36	221819630.00	1.68
2	5001 - 10000	7651	3.65	57084410.00	0.43
3	10001 - 20000	2123	1.01	30906090.00	0.23
4	20001 - 30000	566	0.27	14366640.00	0.11

5	30001 - 40000	296	0.14	10605350.00	0.08
6	40001 - 50000	173	0.08	8066410.00	0.06
7	50001 - 100000	322	0.15	23023740.00	0.17
8	100001 and above	694	0.33	12834534770.00	97.23
	<b>TOTAL:</b>	<b>209658</b>	<b>100.00</b>	<b>13200407040.00</b>	<b>100.00</b>

• **Shareholding pattern as on March 31, 2016**

Category	Total No. of shares	% to Equity
President of India	894924366	67.80%
Insurance Companies	128979672	9.77%
Foreign Institutional Investors	111717382	8.46%
Foreign Portfolio Investors	64382986	4.88%
Resident Individuals	35425188	2.68%
Indian Financial Institutions	24100204	1.83%
Bodies Corporate	17271060	1.31%
Mutual Funds	19790150	1.50%
NBFC's	1140541	0.09%
Banks	15098528	1.14%
Trusts	2529929	0.19%
HUF	1834889	0.14%
Employees	850163	0.06%
Non-Resident Indians	1490147	0.11%
Clearing Members	504699	0.04%
Foreign Nationals	800	0.00%
<b>Total</b>	<b>1320040704</b>	<b>100.00%</b>

**13) Dematerialization of shares**

Number of shares held in dematerialized form with NSDL, CDSL and physical mode as on March 31, 2016.

Sl. No.	Description	Shares	% Equity
1.	PHYSICAL	16888	0.00
2.	NSDL	1308090576	99.09
3.	CDSL	11933240	0.90
	<b>Total:</b>	<b>1320040704</b>	<b>100.00</b>

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

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

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

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



**16) Address for correspondence**

**Registered Office:**

'Urjanidhi', 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**

**Non-Mandatory Requirements**

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

- 1. The Board:** The Company is headed by an executive Chairman.
- 2. Shareholder Rights:** The quarterly financial results of the Company are published in leading newspapers as mentioned under the heading "Means and Communication" of the Corporate Governance report and also displayed on the website of the Company.
- 3. Audit Qualifications:** It is always Company's endeavour to move towards unqualified financial statements.
- 4. Separate posts of Chairman and CEO:** PFC being a Government Company, the Chairman and Managing Director of the Company is appointed by the President of India through Ministry of Power, Government of India.
- 5. Reporting of Internal Auditor:** The Internal auditors of the company are invited to the Meetings of the Audit Committee and regularly interact with the members of the Audit committee.

## Certificate on Corporate Governance

### **The Members, Power Finance Corporation Limited.**

We have examined the compliance of conditions of Corporate Governance by Power Finance Corporation Limited for the year ended 31<sup>st</sup> March, 2016, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015") (erstwhile Clause 49 of the Listing Agreement) and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India.

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

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of SEBI (LODR) Regulations, 2015 (erstwhile Clause 49 of the Listing Agreement) and DPE Guidelines on Corporate Governance except:

I) Regulation 17 (1) of SEBI (LODR) Regulations, 2015 (erstwhile Clause 49 II (A) (1) & (2) of the Listing Agreement) 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. At present, 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.

II) Regulation 17 (10) of SEBI (LODR) Regulations, 2015 (erstwhile Clause 49 (II) (B) (5) (c) of listing Agreement), the performance evaluation of Independent Directors shall be done by the entire Board of Directors.

III) Regulation 25 (3) & (4) of SEBI (LODR) Regulations (erstwhile Clause 49 (II) (B) (6) (b) of listing Agreement), 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 twice on 31.07.2015 and 13.10.2015 during the period under review whereat inter-alia, the provisions related to the review of performance of the members of the Board & the Board as a whole were considered. Further at the said meetings, the Independent Directors also assessed the quality, quantity and timeliness of flow of information, as required under Regulation 25 (4) (c) of SEBI (LODR) 2015.

We further 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/-**  
**Sachin Agarwal**  
**Partner**  
**FCS No. : 5774**  
**C.P. No. : 5910**

**Date: July 14, 2016**  
**Place: New Delhi**

## Business Responsibility Report

### Section A: General Information about the Company

<b>Corporate Identity Number (CIN) of the Company</b>	L65910DL1986GOI024862
<b>Name of the Company</b>	Power Finance Corporation Limited (PFC)
<b>Registered address</b>	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001
<b>Website</b>	www.pfcindia.com
<b>E-mail id</b>	mb@pfcindia.com
<b>Financial Year reported</b>	2015-16
<b>Sector(s) that the Company is engaged in (industrial activity code-wise)</b>	64990 (Other financial service activities, except insurance and pension funding activities)
<b>List three key products/services that the Company manufactures/provides (as in balance sheet)</b>	(i) Rupee Term Loan (RTL) (ii) Short Term Loan (STL) (iii) Buyer's Line of credit (BLC)
<b>Total number of locations where business activity is undertaken by the Company</b> i. Number of International Locations ii. Number of National Locations	None 3
<b>Markets served by the Company - Local/State/National/International</b>	National

### Section B: Financial Details of the Company (as on March 31, 2016)

<b>Paid up Capital (INR)</b>	₹1,320.04 crore
<b>Total Turnover (INR) (Revenue from Operations)</b>	₹27473.65 crore
<b>Total profit after taxes (INR)</b>	₹6113.48 crore
<b>Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)</b>	<p>For the FY 2015-16, the Board had approved the CSR budget of ₹145.79 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.</p> <p>PFC has spent the entire budget of FY 2015-16. During the year, PFC disbursed ₹192.13 crore out of the sanctions of FY 2015-16 and available sanctions of earlier FYs.</p> <p>In addition, PFC has incurred an amount of ₹3.39 crores towards Administrative Overheads which includes pay &amp; allowances of CSR staff and travelling expenses in r/o CSR activities.</p>
<b>List of CSR activities in which expenditure has been incurred:-</b>	Annexure-1

### Section C: Other Details

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

## Section D: BR Information

### 1. Details of Director responsible for BR

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

<b>DIN Number</b>	00038452
<b>Name</b>	Shri D.Ravi
<b>Designation</b>	Director (Commercial)

#### b) Details of the BR head

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

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

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

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

Sl. No.	Questions	Business Ethics	Product responsibility	Well being of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	<b>Do you have a policy/policies for....</b>	Y	PFC being an NBFC, this principle has limited applicability	Y	Y	The policy is embedded in company's HR policies and practices	The policy is embedded in company's various policies and practices	The policy is embedded in company's various policies and practices	Y	The policy is embedded in company's various policies and practices

2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	Y	-	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? Is 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 in the Annexure-2 to this Report.

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

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 (please specify)									

**3. Governance related to BR**

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

CSR & SD Committee headed by an Independent Director has been constituted to give direction to the CSR and SD activities of the Company and to make recommendations to the Board of Directors for taking up various CSR & SD projects. During FY 2015-16, four meetings of the Committee were held.

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

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

The Business Responsibility Report is published as a part of Annual Report from FY 2012-13 onwards. The current Report shall form a part of Annual Report for FY 2015-16 and shall be available on company's website: [www.pfcindia.com](http://www.pfcindia.com).

## Section E: Principle-wise performance

### Principle 1

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

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

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

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

The Company has also adopted an Anti-Fraud policy so as to provide a system of detection and prevention of fraud



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

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

Under the Anti-Fraud Policy, the Company had not received any complaint during the FY 2015-16.

The company had received a total of 3447 complaints from the stakeholders of the Company during the FY 2015-16 in addition to 8 complaints pending at the beginning of the year. Out of total 3455 complaints, 3454 complaints (99.97%) were resolved by March 31, 2016 leaving 1 complaint pending which is subjudice.

**Principle 2**

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

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

PFC has set up a wholly owned subsidiary viz. PFC Green Energy Limited to extend finance and financial services to promote green (renewable and non-conventional) sources of energy.

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

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

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

Not Applicable

### Principle 3

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

As on March 31, 2016 there were 467 employees in PFC.

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

During the FY 2015-16, PFC hired 3 contractual employees for APDRP work. Further, PFC utilizes the services of daily wagers, through a placement agency, based on requirement from time to time. Such daily wagers are not on the rolls of PFC but are on the rolls of the placement agency.

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

As on March 31, 2016, there were 94 permanent women employees on the rolls of the company.

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

As on March 31, 2016, there were 12 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 2015-16	No of complaints pending as on March 31, 2016
1	Child labour/forced labour/involuntary labour	Nil	
2	Sexual harassment		
3	Discriminatory employment		

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

• Permanent Employees-	72%
• Permanent Women Employees	88%
• Casual/Temporary/Contractual Employees	Nil
• Employees with Disabilities	83%

### Principle 4

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

Yes

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

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

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

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

**Principle 5**

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

PFC does not have any specific policy on human rights.

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

The details of stakeholder complaints during FY 2015-16 are given herein below:

Particulars	No. of Complaints		
	Equity Shareholders	Bonds holders	Under Anti- Fraud Policy
Pending at the beginning	1	7	Nil
Received during the Year	507	2940	Nil
Disposed off during the Year	507	2947	Nil
Lying unresolved at the end of the Year	1	0	Nil
% of Complaints resolved	99.80%	100%	Nil

**Principle 6**

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

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

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

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

PFC consistently strives towards meeting the expectations of the society through proper planning and decision making that will help in achieving a real and lasting reduction of social and economic disparities as well as protecting the environment. PFC continues to support activities that aim at improving the quality of life of both present and future generations and at the same time safeguarding the capacity of the earth to support life in all its diversity.

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

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

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

The above question is not applicable to PFC as it is not a manufacturing company. However, considering the emerging prospects in the development and financing of renewable energy sector, Company has set up a wholly owned subsidiary exclusively for funding renewable energy sector. While there is separate subsidiary for financing of renewable energy projects, your Company still continues to fund larger renewable energy projects and has a dedicated subsidiary namely PFC Green Energy Limited to focus and accelerate the development of business in the Renewable Energy Sector.

The company provides financial support to Renewable Energy Generation projects like wind farms, small hydro projects, bio-mass projects and solar projects and also energy saving projects in the form of higher exposure and special rate of interest in State and Private sectors.

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

Yes. Some of the ongoing Clean Technology/Renewable energy projects/Energy Efficient Projects funded by PFC in FY 2015-16 are enlisted below:

Sl. No.	Clean Technology/Energy Efficient Projects
1	Financial Assistance to Project for implementation of 500 nos. of Solar based LED Street Lighting Systems in Bhadohi district of Uttar Pradesh through Rajasthan Electronics and Instruments Ltd. (REIL)
2	Financial Assistance to Project for implementation of 500 nos. of Solar based LED Street Lighting Systems in Phoolpur, Uttar Pradesh through Rajasthan Electronics and Instruments Ltd. (REIL)
3	Financial Assistance for providing services of Automatized Sweeping Collection & Transportation of Municipal Solid Waste (MSW) in Fourteen wards of Varanasi Municipal Area through Varanasi Nagar Nigam (VNN)

**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, 2016.**

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 Corporation in alignment with the vision of the company, through its CSR initiatives, undertakes projects for sustainable development, mainly focusing to fulfill power and energy needs of the society.

The approach in the implementation of the CSR Policy is to facilitate development by maintaining a healthy relation between People, Planet and Profit. The objective of the PFC CSR Policy is to:

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

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

The CSR activities are undertaken through Govt./Semi Govt./Quasi-Govt. implementing agencies and other reputed organizations and any deviations in this regard are submitted to the Board of Directors for approval.

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

PFC mandatorily conducts Impact Assessment for projects/programmes sanctioned above ₹10 crore. For rest of the projects the assessment is done on case to case basis.

**Impact Assessments are being conducted in FY 2015-16 are as tabulated:**

Sl. No.	Particulars	Area
1.	Impact Assessment study of Project for Supply, Installation and Commissioning of Grid connected Rooftop Solar PV (RTSPV) projects of aggregate capacity of 500 kWp in Kalinga Institute of Social Sciences (KISS), Bhubaneswar (Odisha) through Indian Institute of Social Welfare And Business Management (IISWBM), Kolkata.	Renewable Energy
2.	Impact Assessment Study of Project for Supply, Installation and Commissioning of Solar Photo Voltaic (SPV) Power Plants with aggregate capacity of 245KWp in the 45 schools of Punjab (5KWp capacity for 42 academies, 10KWp for 2 academies and 15 KWp for 1 academy) through PEC University of Technology (PECUT), Chandigarh.	Renewable Energy
3.	Impact Assessment study of Project for Skill development programme for SC/ST/OBC/ Women & EWS of society for 1000 persons implemented by CIDC through Kirori Mal College, University of Delhi	Skill Development

**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 2015-16, PFC had implemented wide range of activities in the field of Solar energy, Sanitation, Skill Development in various states. In the FY 2015-16, PFC had sanctioned Financial Assistance for implementation of 500 nos. of Solar based LED Street Lighting Systems each in both Bhadohi and Phulpur, Uttar Pradesh through Rajasthan Electronics and Instruments Ltd (REIL) for ₹1.09 crore each. Further, PFC has also provided Financial

Assistance for providing services of Automatized Sweeping Collection & Transportation of Municipal Solid Waste (MSW) in Fourteen wards of Varanasi Municipal Area through Varanasi Nagar Nigam (VNN) for ₹8.00 crore.

Financial Assistance has also been provided for construction & procurement-cum-installation of required equipments for Multi Therapy Unit (MTU) at Ground Floor of Manav Mandir Hospital at Jatoli, Solan (HP) at ₹1.94 crore. ₹3.39 crore were also incurred on training and administrative overheads, etc. under CSR & SD activities. During the year ended 31.03.2016, an amount of ₹192.13 crore (Previous Year ₹49.90 crore) has been disbursed against CSR activities.

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

The projects sanctioned by PFC are implemented by reputed agencies. The implementation mechanism is as per the norms best in industry and accordingly the benefit to the community is ensured by the implementing agency in letter and spirit.

**Principle 9**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

During 2015-16, 15 grievances were received in total. Out of those, 2 were pending as on March 31, 2016. However, these 2 pending grievances have been disposed off as on date.

**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, 2016. If so, provide details thereof, in about 50 words, or so.**

Not Applicable.

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

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

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

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



## Projects sanctioned by PFC under CSR in FY 2015-16

Sl. No.	Name of Projects (FY 2015-16)
1.	Financial Assistance to Project for implementation of 500 nos. of Solar based LED Street Lighting Systems in Bhadohi district of Uttar Pradesh through Rajasthan Electronics and Instruments Ltd (REIL)
2.	Financial Assistance to Project for implementation of 500 nos. of Solar based LED Street Lighting Systems in Phoolpur, Uttar Pradesh through Rajasthan Electronics and Instruments Ltd (REIL)
Sl. No.	Name of Projects sanctioned in earlier FYs but expenditure incurred in FY 2015-16
1.	Financial Assistance for Employment Oriented Skill Development Programme for SC/ ST/ OBC /Women & EWS of society through CRISP (1425 persons)
2.	Financial Assistance for promotion of Sustainable Sanitation by creating awareness and construction of 3,000 nos. of Toilets in the villages of Rajasthan, Bihar & West Bengal through Gramin Vikas Trust (GVT)
3.	Financial Assistance for Construction of Toilets in the Government Schools of Rajasthan under Swachh Bharat Swachh Vidyalaya Abhiyan (1100 toilets) through Ircon Infrastructure Services Limited (Ircon ISL) and State Govt. of Rajasthan/RCEE/SSA/TAD
4.	Financial Assistance for Construction of Toilets in the Government Schools of Andhra Pradesh under Swachh Bharat Swachh Vidyalaya Abhiyan (8100 toilets) through Hindustan Prefab Limited (HPL) and State Govt./ District Administration
5.	Financial assistance for conducting Vocational Skill development Training for Unprivileged/Unemployed Youth of SC/ST/OBC/PwD/Women & EWS of society through CIPET for 2000 participants
6.	Improving Operational Reliability and Service Quality of Primary Health Centres (PHCs) through provision of Clean & Reliable Power by installing micro solar PV power plants through TERI
7.	Skill Development Programme for SC/ ST/ OBC / Women & EWS of society through L&T Construction (1500 persons)
8.	Skill Development Training Programme to benefit 900 nos. of women Safai Karamcharis and their dependents through National Safai Karamcharis Finance and Development Corporation (NSKFDC)
9.	Financial Assistance for Skill Development Training to 4230 Persons with Disabilities (PwDs) through National Handicapped Finance and Development Corporation (NHFDC)
10.	Financial Assistance for providing LED based Solar Home Lighting for Bidi Workers in Ashok Nagar District of Madhya Pradesh (3675 nos) through EESL
11.	Financial Assistance towards Employment Oriented Training and Skill Development Programme for SC/ST/ Women & EWS of Society for 1500 persons under CSR initiative through Construction Industry Development Council (CIDC)
12.	Financial Assistance for Skill Development Training Programmes for youth belonging to Scheduled Castes through National Scheduled Castes Finance and Development Corporation (NSFDC) for 4750 persons
13.	Financial Assistance for Skill Development programme for SC/ST/OBC/Women & EWS of society (1000 persons) through Construction Industry Development Council (CIDC)

## Annexure -2 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	Weblink
Code of Business Conduct and Ethics	<a href="http://www.pfcindia.com/Content/Code_of_Conduct.aspx">http://www.pfcindia.com/Content/Code_of_Conduct.aspx</a>
Anti-Fraud Policy	<a href="http://www.pfcindia.com/Content/Anti_Fraud_Policy.aspx">http://www.pfcindia.com/Content/Anti_Fraud_Policy.aspx</a>
Whistle Blower Policy	<a href="http://www.pfcindia.com/writereaddata/userfiles/file/About%20Us/WBP.pdf">http://www.pfcindia.com/writereaddata/userfiles/file/About%20Us/WBP.pdf</a>
Fair Practice Code	<a href="http://www.pfcindia.com/Content/Fair_Practices_Code.aspx">http://www.pfcindia.com/Content/Fair_Practices_Code.aspx</a>
Policy on Related Party Transactions	<a href="http://www.pfcindia.com/writereaddata/userfiles/file/About%20Us/Policy%20on%20Related%20Party%20Transactions.pdf">http://www.pfcindia.com/writereaddata/userfiles/file/About%20Us/Policy%20on%20Related%20Party%20Transactions.pdf</a>
Policy on Material Subsidiary	<a href="http://www.pfcindia.com/writereaddata/userfiles/file/About%20Us/Policy%20on%20%20Material%20Subsidiary.pdf">http://www.pfcindia.com/writereaddata/userfiles/file/About%20Us/Policy%20on%20%20Material%20Subsidiary.pdf</a>

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

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016**

{ 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**

I 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 my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial period ended on 31<sup>st</sup> March, 2016 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PFC for the financial year ended on 31<sup>st</sup> March, 2016 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.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India – Applicable w.e.f 1<sup>st</sup> July, 2015.
- (ii) The Listing Agreement and the Securities Exchange Board of India (Listing Obligation & other Disclosure requirements) Regulations, 2015.

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

**(i) Observation 1:**

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

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

**(ii) Observation 2:**

In terms of Regulation 17 (1) of Securities Exchange Board of India (Listing Obligation & other Disclosure requirements) Regulations, 2015 (erstwhile Clause 49 (II) (A) & (B) of the Listing Agreement):

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, 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.

Further, 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.

**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 Directors, 1 Part Time Government Nominee Director and 2 Non-Official Part Time Independent Directors. The Company is in constant communication with the Ministry for the appointment of requisite number of Independent directors on the Board of the Company.

**(iii) Observation 3:**

In terms of Regulation 25 (3) & (4) of SEBI (LODR) 2015 and Section 149 (8), the company and independent directors shall abide by the provisions specified in Schedule IV. Schedule IV lays down a Code for independent directors. As per Schedule IV (VII) (1) & (3), the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management to:

- (a) review the performance of non-independent directors and the Board as a whole.
- (b) review the performance of the Chairperson of the company, 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 company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Further, in terms of Regulation 17(10) of SEBI (LODR) 2015, the performance evaluation of independent directors shall be done by the entire board of directors

**Remark:** The Independent Directors has met twice on 31.07.2015 and 13.10.2015 during the period of Audit. where at inter area, the provisions related to the review of performance of the members of the Board & the Board as a whole were considered. Further at the said meetings, the independent directors also assesses the quality, quantity and timeliness of flow of information as required under Regulation 25(4)(c) of SEBI (LODR) 2015.

I further report that the Board of Directors of the Company has to be constituted in terms of the Provisions of the Companies Act, 2013, DPE Guidelines and Regulation 17(1) of the Securities Exchange Board of India (Listing Obligation & other 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 only two Independent Directors on the Board of the Company. Furthermore, the Company is not compliant with provisions of appointment of a woman Director and requisite number of Independent Directors.

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

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

I 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.

I 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/-  
**(Sachin Agarwal)**  
Partner

**Place: New Delhi**  
**Date: June 29, 2016**

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

## "Annexure A of Secretarial Audit Report"

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-  
**(Sachin Agarwal)**  
Partner

**Place: New Delhi**  
**Date: June 29, 2016**

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

## Observations of the Secretarial Auditors alongwith explanations to the same by the Management

Sl. No.	Observation	Explanation
1.	<p>In terms of Proviso to Section 149 (1) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, every listed Company and every other public Company having paid up share capital of one hundred crore rupees or more; or turnover of three hundred crore rupees or more, shall have at least one woman director on the Board of the Company.</p> <p><b>Remark:</b> Since, PFC is a Government Company under the administrative control of Ministry of Power, Government of India, the appointment, tenure &amp; remuneration of Directors are fixed by the Government of India. The Company is in constant communication with the Ministry for the appointment of woman director on the Board of the Company.</p>	<p>Further to the remarks of Secretarial Auditor, it is stated that in terms of clause 86 of Articles of Association (AoA) of PFC Ltd., the members of the board of PFC are appointed by President of India. Accordingly, the Company has requested Ministry of Power, Government of India to expedite appointment of Women Director on the Board of the Company to enable the company to comply with the Provisions of Section 149 (1) of Companies Act, 2013, rules made thereunder.</p>
2.	<p>In terms of Regulation 17 (1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Clause 49 (II) (A) &amp; (B) of Listing Agreement):-</p> <ol style="list-style-type: none"> <li>The Board of Directors of the Company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising of non-executive directors.</li> <li>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, <b>at least half of the Board should comprise of independent directors.</b></li> </ol> <p>Further, in terms of Para 3.1.2 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, <b>the number of Functional Directors (including CMD/MD) should not exceed 50% of the actual strength of the Board.</b></p> <p>Also, in terms of Para 3.1.4 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, in case of a CPSE listed on the Stock Exchanges and whose Board of Directors is headed by an Executive Chairman, <b>the number of Independent Directors shall be at least 50% of Board Members.</b></p> <p><b>Remark:</b> 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. The Company is in constant communication with the Ministry for the appointment of requisite number of Independent directors on the Board of the Company.</p>	<p>Further to the remarks of Secretarial Auditor, it is stated that in terms of clause 86 of Articles of Association (AoA) of PFC Ltd., the members of the board of PFC are appointed by President of India. Accordingly, the Company has requested Ministry of Power, Government of India to expedite appointment of Independent Director(s) on the Board of the Company to enable the company to comply with the applicable provisions of the SEBI (LODR) 2015 and DPE guidelines.</p>
3.	<p>In terms of Regulation 25 (3) &amp; (4) of SEBI (LODR) 2015, the independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of management to:-</p> <ol style="list-style-type: none"> <li>Review the performance of non-independent directors and the Board of Directors as a whole.</li> <li>Review the performance of the Chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.</li> <li>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.</li> </ol> <p>Further, in terms of Regulation 17(10) of SEBI (LODR) 2015, the performance evaluation of Independent Directors shall be done by the entire Board of Directors.</p> <p><b>Remark:</b> The Independent Directors has met twice on 31.07.2015 and 13.10.2015 during the period of Audit whereat, inter alia, the provisions related to the review of performance of the members of the Board &amp; the Board as a whole were considered. Further, at the said meeting, the Independent Directors also assessed the quality, quantity and timeliness of flow of information, as required under Regulation 25 (4) (c) of SEBI (LODR) 2015.</p>	<p>Further to the remarks of Secretarial Auditors, it is submitted that Independent Directors in their separate meeting held on 13.10.2015 while considering the matter related to review of performance of the members of the Board &amp; the Board as a whole and having noted that the provisions related to these aspects are exempt for Government Companies desired that an opinion on the provisions of the Companies Act vis-à-vis listing regulations be obtained from an outside Company law experts. Accordingly, the opinion of an outside Company Law Expert was deliberated in the Separate Meeting of the Independent Director held on 27.05.2016 and it was suggested to explore the practice being followed by other PSUs in power sector and some leading private companies at the first instance.</p>





## BALANCE SHEET

**POWER FINANCE CORPORATION LIMITED**  
**CIN L65910DL1986GOI024862**  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2016**

(₹ in crore)

	Description	Note Part	As at 31.03.2016		As at 31.03.2015	
<b>A</b>	<b>EQUITY AND LIABILITIES</b>					
(1)	<b>Shareholders' Funds</b>					
	(i) Share Capital	A-1	1,320.04		1,320.04	
	(ii) Reserves & Surplus	A-2	<u>34,445.99</u>	35,766.03	<u>30,899.17</u>	32,219.21
(2)	<b>Non-Current Liabilities</b>					
	(i) Long-Term Borrowing	A-3				
	Secured		19,869.75		20,786.66	
	Un-secured		<u>152,679.95</u>	172,549.70	<u>144,186.80</u>	164,973.46
	(ii) Deferred Tax Liabilities (Net)	C-29		302.06		189.25
	(iii) Other Long-Term Liabilities	A-4		548.75		333.81
	(iv) Long-Term Provisions	A-5		1,229.28		963.61
(3)	<b>Current Liabilities</b>					
	(i) Short -Term Borrowing	A-3				
	Secured		0.00		1,928.17	
	Un-secured		<u>7,571.57</u>		<u>2,136.24</u>	
	(ii) Other Current Liabilities					
	a) Current Maturity of Long-Term Borrowing	A-3				
	Secured		1,916.91		1,990.00	
	Un-secured		<u>18,446.26</u>		<u>16,745.28</u>	
	b) Other	A-4	7,500.77		6,660.15	
	(iii) Short Term Provisions	A-5	<u>805.44</u>	<u>36,240.95</u>	<u>525.23</u>	<u>29,985.07</u>
	<b>Total</b>		<b><u>246,636.77</u></b>		<b><u>228,664.41</u></b>	
<b>B</b>	<b>ASSETS</b>					
(1)	<b>Non-Current Assets</b>					
	(i) Fixed Assets	A-6				
	a) Tangible Assets		105.13		104.48	
	Less: Accumulated Depreciation		<u>42.57</u>	62.56	<u>40.42</u>	64.06
	b) Intangible Assets		8.77		8.26	
	Less: Accumulated Amortization		<u>7.42</u>	1.35	<u>6.53</u>	1.73
	Intangible Assets under Development			0.16		0.00
	(ii) Non-Current Investments	A-7				
	Trade		466.73		347.28	
	Others		<u>1,800.00</u>	2,266.73	<u>0.00</u>	347.28
	(iii) Long-Term Loans	A-8				
	Secured		134,642.08		129,609.30	
	Un-Secured		<u>65,394.00</u>	200,036.08	<u>68,233.61</u>	197,842.91
	(iv) Other Non-Current Assets	A-9		314.98		224.72
(2)	<b>Current Assets</b>					
	(i) Current Investments	A-10	410.74		504.04	
	(ii) Cash and Bank Balances	A-11	78.45		5,070.80	
	(iii) Short-Term Loans	A-8				
	Secured		1,092.51		549.88	
	Un-Secured		<u>2,711.45</u>		<u>2,456.12</u>	
	(iv) Other Current Assets					
	a) Current Maturity of Long-Term Loans	A-8				
	Secured		12,191.12		10,710.13	
	Un-Secured		<u>21,431.03</u>		<u>5,601.96</u>	
	b) Others	A-9	<u>6,039.61</u>	<u>43,954.91</u>	<u>5,290.78</u>	<u>30,183.71</u>
	<b>Total</b>		<b><u>246,636.77</u></b>		<b><u>228,664.41</u></b>	

**SIGNIFICANT ACCOUNTING POLICIES**

**OTHER NOTES ON ACCOUNTS**

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/-  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892

Sd/-  
**M.K. GOEL**  
Chairman & Managing Director  
DIN - 00239813

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

Place : New Delhi  
Date : 25.05.2016

Sd/-  
**(ATUL AGGARWAL)**  
PARTNER  
Membership No - 099374

Sd/-  
**(SANJEEV CHANDNA)**  
PARTNER  
Membership No - 087354

**POWER FINANCE CORPORATION LIMITED**  
**CIN L65910DL1986GOI024862**  
**STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2016**

( ₹ in crore)

Description	Note Part	Year ended 31.03.2016	Year ended 31.03.2015
<b>I. Revenue from Operations</b>			
Interest	A-12	27,079.44	24,586.10
Other Operating Income	A-12	118.38	132.38
Other Financial Services	A-12	<u>275.83</u>	<u>143.89</u>
		27,473.65	24,862.37
<b>II. Other Income</b>			
Other Income	A-13	90.66	45.48
<b>III. Total Income ( I + II )</b>		<b><u>27,564.31</u></b>	<b><u>24,907.85</u></b>
<b>IV. EXPENSES</b>			
Finance Costs	A-14	16,473.81	15,439.23
Bond Issue Expenses	A-15	33.44	31.40
Employee Benefit Expenses	A-16	90.37	85.81
Provisions	C-16	1609.32	842.91
Provision for decline in value of investments	C-20	96.26	1.06
Depreciation and Amortization Expenses	A-6	6.17	6.09
CSR Expenses	C-21(a)	145.79	117.49
Other Expenses	A-17	50.62	7.79
Prior Period Items (Net)	A-18	(2.13)	(2.16)
<b>Total Expenses</b>		<b><u>18,503.65</u></b>	<b><u>16,529.62</u></b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		9,060.66	<b>8,378.23</b>
VI. Exceptional Items		0.00	0.00
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		9,060.66	<b>8,378.23</b>
VIII. Extraordinary Items		0.00	0.00
<b>IX. Profit Before Tax (VII-VIII)</b>		9,060.66	<b>8,378.23</b>
<b>X. Tax Expenses</b>			
<b>(1) Current Tax</b>			
Current Year		2,822.26	2,502.42
Earlier Years		<u>12.11</u>	<u>0.46</u>
		2,834.37	2,502.88
<b>(2) Deferred Tax liability(+) / Asset(-)</b>		112.81	<b>(83.98)</b>
<b>XI. Profit (Loss) for the year from continuing operations (IX-X)</b>		<b><u>6,113.48</u></b>	<b><u>5,959.33</u></b>
<b>XII. Earnings per equity share of ₹ 10/- each</b>	C-30		
<b>(1) Basic (₹)</b>		46.31	<b>45.15</b>
<b>(2) Diluted (₹)</b>		46.31	<b>45.15</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**OTHER NOTES ON ACCOUNTS**

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

**Part B**

**Part C**

For and on behalf of the Board of Directors

Sd/-  
**(MANOHAR BALWANI)**  
Company Secretary

Sd/-  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892

Sd/-  
**M.K. GOEL**  
Chairman & Managing Director  
DIN - 00239813

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

Place : New Delhi  
Date : 25.05.2016

Sd/-  
**(ATUL AGGARWAL)**  
PARTNER  
Membership No - 099374

Sd/-  
**(SANJEEV CHANDNA)**  
PARTNER  
Membership No - 087354

**NOTE - Part A - 1  
SHARE CAPITAL**

(₹ in crore)

Description		As at 31.03.2016	As at 31.03.2015
<b>A</b>	<b>Authorized :</b>		
	200,00,00,000 Equity shares of par value of ₹ 10/- each (Previous year 200,00,00,000 equity shares of par value of ₹ 10/- each)	2,000.00	2,000.00
	<b>Total</b>	<b><u>2,000.00</u></b>	<b><u>2,000.00</u></b>
<b>B</b>	<b>Issued, subscribed and fully paid up :</b>		
	132,00,40,704 Equity shares of par value of ₹ 10/- each (Previous year 132,00,40,704 equity shares of par value of ₹ 10/- each)	1,320.04	1,320.04
	<b>Total</b>	<b><u>1,320.04</u></b>	<b><u>1,320.04</u></b>

**Notes:-**

- During the year, the Company has neither issued nor bought back any shares.
- The Company has only one class of equity shares having a par value of ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meetings of shareholders.
- Redeemable preference shares as on 31.03.2016 stand at Nil (Previous year Nil).
- During the year, no shares have been allotted under ESOP scheme.
- Reconciliation of the number of equity shares

Description	As at 31.03.2016	As at 31.03.2015
	<b>Number</b>	<b>Number</b>
Opening Balance	132,00,40,704	132,00,40,704
Issued during the year	Nil	Nil
Closing Balance	<u>132,00,40,704</u>	132,00,40,704

- (a) During the year, Government of India, Ministry of Power, acting through Department of Disinvestment has disinvested 29,188 equity shares of par value of ₹ 10/- each by selling it to Goldman Sachs Asset Management (India) Private Limited.

(b) During the year, President of India, acting through and represented by Ministry of Power, Government of India has sold 6,60,02,035 equity shares of par value of ₹ 10/- each representing 5% of the total paid up equity share capital of the Company, out of its shareholding of 72.80%, through "Offer for Sale" of shares by Promoters through the Stock Exchange mechanism. Post sale of shares, promoter shareholding stands at 67.80% of the total paid up share capital of the Company.

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

Name of Holders		31.03.2016	31.03.2015
President of India	% of Share Holding	67.80	72.80
	No. of Shares Held	894,924,366	960,955,589
Life Insurance Corporation of India	% of Share Holding	9.08	6.90
	No. of Shares Held	119,830,788	91,071,654

## NOTE - Part A - 2 RESERVES & SURPLUS

(₹ in crore)

Description	As at 31.03.2016		As at 31.03.2015	
<b>(A) Securities Premium Account</b>				
Opening balance	4,096.37		4,096.37	
Add : Addition during the year	<u>0.21</u>	4,096.58	<u>0.00</u>	4,096.37
<b>(B) Debenture Redemption Reserve</b>				
Opening balance	856.28		546.08	
Add : Transfer from Profit and Loss Appropriation (Refer Note No. 4(B) of Part-C - Other Notes on Accounts)	<u>316.27</u>	1,172.55	<u>310.20</u>	856.28
<b>(C) Others</b>				
<b>(i) Reserve for Bad &amp; doubtful debts u/s 36(1)(vii)(c) of Income Tax Act, 1961</b>				
Opening balance	2,117.93		1,730.44	
Add : Transfer from Profit and Loss Appropriation	<u>429.21</u>	2,547.14	<u>387.49</u>	2,117.93
<b>(ii) Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97</b>		599.85		599.85
<b>(iii) Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98</b>				
Opening balance	10,540.21		8,624.46	
Add : Transfer from Profit and Loss Appropriation	2,004.16		1,850.10	
Add : Transfer from Surplus*	28.76		72.47	
Less: Transfer to General Reserve	<u>(66.22)</u>	12,506.91	<u>(6.82)</u>	10,540.21
<b>(iv) General Reserve</b>				
Opening balance	4,197.11		3,594.29	
Add : Transfer from Profit and Loss Appropriation	1,101.00		596.00	
Add: Transferred from Special Reserve	<u>66.22</u>	5,364.33	<u>6.82</u>	4,197.11
<b>(v) Foreign Currency Monetary Item Translation Difference A/c (Refer Note No. 5(C) of Part-C - Other Notes on Accounts)</b>				
Opening balance	(380.56)		(709.21)	
Add : Net addition during the year	<u>(359.18)</u>	(739.74)	<u>328.65</u>	(380.56)
<b>(D) Surplus</b>				
Opening balance	8,871.98		7,572.29	
Add: Adjustments during the current year	0.03		0.00	
Less : Depreciation on Life Expired Assets	0.00		(1.92)	
Less : Transfers to Special Reserve under Income Tax Act, 1961*	(28.76)		(72.47)	
Add : Surplus retained from the Profit and Loss Appropriation for the year	<u>55.12</u>	8,898.37	<u>1,374.08</u>	8,871.98
<b>Total (A) + (B) + (C) + (D)</b>		<b><u>34,445.99</u></b>		<b><u>30,899.17</u></b>

### Note : Profit and Loss Appropriation

Description	As at 31.03.2016		As at 31.03.2015	
<b>Profit after tax for the year</b>		<b>6,113.48</b>		<b>5,959.33</b>
<b>Less : Transfer to Reserves</b>				
Transfer towards Reserve for Bad & Doubtful Debts u/s 36(1)(vii)(c) of Income Tax Act, 1961	429.21		387.49	
Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	2,004.16		1,850.10	
Debenture Redemption Reserve	316.27		310.20	
General Reserve	<u>1,101.00</u>	<b>3,850.64</b>	<u>596.00</u>	<b>3,143.79</b>
<b>Less : Dividend &amp; Corporate Dividend Tax</b>				
Interim Dividend	1,755.66		1,122.04	
Proposed Final Dividend	79.20		79.20	
Corporate Dividend Tax on Interim Dividend	356.74		224.10	
Proposed Corporate Dividend Tax	<u>16.12</u>	<b>2,207.72</b>	<u>16.12</u>	<b>1,441.46</b>
<b>Total</b>		<b><u>55.12</u></b>		<b><u>1,374.08</u></b>

\* Transferred to match the deduction claimed as per the Income tax return for the Assessment Year 2015-16.

**NOTE - Part A - 3**  
**BORROWINGS**

(₹ in crore)

Description	As at 31.03.2016			As at 31.03.2015		
	Current	Non-Current	Total	Current	Non-Current	Total
<b>A. Long Term Borrowings</b>						
<b>I. Secured</b>						
<b>Bonds</b>						
Infrastructure Bonds (Refer Note No. I)	316.91	44.64	361.55	0.00	361.55	361.55
Tax Free Bonds (Refer Note No. II)	0.00	12,275.11	12,275.11	0.00	11,275.11	11,275.11
Other Bonds (Refer Note No. III)	1,600.00	7,550.00	9,150.00	1,990.00	9,150.00	11,140.00
<b>Sub Total (I)</b>	<b>1,916.91</b>	<b>19,869.75</b>	<b>21,786.66</b>	<b>1,990.00</b>	<b>20,786.66</b>	<b>22,776.66</b>
<b>II. Unsecured</b>						
<b>a) Bonds</b>						
Other Bonds / Debentures (Refer Note No. IV & V)	15,868.00	129,682.64	145,550.64	10,235.10	122,581.32	132,816.42
Subordinated Bonds (Refer Note No. VI)	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00
Foreign Currency Notes (Refer Note No. VII)	0.00	1,201.86	1,201.86	0.00	1,135.08	1,135.08
	<b>15,868.00</b>	<b>134,684.50</b>	<b>150,552.50</b>	<b>10,235.10</b>	<b>127,516.40</b>	<b>137,751.50</b>
<b>b) Foreign Currency Loans</b>						
Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India) (Refer Note No. VIII)	20.68	217.19	237.87	22.07	219.28	241.35
Syndicated Foreign Currency Loans from banks / Financial Institutions (Refer Note No. IX)	2,057.58	7,278.26	9,335.84	2,029.11	6,325.12	8,354.23
	<b>2,078.26</b>	<b>7,495.45</b>	<b>9,573.71</b>	<b>2,051.18</b>	<b>6,544.40</b>	<b>8,595.58</b>
<b>c) Rupee Term Loans</b>						
Rupee Term Loans (From Banks) (Refer Note No X)	500.00	10,500.00	11,000.00	4,459.00	10,126.00	14,585.00
	<b>500.00</b>	<b>10,500.00</b>	<b>11,000.00</b>	<b>4,459.00</b>	<b>10,126.00</b>	<b>14,585.00</b>
<b>Sub Total (II)</b>	<b>18,446.26</b>	<b>152,679.95</b>	<b>171,126.21</b>	<b>16,745.28</b>	<b>144,186.80</b>	<b>160,932.08</b>
<b>B. Short Term Borrowings</b>						
<b>Rupee Term Loans</b>						
<b>I. Secured</b>						
Loan against FD from banks	0.00	0.00	0.00	1,928.17	0.00	1,928.17
<b>Sub Total (I)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,928.17</b>	<b>0.00</b>	<b>1,928.17</b>
<b>II. Unsecured</b>						
Commercial Paper (Refer Note No. XI)	5,286.37	0.00	5,286.37	2,136.24	0.00	2,136.24
Working Capital Demand Loan / OD / CC / Line of Credit from Banks	2,285.20	0.00	2,285.20	0.00	0.00	0.00
<b>Sub Total (II)</b>	<b>7,571.57</b>	<b>0.00</b>	<b>7,571.57</b>	<b>2,136.24</b>	<b>0.00</b>	<b>2,136.24</b>
<b>Total (A) + (B)</b>	<b>27,934.74</b>	<b>172,549.70</b>	<b>200,484.44</b>	<b>22,799.69</b>	<b>164,973.46</b>	<b>187,773.15</b>

Notes:-								
I. Details of Infrastructure Bonds outstanding as at 31.03.2016 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 (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%
2	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.		
3	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%
4	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.		
5	Infrastructure Bonds 86 C Series	30.03.2012	8.72%	0.95	31-Mar-18	On exercise of put option by the bondholders, redeemable at par, on a date, falling six years and one day from the date of allotment; otherwise, redeemable at par on a date falling fifteen years from the date of allotment.	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.	100%
6	Infrastructure Bonds 86 D Series	30.03.2012	8.72%	2.75	31-Mar-18	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling six years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.		



7	Infrastructure Bonds 86 A Series	30.03.2012	8.43%	9.04	31-Mar-17	On exercise of put option by the bondholders, redeemable at par, on a date, falling five years and one day from the date of allotment; otherwise, 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%
8	Infrastructure Bonds 86 B Series	30.03.2012	8.43%	17.81	31-Mar-17	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling five years and one day from the date of allotment; otherwise, 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-I	21.11.2011	8.50%	32.43	22-Nov-16	On exercise of put option by the bondholders, redeemable at par, on a date, falling five years and one day from the date of allotment; otherwise, 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%
10	Infrastructure Bonds (2011-12) Series-II	21.11.2011	8.50%	51.15	22-Nov-16	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling five years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.		
11	Infrastructure Bonds (2010-11) Series-1	31.03.2011	8.30%	66.80	1-Apr-16	On exercise of put option by the bondholders, redeemable at par, on a date, falling five years and one day from the date of allotment; otherwise, 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%
12	Infrastructure Bonds (2010-11) Series-2	31.03.2011	8.30%	139.68	1-Apr-16	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling five years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.		
		<b>Total</b>		<b>361.55</b>				

**II. Details of Tax Free Bonds outstanding as at 31.03.2016 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	17.10.2015	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	17.10.2015	7.60%	155.48	17-Oct-35	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
15	Tax Free Bonds (2013-14) - Series 3A	16.11.2013	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	16.11.2013	8.92%	861.96	16-Nov-33	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
17	Tax Free Bonds 2015-16 SR-2A	17.10.2015	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	17.10.2015	7.52%	45.18	17-Oct-30	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
19	Tax Free Bonds (2013-14) - Series 2A	16.11.2013	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	16.11.2013	8.79%	353.32	16-Nov-28	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
21	Tax Free Bonds Series 107 B	30.08.2013	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	28.03.2013	7.04%	5.06	28-Mar-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created)	100%
23	Tax Free Bonds (2012-13) tranche - II - Series II	28.03.2013	7.54%	64.15	28-Mar-28		
24	Tax Free Bonds (2012-13) tranche - I - Series II	04.01.2013	7.36%	142.23	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	04.01.2013	7.86%	214.77	4-Jan-28		
26	Tax Free Bonds Series 95 B	29.11.2012	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	22.11.2012	7.38%	25.00	22-Nov-27		
28	Tax Free Bonds(2011-12) tranche -I - Series II	01.02.2012	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	25.11.2011	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	15.10.2011	7.75%	217.99	15-Oct-26		
31	Tax Free Bonds 2015-16 SR-1A	17.10.2015	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	17.10.2015	7.36%	79.35	17-Oct-25		
33	Tax Free Bonds Series 136	17.07.2015	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	16.11.2013	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	16.11.2013	8.43%	335.47	16-Nov-23		
36	Tax Free Bonds Series 107 A	30.08.2013	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	28.03.2013	6.88%	49.24	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	28.03.2013	7.38%	46.91	28-Mar-23		
39	Tax Free Bonds (2012-13) tranche - I - Series I	04.01.2013	7.19%	182.04	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	04.01.2013	7.69%	160.71	4-Jan-23		
41	Tax Free Bonds Series 95 A	29.11.2012	7.22%	30.00	29-Nov-22	First pari passu charge on the Immovable Property situated at Chennai.	100%
42	Tax Free Bonds Series 94 A	22.11.2012	7.21%	255.00	22-Nov-22	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.	
43	Tax Free Bonds(2011-12) tranche -I - Series I	01.02.2012	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	25.11.2011	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	15.10.2011	7.51%	205.23	15-Oct-21		
	<b>Total</b>			<b>12,275.11</b>			

**III. The details of Taxable Bonds (Secured) outstanding as at 31.03.2016 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	31.01.2014	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	31.01.2014	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%
48	Taxable Bonds Series 113	03.03.2014	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	31.01.2014	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	07.10.2013	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%
51	Taxable Bonds Series 108	27.09.2013	9.80%	1,600.00	27-Sep-16	First pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.	100%
		<b>Total</b>		<b>9,150.00</b>			

IV. Zero Coupon unsecured Taxable Bonds 2022-XIX Series of ₹443.74 crore (previous year ₹410.42 crore) are redeemable at face value of ₹750.00 crore on 30.12.2022 [net of Unamortized Interest of ₹306.26 crore (previous year ₹339.58 crore)].

**V. Details of other Unsecured Taxable Bonds as on 31.03.2016 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 77-B	9.45%	1-Sep-26	2,568.00
8	Series 76-B	9.46%	1-Aug-26	1,105.00
9	Series 71	9.05%	15-Dec-25	192.70
10	Series 141-B	8.40%	18-Sep-25	1,000.00
11	Series 66-B	8.75%	15-Jun-25	1,532.00
12	Series 65	8.70%	14-May-25	1,337.50
13	Series 130-C	8.39%	19-Apr-25	925.00
14	Series 64-III	8.95%	30-Mar-25	492.00
15	Series 131-C	8.41%	27-Mar-25	5,000.00
16	Series 63-III	8.90%	15-Mar-25	184.00
17	Series 128	8.20%	10-Mar-25	1,600.00
18	Series 62-B	8.80%	15-Jan-25	1,172.60
19	Series 126	8.65%	4-Jan-25	5,000.00
20	Series 125	8.65%	28-Dec-24	2,826.00
21	Series 61	8.50%	15-Dec-24	351.00
22	Series 124-C	8.48%	9-Dec-24	1,000.00
23	Series 120-A	8.98%	8-Oct-24	961.00
24	Series 120-B	8.98%	8-Oct-24	950.00
25	Series 118-B-II	9.39%	27-Aug-24	460.00
26	Series 117-B	9.37%	19-Aug-24	855.00
27	Series 57-C	8.60%	7-Aug-24	866.50
28	Series 85-D	9.26%	15-Apr-23	736.00
29	Series 102-A(II)	8.90%	18-Mar-23	403.00
30	Series 102-B	8.87%	18-Mar-23	70.00
31	Series 100-B	8.84%	4-Mar-23	1,310.00
32	Series 92-C	9.29%	21-Aug-22	640.00
33	Series 91-B	9.39%	29-Jun-22	2,695.20
34	Series 88-C	9.48%	15-Apr-22	184.70
35	Series 124-B	8.55%	9-Dec-21	1,200.00
36	Series 123-C	8.66%	27-Nov-21	200.00
37	Series 78-B	9.44%	23-Sep-21	1,180.00
38	Series 76-A	9.36%	1-Aug-21	2,589.40
39	Series 115-III	9.20%	7-Jul-21	700.00
40	Series 75-C	9.61%	29-Jun-21	2,084.70
41	Series 74	9.70%	9-Jun-21	1,693.20
42	Series 28	8.85%	31-May-21	600.00
43	Series 73	9.18%	15-Apr-21	1,000.00
44	Series 72-B	8.99%	15-Jan-21	1,219.00
45	Series 71	9.05%	15-Dec-20	192.70
46	Series 70	8.78%	15-Nov-20	1,549.00
47	Series 141-A	8.46%	18-Sep-20	1,000.00
48	Series 140-B	8.36%	4-Sep-20	1,250.00

49	Series 138	8.45%	10-Aug-20	1,000.00
50	Series 137	8.53%	24-Jul-20	2,700.00
51	Series 68-B	8.70%	15-Jul-20	1,424.00
52	Series 66-A	8.65%	15-Jun-20	500.00
53	Series 65	8.70%	14-May-20	1,337.50
54	Series 131-B	8.38%	27-Apr-20	1,350.00
55	Series 130-B	8.42%	18-Apr-20	200.00
56	Series 85-C	9.30%	15-Apr-20	79.50
57	Series 64-II	8.95%	30-Mar-20	492.00
58	Series 87-D	9.42%	20-Mar-20	650.80
59	Series 63-II	8.90%	15-Mar-20	184.00
60	Series 100-A	8.86%	4-Mar-20	54.30
61	Series 127	8.36%	26-Feb-20	4,440.00
62	Series 99-B	8.82%	20-Feb-20	733.00
63	Series 62-A	8.70%	15-Jan-20	845.40
64	Series 61	8.50%	15-Dec-19	351.00
65	Series 124-A	8.52%	9-Dec-19	1,220.00
66	Series 123-B	8.65%	28-Nov-19	836.00
67	Series 60-B	1YINCMTBMK+179 bps (floating rate)	20-Nov-19	925.00
68	Series 122	8.76%	7-Nov-19	1,000.00
69	Series 121-B	8.96%	21-Oct-19	1,100.00
70	Series 59-B	8.80%	15-Oct-19	1,216.60
71	Series 119-B	9.32%	17-Sep-19	1,591.00
72	Series 118-B-I	9.39%	27-Aug-19	460.00
73	Series 57-B	8.60%	7-Aug-19	866.50
74	Series 115-II	9.15%	7-Jul-19	100.00
75	Series 135-B	8.50%	29-Jun-19	1,500.00
76	Series 90-B	9.41%	1-Jun-19	391.00
77	Series 143	8.12%	28-Feb-19	700.00
78	Series 98-III	8.72%	8-Feb-19	324.00
79	Series 82-C	9.70%	15-Dec-18	2,060.00
80	Series 52-C	11.25%	28-Nov-18	1,950.60
81	Series 142-B	8.00%	22-Oct-18	1,000.00
82	Series 51-C	11.00%	15-Sep-18	3,024.40
83	Series 140-A	8.28%	4-Sep-18	1,930.00
84	Series 139-C	8.17%	18-Aug-18	800.00
85	Series 49-B	10.85%	11-Aug-18	428.60
86	Series 48-C	10.55%	15-Jul-18	259.70
87	Series 135-A	8.40%	29-Jun-18	1,210.00
88	Series 130-A	8.40%	19-Jun-18	1,175.00
89	Series 129-A	8.29%	13-Jun-18	980.00
90	Series 129B	8.29%	13-Jun-18	100.00
91	Series 47-C	9.68%	9-Jun-18	780.70
92	Series 134-B	8.39%	28-May-18	1,500.00
93	Series 132-B	8.09%	16-May-18	200.00
94	Series 131-A	8.34%	27-Apr-18	100.00
95	Series 132-A	8.03%	9-Apr-18	272.00
96	Series 102-A(I)	8.90%	18-Mar-18	403.00
97	Series 101-A	8.95%	11-Mar-18	3,201.00
98	Series 99-A	8.77%	20-Feb-18	2.00
99	Series 98-II	8.72%	8-Feb-18	324.00

100	Series 72-A	8.97%	15-Jan-18	144.00
101	Series 40-C	9.28%	28-Dec-17	650.00
102	Series 123-A	8.50%	28-Nov-17	1,075.00
103	Series 18	7.87%	13-Nov-17	25.00
104	Series 121-A	8.90%	21-Oct-17	1,500.00
105	Series 142-A	7.88%	21-Oct-17	800.00
106	Series 93-B	8.91%	15-Oct-17	950.00
107	Series 17	8.21%	3-Oct-17	25.00
108	Series 118-A	9.30%	27-Aug-17	2,160.00
109	Series 92-A	9.01%	21-Aug-17	50.00
110	Series 92-B	9.27%	21-Aug-17	1,930.00
111	Series 117-A	9.32%	19-Aug-17	1,311.00
112	Series 115-I	9.11%	7-Jul-17	1,650.00
113	Series 91-A	9.40%	29-Jun-17	107.50
114	Series 90-A	9.61%	1-Jun-17	537.90
115	Series 134-A	8.35%	27-May-17	1,500.00
116	Series 13	9.60%	24-May-17	65.00
117	Series 139-B	8.12%	22-May-17	1,435.00
118	Series 35	9.96%	18-May-17	530.00
119	Series 13	9.60%	16-May-17	125.00
120	Series 89-A	9.52%	2-May-17	165.00
121	Series 133-B	8.00%	24-Apr-17	605.00
122	Series 144	7.98%	21-Apr-17	1,775.00
123	Series 139-A	8.12%	17-Apr-17	565.00
124	Series 133-A	8.00%	3-Apr-17	545.00
125	Series 34	9.90%	30-Mar-17	500.50
126	Series 33-B	9.90%	22-Mar-17	561.50
127	Series 87-B	9.72%	20-Mar-17	23.00
128	Series 84	9.33%	17-Feb-17	1,521.20
129	Series 98-I	8.72%	8-Feb-17	324.00
130	Series 82-B	9.64%	15-Dec-16	825.00
131	Series 31-A	8.78%	11-Dec-16	1,451.20
132	Series 18	7.87%	13-Nov-16	25.00
133	Series 17	8.21%	3-Oct-16	25.00
134	Series 29-A	8.80%	7-Sep-16	250.00
135	Series 77-A	9.41%	1-Sep-16	1,083.60
136	Series 116	9.16%	31-Jul-16	1,885.00
137	Series 75-B	9.62%	29-Jun-16	360.00
138	Series 106-B	8.27%	25-Jun-16	3,033.00
139	Series 104-A	8.35%	15-May-16	4,000.00
			<b>Total*</b>	<b>145,106.90</b>

\*As at 31.03.2016, Bonds of ₹ 6.10 crore (previous year ₹ 7.40 crore) are held by PFC Ltd. Employees Provident Fund Trust.

**VI. Details of Unsecured Subordinated Bonds as on 31.03.2016 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
			<b>Total</b>	<b>3,800.00</b>



VII. Foreign currency 6.61 % Senior Notes (USPP - I) amounting to ₹1,201.86 crore (previous year ₹1,135.08 crore) are redeemable at par on 05.09.2017.

**VIII. Details of Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India) outstanding as at 31.03.2016 are as follows:**

Sl. No	Loan	Rate of Interest p.a. as on 31.03.2016	Amount (₹ in crore)	Date of Repayment
1	KfW I	0.75%	1.24	30-Jun-35
2	KfW I	0.75%	1.43	30-Dec-34
3	KfW I	0.75%	1.43	30-Jun-34
4	KfW I	0.75%	1.43	30-Dec-33
5	KfW I	0.75%	1.43	30-Jun-33
6	KfW I	0.75%	1.43	30-Dec-32
7	KfW I	0.75%	1.43	30-Jun-32
8	KfW I	0.75%	1.43	30-Dec-31
9	KfW I	0.75%	1.43	30-Jun-31
10	KfW I	0.75%	1.43	30-Dec-30
11	KfW I	0.75%	1.43	30-Jun-30
12	KfW I	0.75%	1.43	30-Dec-29
13	KfW I	0.75%	1.43	30-Jun-29
14	KfW I	0.75%	1.43	30-Dec-28
15	ADB (New Loan)	1.0045%	0.27	15-Oct-28
16	Credit National France	2.00%	0.03	30-Jun-28
17	KfW I	0.75%	1.43	30-Jun-28
18	ADB (New Loan)	1.0045%	1.93	15-Apr-28
19	Credit National France	2.00%	0.03	31-Dec-27
20	KfW I	0.75%	1.43	30-Dec-27
21	ADB (New Loan)	1.0045%	2.29	15-Oct-27
22	Credit National France	2.00%	0.06	30-Jun-27
23	KfW I	0.75%	1.43	30-Jun-27
24	ADB (New Loan)	1.0045%	2.42	15-Apr-27
25	Credit National France	2.00%	0.39	31-Dec-26
26	KfW I	0.75%	1.43	30-Dec-26
27	ADB (New Loan)	1.0045%	2.66	15-Oct-26
28	Credit National France	2.00%	0.39	30-Jun-26
29	KfW I	0.75%	1.43	30-Jun-26
30	ADB (New Loan)	1.0045%	4.45	15-Apr-26
31	Credit National France	2.00%	0.46	31-Dec-25
32	KfW I	0.75%	1.43	30-Dec-25
33	ADB (New Loan)	1.0045%	4.45	15-Oct-25
34	Credit National France	2.00%	1.01	30-Jun-25
35	KfW I	0.75%	1.43	30-Jun-25
36	ADB (New Loan)	1.0045%	4.45	15-Apr-25
37	Credit National France	2.00%	2.76	31-Dec-24
38	KfW I	0.75%	1.43	30-Dec-24
39	ADB (New Loan)	1.0045%	4.45	15-Oct-24
40	Credit National France	2.00%	3.33	30-Jun-24
41	KfW I	0.75%	1.43	30-Jun-24
42	ADB (New Loan)	1.0045%	4.78	15-Apr-24
43	Credit National France	2.00%	3.37	31-Dec-23
44	KfW I	0.75%	1.43	30-Dec-23
45	ADB (New Loan)	1.0045%	4.78	15-Oct-23
46	Credit National France	2.00%	4.13	30-Jun-23

47	KfW I	0.75%	1.43	30-Jun-23
48	ADB (New Loan)	1.0045%	4.78	15-Apr-23
49	Credit National France	2.00%	4.13	31-Dec-22
50	KfW I	0.75%	1.43	30-Dec-22
51	ADB (New Loan)	1.0045%	4.78	15-Oct-22
52	Credit National France	2.00%	4.13	30-Jun-22
53	KfW I	0.75%	1.43	30-Jun-22
54	ADB (New Loan)	1.0045%	4.78	15-Apr-22
55	Credit National France	2.00%	4.13	31-Dec-21
56	KfW I	0.75%	1.43	30-Dec-21
57	ADB (New Loan)	1.0045%	4.78	15-Oct-21
58	Credit National France	2.00%	4.13	30-Jun-21
59	KfW I	0.75%	1.43	30-Jun-21
60	ADB (New Loan)	1.0045%	4.78	15-Apr-21
61	Credit National France	2.00%	4.13	31-Dec-20
62	KfW I	0.75%	1.43	30-Dec-20
63	ADB (New Loan)	1.0045%	4.78	15-Oct-20
64	Credit National France	2.00%	4.13	30-Jun-20
65	KfW I	0.75%	1.43	30-Jun-20
66	ADB (New Loan)	1.0045%	4.78	15-Apr-20
67	Credit National France	2.00%	4.13	31-Dec-19
68	KfW I	0.75%	1.43	30-Dec-19
69	ADB (New Loan)	1.0045%	4.78	15-Oct-19
70	Credit National France	2.00%	4.13	30-Jun-19
71	KfW I	0.75%	1.43	30-Jun-19
72	ADB (New Loan)	1.0045%	4.78	15-Apr-19
73	Credit National France	2.00%	4.13	31-Dec-18
74	KfW I	0.75%	1.43	30-Dec-18
75	ADB (New Loan)	1.0045%	4.78	15-Oct-18
76	Credit National France	2.00%	4.13	30-Jun-18
77	KfW I	0.75%	1.43	30-Jun-18
78	ADB (New Loan)	1.0045%	4.78	15-Apr-18
79	Credit National France	2.00%	4.13	31-Dec-17
80	KfW I	0.75%	1.43	30-Dec-17
81	ADB (New Loan)	1.0045%	4.78	15-Oct-17
82	Credit National France	2.00%	4.13	30-Jun-17
83	KfW I	0.75%	1.43	30-Jun-17
84	ADB (New Loan)	1.0045%	4.78	15-Apr-17
85	Credit National France	2.00%	4.13	31-Dec-16
86	KfW I	0.75%	1.43	30-Dec-16
87	ADB (New Loan)	1.0045%	4.78	15-Oct-16
88	Credit National France	2.00%	4.13	30-Jun-16
89	KfW I	0.75%	1.43	30-Jun-16
90	ADB (New Loan)	1.0045%	4.78	15-Apr-16
		<b>Total</b>	<b>237.87</b>	

**IX. Details of Syndicated Foreign Currency Loans from banks / Financial Institutions outstanding as at 31.03.2016 are as follows:**

Sl. No	Loan	Rate of Interest p.a. as on 31.03.2016	Amount (₹ in crore)	Date of Repayment
1	SLN XVIII	0.87157%	868.12	4-Nov-22
2	SLN XVIII	0.87157%	868.12	8-Nov-21
3	SLN XVII-(III)	2.19310%	1,001.55	26-Sep-21

4	SLN XVII-(II)	2.19310%	1,001.55	26-Mar-21
5	SLN XVIII	0.87157%	868.12	06-Nov-20
6	SLN XVII-(I)	2.19310%	1,001.55	26-Sep-20
7	SLN XVI	2.21945%	1,669.25	04-Dec-19
8	SLN XIII- (II)	2.34205%	834.62	06-Mar-17
9	SLN IX	1.78229%	802.72	24-Feb-17
10	SLN VIII	1.52307%	420.24	23-Sep-16
	<b>Total</b>		<b>9,335.84</b>	

**X. Details of Rupee Term Loans (From Banks) outstanding as at 31.03.2016 are as follows:**

Sl. No	Loan	Rate of Interest p.a. as on 31.03.2016	Amount (₹ in crore)	Date of Repayment
1	Bank of India	10.14%	500.00	28-Mar-2020
2	United Bank	10.09%	500.00	28-Mar-2018
3	SBBJ	10.14%	500.00	28-Jun-2017
4	SMBC	9.65%	250.00	23-May-2017
5	Union Bank	10.09%	1,000.00	30-Apr-2017
6	Central bank of India	10.14%	47.75	28-Apr-2017
7	PNB	10.03%	1,250.00	28-Apr-2017
8	Central bank of India	10.14%	952.25	23-Apr-2017
9	J&K Bank	9.92%	1,000.00	23-Apr-2017
10	Union Bank	10.09%	1,000.00	18-Apr-2017
11	CorpoartionBank	10.09%	1,000.00	18-Apr-2017
12	Union Bank	10.09%	500.00	17-Apr-2017
13	Canara Bank	10.09%	2,000.00	16-Apr-2017
14	Vijaya Bank	10.09%	500.00	30-Sep-2016
	<b>Total</b>		<b>11,000.00</b>	

**XI. Details of Commercial Paper outstanding as at 31.03.2016 are as follows:**

Sl. No	Loan	Rate of Interest p.a. as on 31.03.2016	Amount (₹ in crore)	Date of Repayment
1	CP series 72-B	8.20%	2,105.00	27-May-16
2	CP series 71	8.39%	1,325.00	26-May-16
3	CP series 73-B	8.33%	1,370.00	26-May-16
4	CP series 72-A	8.22%	350.00	6-May-16
5	CP series 73-A	8.33%	200.00	6-May-16
	Less-Unamortized Financial Charges*		(63.63)	
	<b>Total</b>		<b>5,286.37</b>	

\* Unamortized financial charges on Commercial Paper as on 31.03.2016 amounts to ₹ 63.63 crore (Previous year ₹ 18.76 crore)

**NOTE - Part A - 4  
OTHER LONG TERM & CURRENT LIABILITIES**

(₹ in crore)

Description	As at 31.03.2016			As at 31.03.2015		
	Short Term	Long Term	Total	Short Term	Long Term	Total
Interest Subsidy Fund from GOI (Refer Note No. 12(A)(ii) of Part-C - Other Notes on Accounts)	6.88	100.59	<b>107.47</b>	12.63	98.72	<b>111.35</b>
Interest Differential Fund - KFW (Refer Note No. 10 of Part-C - Other Notes on Accounts)	0.00	60.71	<b>60.71</b>	0.00	58.38	<b>58.38</b>
Advance received / amount payable to Subsidiaries (including interest payable thereon) (Refer Note No. 8(A)(ii) of Part-C - Other Notes on Accounts)	185.05	198.78	<b>383.83</b>	168.10	172.08	<b>340.18</b>
Amount payable to Gol under R-APDRP (Refer Note No. 12(B)(i) of Part-C - Other Notes on Accounts)	13.00	0.00	<b>13.00</b>	0.00	0.00	<b>0.00</b>
Amount payable to Gol under IPDS	0.00	0.00	<b>0.00</b>	50.01	0.00	<b>50.01</b>
<b>Sub Total</b>	<b>204.93</b>	<b>360.08</b>	<b>565.01</b>	<b>230.74</b>	<b>329.18</b>	<b>559.92</b>
<b>Interest Accrued but not due :</b>						
On Bonds	6,841.49	188.50	<b>7,029.99</b>	6,241.57	0.00	<b>6,241.57</b>
On Loans	58.36	0.00	<b>58.36</b>	114.24	0.00	<b>114.24</b>
<b>Sub Total</b>	<b>6,899.85</b>	<b>188.50</b>	<b>7,088.35</b>	<b>6,355.81</b>	<b>0.00</b>	<b>6,355.81</b>
<b>Unpaid / Unclaimed</b>						
Bonds	3.84	0.00	<b>3.84</b>	3.97	0.00	<b>3.97</b>
Interest on Bonds	8.33	0.00	<b>8.33</b>	2.42	0.00	<b>2.42</b>
Dividend	1.72	0.00	<b>1.72</b>	1.32	0.00	<b>1.32</b>
<b>Sub Total</b>	<b>13.89</b>	<b>0.00</b>	<b>13.89</b>	<b>7.71</b>	<b>0.00</b>	<b>7.71</b>
Others	382.10	0.17	<b>382.27</b>	65.89	4.63	<b>70.52</b>
<b>Sub Total</b>	<b>382.10</b>	<b>0.17</b>	<b>382.27</b>	<b>65.89</b>	<b>4.63</b>	<b>70.52</b>
<b>Grand Total</b>	<b>7,500.77</b>	<b>548.75</b>	<b>8,049.52</b>	<b>6,660.15</b>	<b>333.81</b>	<b>6,993.96</b>

## NOTE - Part A - 5

### PROVISIONS - LONG TERM AND SHORT TERM

(₹ in crore)

Description	As at 31.03.2016			As at 31.03.2015		
	Short Term	Long Term	Total	Short Term	Long Term	Total
<b>I. Employee Benefits*</b>						
Economic Rehabilitation of Employees	0.21	1.29	<b>1.50</b>	0.10	1.14	<b>1.24</b>
Leave Encashment	2.37	24.52	<b>26.89</b>	1.51	21.91	<b>23.42</b>
Staff Welfare Expenses	1.07	21.61	<b>22.68</b>	0.83	18.34	<b>19.17</b>
Gratuity / Superannuation Fund	0.20	0.00	<b>0.20</b>	0.15	0.00	<b>0.15</b>
Bonus / Incentive	9.87	0.00	<b>9.87</b>	10.90	0.00	<b>10.90</b>
<b>Sub Total</b>	<b>13.72</b>	<b>47.42</b>	<b>61.14</b>	<b>13.49</b>	<b>41.39</b>	<b>54.88</b>
<b>II. Others</b>						
Income Tax (net)	0.00	49.49	<b>49.49</b>	118.74	54.59	<b>173.33</b>
CSR & SD Expenses (Refer Note No. 21 of Part-C - Other Notes on Accounts)	102.16	0.00	<b>102.16</b>	114.30	0.00	<b>114.30</b>
Contingent provision against Standard Assets (Refer Note No. 16(A)(i) of Part-C - Other Notes on Accounts)	103.44	493.97	<b>597.41</b>	44.88	441.69	<b>486.57</b>
Contingent Provisions against Restructured Standard Assets (Refer Note No. 16(A)(ii) of Part-C - Other Notes on Accounts)	490.80	638.40	<b>1,129.20</b>	138.50	425.94	<b>564.44</b>
Proposed Final Dividend*	79.20	0.00	<b>79.20</b>	79.20	0.00	<b>79.20</b>
Proposed Corporate Dividend Tax*	16.12	0.00	<b>16.12</b>	16.12	0.00	<b>16.12</b>
<b>Sub Total</b>	<b>791.72</b>	<b>1,181.86</b>	<b>1,973.58</b>	<b>511.74</b>	<b>922.22</b>	<b>1,433.96</b>
<b>Grand Total</b>	<b>805.44</b>	<b>1,229.28</b>	<b>2,034.72</b>	<b>525.23</b>	<b>963.61</b>	<b>1,488.84</b>

\*(Refer Note No. 20 of Part-C - Other Notes on Accounts)

NOTE - Part A - 6  
FIXED ASSETS

Description		GROSS BLOCK			DEPRECIATION					NET BLOCK			
		Opening Balance as at 01.04.2015	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2016	Opening Balance as at 01.04.2015	For the period 01.04.2015 to 31.03.2016	Adjustment	Prior period Adjustments	Withdrawn / Written back	Closing Balance as at 31.03.2016	As at 31.03.2016	As at 31.03.2015
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	8.91	0.78	0.00	0.00	0.00	9.69	15.23	16.01
EDP Equipments		16.03	1.87	1.96	15.94	12.42	2.78	0.00	0.00	1.86	13.34	2.60	3.61
Office and other equipments		14.47	1.99	1.38	15.08	12.60	1.21	0.00	0.00	1.22	12.59	2.49	1.87
Furniture & Fixtures		7.61	0.20	0.07	7.74	6.42	0.47	0.00	0.00	0.05	6.84	0.90	1.19
Vehicles		0.20	0.00	0.00	0.20	0.07	0.04	0.00	0.00	0.00	0.11	0.09	0.13
Total		104.48	4.06	3.41	105.13	40.42	5.28	0.00	0.00	3.13	42.57	62.56	64.06
Previous year		102.31	3.82	1.65	104.48	34.13	4.89	2.91	0.00	1.51	40.42	64.06	68.18
II. Intangible Assets*:													
Purchased Software (Useful Life - 5 years)		8.26	0.51	0.00	8.77	6.53	0.89	0.00	0.00	0.00	7.42	1.35	1.73
Previous year		7.78	0.48	0.00	8.26	5.33	1.20	0.00	0.00	0.00	6.53	1.73	2.45
III. Intangible assets under development		0.00	0.16	0.00	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.00
Previous year		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\* (Refer Note No. 23 of Part-C - Other Notes on Accounts)  
\*\* (Refer Note No. 25 of Part-C - Other Notes on Accounts)

## NOTE - Part A - 7

### NON-CURRENT INVESTMENTS

(₹ in crore)

Description	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
<b>Long Term Investments</b>				
<b>(A) Trade Investments (Face value of ₹ 10 /- each fully paid up - unless otherwise stated)</b>				
<b>I. Equity Instruments (Quoted)</b>				
PTC India Ltd.	1,20,00,000	12.00	1,20,00,000	12.00
<b>II. Equity Instruments (Unquoted)*</b>				
National Power Exchange Ltd. (Valued at Cost - Less diminution) (Refer Note No. 7(A)(c)(i) of Part-C - Other Notes on Accounts)	21,87,015	2.19	21,87,015	2.19
Less : Provision for diminution		1.06		1.06
Power Exchange India Ltd. (Valued at Cost - Less diminution)	32,20,000	3.22	32,20,000	3.22
Less : Provision for diminution		3.22		0.00
Energy Efficiency Services Ltd (Refer Note No. 7(A)(c)(ii) of Part-C - Other Notes on Accounts)	4,75,00,000	47.50	2,25,00,000	22.50
Subsidiaries (Refer Note No. 7(A)(a)&(b) of Part-C - Other Notes on Accounts)	10,09,50,000	100.95	10,07,50,000	100.75
<b>III. Preference Shares (Unquoted)*</b>				
10% Cumulative Fully Convertible Preference shares of Subsidiary (Refer Note No. 7(A)(a) of Part-C - Other Notes on Accounts)	20,00,00,000	200.00	20,00,00,000	200.00
<b>IV. Others (Unquoted)*</b>				
Units of " Small is Beautiful " Fund of KSK Investment Advisor Pvt. Ltd.**	6,152,200	6.15	76,82,816	7.68
<b>V. Application Money pending allotment of Equity Shares</b>				
Energy Efficiency Services Ltd (Refer Note No. 7(A)(c)(ii) of Part-C - Other Notes on Accounts)	9,90,00,000	99.00	0	0.00
<b>Sub Total</b>		<b>466.73</b>		<b>347.28</b>
<b>(B) Other Investment -Bonds (Quoted) (Face value of ₹ 10,00,000/- each fully paid up - unless otherwise stated)</b>				
10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank (Refer Note No. 9 of Part-C - Other Notes on Accounts)	18,000	1800.00	0	0.00
<b>Sub Total</b>		<b>1800.00</b>		<b>0.00</b>
<b>TOTAL</b>		<b>2,266.73</b>		<b>347.28</b>

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Aggregate of Quoted Investments</b>		
Book Value	1812.00	12.00
Market Value***	1876.80	116.28
<b>Aggregate of Un-Quoted Investments</b>		
Book Value	355.73	335.28
<b>Aggregate Provision for Diminution in value</b>	4.28	1.06
<b>Aggregate of Application Money pending allotment of Equity Shares</b>	99.00	0.00

\* Being Un-Quoted Investments, market value is not available.

\*\* NAV as on 31-Mar-2016 is ₹ 10.24 per unit (31-Mar-2015 ₹ 9.70 per unit). The fluctuation in NAV is considered as temporary.

\*\*\* 10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank are listed on NSE platform, however, market price as at 31.03.2016 is not available on NSE platform and the bonds have not been traded in the market till 31.03.2016. Accordingly, the face value of the above bonds has been considered as market price.



**NOTE - Part A - 8**  
**LOANS \***

Description	As at 31.03.2016		As at 31.03.2015		Total
	Current maturities (Twelve Months)	Non-Current	Current maturities (Twelve Months)	Non-Current	
<b>A. Long Term Loans</b>					
<b>I Secured Loans</b>					
<b>a) Considered Good</b>					
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments	8,882.51	110,318.91	8,653.83	101,759.61	<b>110,413.44</b>
RTLs to Independent Power Producers	1,873.11	18,421.67	1,285.82	24,890.44	<b>26,176.26</b>
Foreign Currency Loans to Independent Power Producers	20.58	5.14	25.52	24.29	<b>49.81</b>
Buyer's Line of Credit	318.44	764.04	89.83	574.03	<b>663.86</b>
Lease Financing to Borrowers**	7.89	196.20	7.73	204.54	<b>212.27</b>
RTLs to Equipment Manufacturers	18.95	842.35	73.09	840.52	<b>913.61</b>
		130,548.31		128,293.43	<b>138,429.25</b>
<b>b) Others</b>					
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV Borrowers and State Governments - NPA	374.35	347.61	267.39	454.57	<b>721.96</b>
Less: Provision for contingencies	74.87	69.52	26.74	45.45	<b>72.19</b>
RTL to Independent Power Producers - NPA	947.64	4,251.81	471.52	933.37	<b>1,404.89</b>
Less: Provision for contingencies	202.61	577.38	143.22	187.01	<b>330.23</b>
FCL to Independent Power Producers - NPA	35.90	201.79	7.66	229.12	<b>236.78</b>
Less: Provision for contingencies	10.77	60.54	2.30	68.73	<b>71.03</b>
<b>Sub Total (I)</b>	<b>12,191.12</b>	<b>134,642.08</b>	<b>10,710.13</b>	<b>129,609.30</b>	<b>140,319.43</b>

(₹ in crore)

<b>II. Un-Secured Loans</b>						
<b>a) Considered Good</b>						
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments	19,378.04	56,435.04	75,813.08	5,401.87	59,925.69	65,327.56
RTLs to Independent Power Producers	1,836.77	7,705.09	9,541.86	158.29	6,794.73	6,953.02
Foreign Currency Loans to State Power Utilities	14.16	0.00	14.16	13.38	13.38	26.76
Buyer's Line of Credit	202.06	99.07	301.13	0.00	76.79	76.79
RTLs to Equipment Manufacturers	0.00	64,239.20	0.00	28.42	223.04	251.46
<b>b) Others</b>			85,670.23			72,635.59
RTL to Independent Power Producers - NPA	41.56	1,064.35	1,105.91	0.00	0.00	0.00
Less : Provision for contingencies	41.56	329.14	370.70	0.00	0.00	0.00
FCL to Independent Power Producers - NPA	0.00	22.04	22.04	0.00	0.00	0.00
Less: Provision for contingencies	0.00	22.04	22.04	0.00	0.00	0.00
<b>Sub Total (II)</b>	<b>21,431.03</b>	<b>64,974.41</b>	<b>86,405.44</b>	<b>5,601.96</b>	<b>67,033.63</b>	<b>72,635.59</b>
<b>Total A (I + II)</b>	<b>33,622.15</b>	<b>199,616.49</b>	<b>233,238.64</b>	<b>16,312.09</b>	<b>196,642.93</b>	<b>212,955.02</b>
<b>B. Bonds</b>						
<b>I Un-secured Bonds / Debentures</b>						
Bonds / Debentures from State Power Corporations	0.00	390.15	390.15	0.00	1,170.50	1,170.50
Bonds / Debentures from Independent Power Producers***	0.00	29.44	29.44	0.00	29.48	29.48
<b>Total B</b>	<b>0.00</b>	<b>419.59</b>	<b>419.59</b>	<b>0.00</b>	<b>1,199.98</b>	<b>1,199.98</b>
<b>C. Short Term Loans</b>						
<b>I Secured Loans - Considered Good</b>						
Working Capital Loans to State Electricity Boards, State Power Corporations and to Government Companies	1,092.51	0.00	1,092.51	549.88	0.00	549.88
<b>Sub Total (I)</b>	<b>1,092.51</b>	<b>0.00</b>	<b>1,092.51</b>	<b>549.88</b>	<b>0.00</b>	<b>549.88</b>
<b>II Un-Secured Loans - Considered Good</b>						
Working Capital Loans to State Electricity Boards, State Power Corporations and to Government Companies	2,180.07	0.00	2,180.07	2,132.14	0.00	2,132.14
Working Capital Loans to Independent Power Producers	369.00	0.00	369.00	205.20	0.00	205.20
Others	231.97	0.00	231.97	169.68	0.00	169.68
Less : Provision for contingencies	69.59	0.00	69.59	50.90	0.00	50.90
<b>Sub Total (II)</b>	<b>2,711.45</b>	<b>0.00</b>	<b>2,711.45</b>	<b>2,456.12</b>	<b>0.00</b>	<b>2,456.12</b>
<b>Total C (I + II)</b>	<b>3,803.96</b>	<b>0.00</b>	<b>3,803.96</b>	<b>3,006.00</b>	<b>0.00</b>	<b>3,006.00</b>
<b>Grand Total (A+B+C)</b>	<b>37,426.11</b>	<b>200,036.08</b>	<b>237,462.19</b>	<b>19,318.09</b>	<b>197,842.91</b>	<b>217,161.00</b>

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

\*\* (Refer Note No. 11(A)(i) of Part-C - Other Notes on Accounts)

\*\*\* Bonds under issue.

NOTE - Part A - 9  
OTHER ASSETS

Description	As at 31.03.2016			As at 31.03.2015		
	Current	Non-Current	Total	Current	Non-Current	Total
<b>A LOANS &amp; ADVANCES</b>						
<b>I Loans (considered good)*</b>						
a) to Employees (Secured)	2.33	14.33	16.66	2.51	16.99	19.50
b) to Employees (Unsecured)	8.48	46.68	55.16	5.51	38.78	44.29
<b>II Advances (Unsecured considered good)</b>						
Advances recoverable in cash or in kind or for value to be received						
a) to Subsidiaries (including interest recoverable there on) (Refer Note No. 8(A)(i) of Part-C - Other Notes on Accounts)	195.58	118.19	313.77	184.12	104.60	288.72
b) to Employees*	0.84	0.01	0.85	0.71	0.02	0.73
c) Prepaid Expenses	2.96	0.00	2.96	2.21	0.00	2.21
d) Others	199.77	9.34	209.11	136.68	3.34	140.02
e) Advance Income Tax and Tax Deducted at Source (net)	0.00	107.18	107.18	0.00	45.39	45.39
f) Security Deposits	3.22	402.37	405.59	0.29	324.01	324.30
<b>B OTHER ASSETS</b>						
<b>I Accrued but not due :</b>						
a) Interest on Loan Assets	4,807.00	0.00	4,807.00	4,414.39	0.00	4,414.39
b) Other charges	11.92	0.00	11.92	2.06	0.00	2.06
c) Interest on Loans to Employee	0.50	18.87	19.37	0.27	15.33	15.60
d) Interest on Deposits and Investments	28.92	0.00	28.92	8.62	0.00	8.62
<b>II Accrued and due :</b>						
Incomes accrued & due on loans	777.93	0.00	777.93	533.35	0.00	533.35
<b>C Loans &amp; Advances (Unsecured - Others)</b>						
Non Performing Assets (NPAs)	1.17	0.00	1.17	1.03	0.00	1.03
Less : Provision for contingencies	1.01	0.00	1.01	0.97	0.00	0.97
<b>Total</b>	<b>6,039.61</b>	<b>314.98</b>	<b>6,354.59</b>	<b>5,290.78</b>	<b>224.72</b>	<b>5,515.50</b>

\* Note :-

Loans and Advances include :

Description	Balance as at 31.03.2016	Balance as at 31.03.2015
Loans & Advances given to Directors & Other Officers	0.39	0.25

## NOTE - Part A -10

### CURRENT INVESTMENTS

(₹ in crore)

Description	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
<b>Equity Instruments (Quoted) (Face value of ₹ 10/- each fully paid up) - Valued scrip wise at lower of cost or fair value</b>				
PGCIL (Shares valued at a cost of ₹ 52)	4,89,349	2.54	5,39,349	2.80
REC Ltd. (Shares valued at a cost of ₹ 105)	47,952	0.50	47,952	0.50
Coal India Ltd. (Shares purchased at a cost of ₹ 358.58)	<u>1,39,64,530</u>	500.74	<u>1,39,64,530</u>	500.74
Less : Provision for diminution (Market Price as on 31.03.2016 on NSE ₹ 291.95)		<u>93.04</u>		<u>0.00</u>
<b>Total</b>		<b><u>410.74</u></b>		<b><u>504.04</u></b>

Description	As at 31.03.2016	As at 31.03.2015
<b>Aggregate of Quoted Investments</b>		
Book Value	410.74	504.04
Market Value	415.30	515.50
<b>Aggregate Provision for Diminution in value</b>	93.04	0.00

## NOTE - Part A -11

### CASH AND BANK BALANCES

(₹ in crore)

Description	As at 31.03.2016		As at 31.03.2015	
<b>I Cash and Cash Equivalents</b>				
i) Balances in current accounts with:				
Reserve Bank of India	0.05		0.05	
Scheduled Banks	<u>28.01</u>	28.06	<u>127.16</u>	127.21
ii) Cheques in hand		0.00		0.01
iii) Imprest with postal authority		0.00		0.00
iv) Fixed Deposits with Scheduled Banks (original maturity up to 3 months)		0.00		4,892.22
<b>Sub Total (I)</b>		<b><u>28.06</u></b>		<b><u>5,019.44</u></b>
<b>II Earmarked Balances:</b>				
i) Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.		6.41		1.36
ii) IPDS / R-APDRP				
Balances in current account with schedule banks		13.01		5.00
Fixed Deposits with Banks		0.00		45.00
iii) Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)		30.97		0.00
<b>Sub Total (II)</b>		<b><u>50.39</u></b>		<b><u>51.36</u></b>
<b>Total (I+II)</b>		<b><u>78.45</u></b>		<b><u>5,070.80</u></b>

**NOTE - Part A - 12  
REVENUE FROM OPERATIONS**

( ₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
<b>I. Interest</b>		
Interest on Loans	27,359.13	24,824.23
Less : Rebate for Timely Payment to Borrowers	297.42	261.06
Less : Post COD Timely Payment Rebate	<u>2.56</u>	<u>0.00</u>
Lease income	20.29	22.93
<b>Sub Total (I)</b>	<b><u>27,079.44</u></b>	<b><u>24,586.10</u></b>
<b>II. Other Operating income</b>		
Income from surplus funds	97.60	123.54
Interest received on advances given to subsidiaries	11.73	8.84
Profit on sale of Bonds of Borrowers	9.05	0.00
<b>Sub Total (II)</b>	<b><u>118.38</u></b>	<b><u>132.38</u></b>
<b>III. Other Financial Services</b>		
Prepayment Premium on Loans	170.46	64.18
Upfront fees on Loans	18.72	14.66
Management, Agency & Guarantee Fees	46.42	93.78
Commitment charges on Loans	5.07	1.84
Less : Commitment charges on Loans waived	<u>0.01</u>	<u>0.01</u>
Fee on account of GoI Schemes :-		
Nodal Agency Fee - R-APDRP (Refer Note No. 12(B) (ii) of Part-C - Other Notes on Accounts)	0.66	(36.38)
Nodal Agency Fee - IPDS	<u>34.51</u>	<u>5.82</u>
<b>Sub Total (III)</b>	<b><u>275.83</u></b>	<b><u>143.89</u></b>
<b>Total (I+II+III)</b>	<b><u>27,473.65</u></b>	<b><u>24,862.37</u></b>

**NOTE - Part A - 13  
OTHER INCOME**

( ₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
Dividend / Interest Income on Non-Current Investments	32.22	2.40
Dividend Income on Current Investments	38.44	29.06
Profit on sale of Fixed Assets	0.03	0.05
Profit on sale of Non-Current Investments	0.05	0.00
Profit on sale of Current Investments	0.44	1.31
Interest on Income Tax Refund	9.10	1.48
Miscellaneous Income	10.08	8.73
Excess Liabilities written back	0.30	2.45
<b>Total</b>	<b><u>90.66</u></b>	<b><u>45.48</u></b>

## NOTE - Part A - 14 FINANCE COSTS

( ₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
<b>I. Interest</b>		
On Bonds	15,071.06	12,353.14
On Loans	644.34	2,080.75
GOI on Interest Subsidy Fund	8.86	9.42
Financial Charges on Commercial Paper	277.43	288.46
Swap Premium ( Net )	<u>1.65</u> 16,003.34	<u>60.53</u> 14,792.30
<b>II. Other Charges</b>		
Commitment & Agency Fees	0.67	0.59
Guarantee, Listing & Trusteeship fees	2.13	2.35
Management Fees on Foreign Currency Loans	37.82	124.15
Bank / Other Charges	0.00	0.02
Interest paid on advances received from subsidiaries	<u>5.11</u> 45.73	<u>5.64</u> 132.75
<b>III. Net Translation / Transaction Exchange Loss (+) / gain (-)</b>	424.74	514.18
<b>Total</b>	<b><u>16,473.81</u></b>	<b><u>15,439.23</u></b>

## NOTE - Part A - 15 BOND ISSUE EXPENSES

( ₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
Interest on Application Money	11.51	0.18
Credit Rating Fees	4.20	3.73
Other Issue Expenses	11.23	21.28
Stamp Duty Fees	6.50	6.21
<b>Total</b>	<b><u>33.44</u></b>	<b><u>31.40</u></b>

## NOTE - Part A - 16 EMPLOYEE BENEFIT EXPENSES

( ₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
Salaries, Wages and Bonus	65.30	63.86
Contribution to Provident and other funds	8.19	6.81
Staff Welfare	12.23	10.71
Rent for Residential accommodation of employees (Refer Note No. 11(B) of Part-C - Other Notes on Accounts)	4.65	4.43
<b>Total</b>	<b><u>90.37</u></b>	<b><u>85.81</u></b>

**NOTE - Part A - 17  
OTHER EXPENSES**

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
<b>Administrative Expenses</b>		
Office Rent	0.50	0.50
Electricity & Water charges	1.56	1.50
Insurance	0.12	0.04
Repairs & Maintenance	2.85	2.71
Stationery & Printing	1.64	1.66
Travelling & Conveyance	8.15	7.03
Postage, Telegraph & Telephone	1.87	2.00
Professional & Consultancy charges	3.51	1.08
Miscellaneous Expenses <sup>#</sup>	18.83	20.06
Loss on sale of Fixed Assets	0.17	0.01
Auditors' Remuneration <sup>#</sup>	0.77	0.41
Service Tax	9.26	6.42
Rates & Taxes	0.88	0.94
Contribution to PMC (MoP)	0.51	0.34
<b>Sub - Total (I)</b>	<b><u>50.62</u></b>	<b><u>44.70</u></b>
<b>Others</b>		
R-APDRP Expenses	0.00	(36.91)
<b>Sub - Total (II)</b>	<b><u>0.00</u></b>	<b><u>(36.91)</u></b>
<b>Total (I + II)</b>	<b><u>50.62</u></b>	<b><u>7.79</u></b>
<b># Note :-</b>		
<b>1) Miscellaneous Expenses includes :</b>		
Books & Periodicals	0.04	0.06
Advertisement	5.52	4.20
Membership & Subscription	0.73	0.79
Entertainment	0.62	0.52
Conference & Meeting Expenses	1.65	1.58
Security Expenses	1.32	1.25
Training	0.99	0.86
Other EDP Expenses	2.37	2.02
Business Promotion / Related Expenses	0.12	0.70
Interest on income tax	0.00	4.32
<b>2) Auditors' Remuneration includes :</b>		
Audit fees	0.30	0.20
Tax Audit fees	0.06	0.05
Other certification services	0.38	0.16
Reimbursement of Expenses	0.03	0.00



## Note - Part A -18

### PRIOR PERIOD ITEMS (NET)

(₹ in crore)

Description	Year ended 31.03.2016		Year ended 31.03.2015	
<b>Prior Period Expenses :</b>				
Interest & other Charges	0.00		(6.06)	
Issue Expenses	0.00		(0.02)	
Personnel & Administration Expenses - Others	<u>0.10</u>	0.10	<u>3.92</u>	(2.16)
<b>Less: Prior Period Income :</b>				
Other Income	<u>(2.23)</u>	(2.23)	<u>0.00</u>	0.00
<b>Total</b>		<b><u>(2.13)</u></b>		<b><u>(2.16)</u></b>

## **Part – B**

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **1. 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), notified Accounting Standards and relevant provisions of the Companies Act, 1956 and 2013.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

#### **2. RECOGNITION OF INCOME/EXPENDITURE**

- 2.1 Income and expenses (except as stated below) are accounted for on accrual basis.
  - 2.1.1 In accordance with the prudential norms of the Company, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.
  - 2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.
- 2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.
- 2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.
- 2.4 Expenditure on issue of shares is charged to the securities premium account.
- 2.5 Income from dividend is accounted when the right to receive has been established i.e. after the declaration by Board of Directors in case of interim dividend and after the approval by shareholders in Annual General Meeting in case of final dividend.
- 2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.
- 2.7 Prior period expenses / income and 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 amortisation, 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 Current investments are valued individually at lower of cost or fair value.
- 5.2 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 Asset Classification

Loans & other credits and lease assets are classified into the following classes, namely:

- 6.1.1 Standard Assets: Standard asset shall mean an asset which is not a Non-Performing Asset (NPA) and in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.
- 6.1.2 (i) An asset will be considered as NPA and sub-categorized as Sub-standard, Doubtful and Loss Asset, if it remains outstanding as mentioned below:

As at	NPA (loan assets excluding lease assets)	NPA Sub-Categorization (all loan assets including lease assets)		
		Sub-Standard	Doubtful	Loss
31 <sup>st</sup> March 2016	Overdue for 5 months or more	NPA for a period not exceeding 16 months	NPA for a period exceeding 16 months	Doubtful for a period exceeding 36 months or identified as loss asset by the Company, whichever is earlier
31 <sup>st</sup> March 2017	Overdue for 4 months or more	NPA for a period not exceeding 14 months	NPA for a period exceeding 14 months	As per RBI norms.
31 <sup>st</sup> March 2018 and thereafter	Overdue for 3 months or more	NPA for a period not exceeding 12 months	NPA for a period exceeding 12 months	

- (ii) A lease asset, in respect of which interest, principal installment and /or other charges remain due but unpaid for a period of six months or more, has been classified as non-performing asset. With effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

### 6.2 Provisioning against Standard Loans and NPAs

- 6.2.1 The provisioning requirement in respect of loans and other credit shall be as under:

Sl. No.	Description	Rate of Provision as at 31.03.2016
1.	Standard Asset (Provisioning for Restructured Standard Loans will be as per RBI norms as detailed in Para 6.3)	0.30%
2.	Sub-Standard Asset	10%
3.	Doubtful Asset	
	Secured portion of Doubtful assets	
	Upto one year	20%
	More than one year to upto three years	30%
	Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	100%
4.	Loss Asset if not written off	100%

- 6.2.2 As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.30% by 31.03.2016, 0.35% by 31.03.2017 and 0.40% by 31.03.2018.
- 6.2.3 A facility which is backed by Central / State Government Guarantee or by State Government undertaking for deduction from central plan allocation or a loan to State Department, would be treated as secured for the purpose of making provision on doubtful assets.
- 6.2.4 Provision on hire purchase and lease assets is as per para 9(2) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued vide circular dated 01.07.2013 and subsequent amendments issued from time to time.

### **6.3 Provisioning against Restructured Loans**

- 6.3.1 RBI has exempted the Company from application of RBI restructuring norms for project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017. Accordingly, where facilities to such projects is partly secured, a provision to the extent of shortfall in the security available, shall be made while restructuring and/or rescheduling and/or renegotiation of the loans apart from the provision required on present value basis.
- 6.3.2 For the following cases, the provisioning against Restructured Standard Assets will be as per RBI norms, including provision on diminution in fair value:
  - a) new project loans to generating companies sanctioned w.e.f. 01.04.2015, where provisioning will be at the rate of 5%.
  - b) stock of restructured outstanding loans as on 31.03.2015 to all generating companies (as per RBI in case of stock of outstanding restructured loan, the provisioning has to be increased in a phased manner i.e. commencing with a provision of 2.75% with effect from 31.03.2015 and shall reach 3.5% by 31.03.2016, 4.25% by 31.03.2017 and 5% by 31.03.2018).
- 6.4 For the purpose of asset classification and provisioning, facilities granted to Government Sector & Private Sector Entities shall be classified borrower wise with the following exception:

Government Sector loans, where cash flows from each project are separately identifiable and applied to the same project, are classified on project wise basis. Government sector cases where there is a single escrow account and therefore the cash flows are not identifiable project-wise, such facilities shall be classified borrower wise.

## **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 case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.
- 7.4 In accordance with the paragraph 46A of the Accounting Standard (AS) 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. These are accounted for on accrual basis, and are not marked to market.
- 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.

## 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.

## 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 31.03.2016	As at 31.03.2015
(i)	Default guarantees issued in foreign currency - Nil (Previous year US \$ 0.74 million)	-	4.69
(ii)	Guarantees issued in domestic currency	226.48	262.84
(iii)	Claims against the Company not acknowledged as debts	-	0.04
(iv)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	403.07	787.32
	<b>Total</b>	<b>629.55</b>	<b>1,054.89</b>

(B) Income Tax Demands

Additional demands raised by and paid to the Income Tax Department totaling to ₹ 45.23 crore (Previous year ₹ 64.41 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 121.04 crore (Previous year ₹ 85.47 crore). The same are being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

2.2 Commitments

Estimated amount of contract remaining to be executed on account of capital account, not provided for, is Nil (Previous year ₹ 0.33 crore).

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 31.03.2016	Year ended 31.03.2015
1.	Opening Balance	78.50	55.10
2.	Addition during the year	17.65	23.40
3.	Reversal during the year	(0.76)	-
4.	Closing Balance	95.39*	78.50\$

\* Pertaining to Assessment Year 2001-02 to 2013-14.

\$ Pertaining to Assessment Year 2001-02 to 2012-13.



4. A. The Company has made a public issue of 70,00,000 number of Tax Free bonds at face value of ₹ 1,000/- each aggregating to ₹ 700.00 crore. Security has been created on 15.10.2015. Bonds have been allotted on 17.10.2015 and were listed on the Bombay Stock Exchange (BSE) on 20.10.2015. Proceeds of bond issue have been utilized for the purpose mentioned in offer document.
- B. 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.
- C. 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 31.03.2016 and 17.03.2016 respectively.

5. A. Foreign currency expenditure and earning:

(₹ in crore)

Sl. No.	Description	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>A.</b>	<b>Expenditure in foreign currency</b>		
(i)	Interest on foreign currency loans *	250.90	236.21
(ii)	Financial & Other charges*	39.38	125.65
(iii)	Traveling Expenses	0.30	0.38
(iv)	Training Expenses	0.26	0.18
<b>B.</b>	<b>Earning in foreign currency</b>	-	-

\*excluding withholding tax

- B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2016		As at 31.03.2015	
	Millions in respective currency	₹ in crore	Millions in respective currency	₹ in crore
USD	979	6,535.38	1,128	7,110.90
EURO	17	129.28	19	129.72
JPY	57,102	3,405.56	24,209	1,274.11
<b>Total</b>		<b>10,070.22</b>		<b>8,514.73</b>

- C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2016 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 739.74 crore (Previous year debit balance ₹ 380.56 crore).
- D. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below:

Sl. No.	Exchange Rates	As at 31.03.2016	As at 31.03.2015
(i)	USD / INR	66.77	63.06
(ii)	JPY / INR	0.5964	0.5263
(iii)	EURO / INR	75.78	68.42

In-case of specific provision in the loan agreement for a rate other than SBI TT selling rate, rate has been taken as prescribed in respective loan agreement.

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

(A) Key managerial personnel (KMP):

Description	Period
Shri M K Goel, CMD and CEO *	with effect from 22.01.2015
Shri R Nagarajan, Director (Finance) and CFO	with effect from 31.07.2009
Shri A K Agarwal, Director (Projects)	with effect from 13.07.2012
Shri D. Ravi, Director (Commercial)	with effect from 16.11.2015
Shri Manohar Balwani, CS	with effect from 01.04.2014

\* Holding additional charge of Director (Commercial) till 16.11.2015.

(B) Transactions with KMP:

Managerial remuneration of KMP for the year ended 31.03.2016 is ₹ 2.36 crore (Previous year ₹ 2.50 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	% of ownership as at 31.03.2016	Amount as at 31.03.2016 (₹ in crore)	Amount as at 31.03.2015 (₹ in crore)
<b>(a) Subsidiary Companies <sup>(i)</sup></b>						
(i)	PFC Consulting Limited (PFCCL) <sup>(ii)</sup>	09.04.2008	50,000	100%	0.05	0.05
(ii a)	PFC Green Energy Limited (PFCGEL) (Equity Shares)	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)	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) <sup>(iii)</sup>	01.09.2011	1,00,000	100%	0.10	0.10
(iv)	Power Equity Capital Advisors (Private) Limited (PECAP) <sup>(iii)</sup>	15.04.2008 11.10.2011	15,000 35,000	100%	0.05	0.05
	<b>Sub-Total (A)</b>				<b>300.20</b>	<b>300.20</b>
<b>(b) Subsidiary Companies promoted as SPVs for UMPPs <sup>(iv)</sup></b>						
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05	0.05

(v)	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	50,000	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited <sup>(v)</sup>	27.01.2010	50,000	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05	0.05
(x)	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	-
(xiii)	Bihar Infrapower Limited	26.08.2015	50,000	100%	0.05	-
(xiv)	Bihar Mega Power Limited	27.08.2015	50,000	100%	0.05	-
(xv)	Jharkhand Infrapower Limited	05.02.2016	50,000	100%	0.05	-
	<b>Sub-Total (B)</b>				<b>0.75</b>	<b>0.55</b>
<b>(c)</b>	<b>Joint venture Companies<sup>(i)</sup></b>					
(i)	National Power Exchange Limited (NPEL) <sup>(vi)</sup>	18.12.2008 03.09.2010	8,33,000 13,54,015	16.66%	2.19	2.19
(ii)	Energy Efficiency Services Limited (EESL) <sup>(vii)</sup>	21.01.2010 26.03.2013 21.08.2015	6,25,000 2,18,75,000 2,50,00,000	28.79%	47.50	22.50
	<b>Sub-Total (C)</b>				<b>49.69</b>	<b>24.69</b>
	<b>TOTAL <sup>(viii)</sup> (A+ B+ C)</b>				<b>350.64</b>	<b>325.44</b>

- (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) Decision to merge PFCCAS with PFCCL has been referred to Ministry of Power (MoP), Govt. of India (GoI). MoP in the process has advised to take a legal opinion on the complete merger for any potential conflict of interest arising out of the proposed merged company and Company's business. The legal opinion as advised by MoP is being sought by the subsidiary company.
- (iii) Decision of voluntary winding up of PECAP is under consideration of MoP, GoI.
- (iv) Subsidiary companies were incorporated as SPVs under mandate from the GoI for development of UMPPs with the intention to hand over the same to successful bidders on completion of the bidding process. Financial statements of these subsidiaries are not consolidated, in accordance with paragraph 11 of Accounting Standard-21.
- (v) Decision of winding up of Tatiya Andhra Mega Power Limited is under consideration of MoP, GoI.
- (vi) The voluntary winding up of NPEL is under process and its accounts are being prepared on liquidation basis. The Company as at 31.03.2016 has an investment of ₹ 2.19 crore (Previous year ₹ 2.19 crore) in equity share capital of NPEL against which provision for diminution stands at ₹ 1.06 crore as at 31.03.2016 (Previous year ₹ 1.06 crore).
- (vii) Excludes further investment of ₹ 99.00 crore, to subscribe 9,90,00,000 equity shares (allotted on 25.04.2016) of face value of ₹ 10 each, made in EESL on 31.03.2016.
- (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 31.03.2016 and income and expenses for the period in respect of joint venture entities based on their audited\* financial statements are given below:

(₹ in crore)

Sl. No.	Description	As at 31.03.2016			As at 31.03.2015		
		NPEL	EESL*	Total	NPEL	EESL	Total
	<b>Ownership (%)</b>	<b>16.66</b>	<b>28.79</b>		<b>16.66</b>	<b>25</b>	
A	Assets						
	Non-Current assets	0.01	180.87	<b>180.88</b>	0.02	38.06	<b>38.08</b>
	Current assets	1.22	253.66	<b>254.88</b>	1.13	40.91	<b>42.04</b>
	<b>Total</b>	<b>1.23</b>	<b>434.53</b>	<b>435.76</b>	<b>1.15</b>	<b>78.97</b>	<b>80.12</b>
B	Liabilities						
	Non-Current Liabilities	0.00	65.89	<b>65.89</b>	-	22.68	22.68
	Current Liabilities	0.03	248.82	<b>248.85</b>	-	28.71	28.71
	<b>Total</b>	<b>0.03</b>	<b>314.71</b>	<b>314.74</b>	-	<b>51.39</b>	<b>51.39</b>
C	Contingent liabilities	0.00	-	<b>0.00</b>	-	-	-
D	Capital commitments	0.00	84.24	<b>84.24</b>	-	-	
		<b>For the Year ended 31.03.2016</b>			<b>For the Year ended 31.03.2015</b>		
E	Total Income	0.09	205.68	<b>205.77</b>	0.09	17.78	<b>17.87</b>
F	Total Expenses	0.00	191.40	<b>191.40</b>	0.07	14.29	<b>14.36</b>

\* Based on Unaudited provisional financials.

8. A. Loans and Advances in the nature of Loans:

- (i) The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2016*	As at 31.03.2015*	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
Coastal Maharashtra Mega Power Limited	9.99	8.99	10.14	9.10
Orissa Integrated Power Limited	89.04	105.21	132.11	111.77
Coastal Karnataka Power Limited	4.35	3.81	4.35	3.81
Coastal Tamil Nadu Power Limited	96.85	70.10	96.85	70.10
Chhattisgarh Surguja Power Limited	82.13	75.23	82.13	75.23
Sakhigopal Integrated Power Company Limited	6.41	5.54	6.58	5.54
Ghogarpalli Integrated Power Company Limited	5.46	4.79	5.72	4.79
Tatiya Andhra Mega Power Limited	9.26	8.37	9.26	11.65
Deoghar Mega Power Limited	8.70	6.12	8.70	6.12
PFC Green Energy Limited	0.24	0.31	0.43	0.53
PFC Capital Advisory Services Limited	0.19	0.13	0.23	0.52
Cheyur Infra Limited	0.02	0.01	0.02	0.01

Odisha Infra Power Limited	0.16	0.11	0.16	0.11
Bihar Infra Power Limited	0.01	0.00	0.01	0.00
Bihar Mega Power Limited	0.95	0.00	0.95	0.00
Deoghar Infra Limited	0.01	0.00	0.01	0.00
Jharkhand Infrapower Limited	0.00	0.00	0.00	0.00
<b>Total</b>	<b>313.77</b>	<b>288.72</b>	<b>357.65</b>	<b>299.28</b>

\* Amount is in the nature of advances, does not include any loan.

- (ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2016	As at 31.03.2015	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
PFC Consulting Limited	2.70	1.88	2.70	9.80
Coastal Maharashtra Mega Power Limited	62.81	59.79	62.81	59.79
Orissa Integrated Power Limited	83.06	72.57	83.06	72.57
Coastal Tamil Nadu Power Limited	73.56	68.72	73.56	68.72
Chhattisgarh Surguja Power Limited	71.00	66.17	71.00	66.17
Sakhigopal Integrated Power Company Limited	25.05	23.69	25.05	23.69
Ghogarpalli Integrated Power Company Limited	23.72	22.44	23.72	22.44
Tatiya Andhra Mega Power Limited	25.73	24.92	25.73	27.48
Bihar Mega Power Limited	16.20	0.00	16.20	0.00
<b>Total</b>	<b>383.83</b>	<b>340.18</b>	<b>383.83</b>	<b>350.66</b>

- (iii) Loans and Advances, in the nature of loans, to Firms / companies in which directors are interested are given below:

(₹ in crore)

Name of the Firms / companies	Outstanding as at 31.03.2016	Outstanding as at 31.03.2015	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
PFC Green Energy Limited	11.58	-	11.58	-

- B. Investment by the loanee in the shares of the Company and / or any of its Subsidiaries (Amount at year end and maximum amount during the year): Nil (Previous year Nil).

9. Major Investments made during the year:

The Company has subscribed to 18,000 Unsecured, additional Tier I, Basel III compliant, Non-Convertible Taxable Bonds (coupon rate 10.95%) of nationalized banks of face value of ₹ 10,00,000/- per bond aggregating to ₹ 1,800 crore.

10. Interest Differential Fund (IDF) – KFW

The agreement between KFW and the Company provides that IDF belongs to the borrowers solely and will be used

to cover exchange risk variations under this loan and any excess will be used in accordance with the agreement. Balance in IDF has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. Total fund accumulated as on 31.03.2016 is ₹ 60.71 crore (Previous year ₹ 58.38 crore), after transferring exchange difference of ₹ 13.48 crore (Previous year ₹ 14.11 crore).

11. As required under AS-19, disclosure with respect to various leases are given below:

(A) Asset under finance lease after 01.04.2001:

(i) Gross investment in leased assets and present value of minimum value receivable at the balance sheet date and value of unearned financial income are given in table below:

(₹ in crore)

Description	As at 31.03.2016	As at 31.03.2015
Total of future minimum lease payments recoverable (Gross Investments)	364.78	392.95
Present value of lease payments recoverable	204.09	212.27
<b>Unearned finance income</b>	<b>160.69</b>	<b>180.68</b>
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	27.11	30.06
Later than one year and not later than 5 years	107.54	107.98
Later than five years	230.13	254.91
<b>Total</b>	<b>364.78</b>	<b>392.95</b>
Break up of present value of lease payments recoverable:-		
Not later than one year	7.89	10.06
Later than one year and not later than 5 years	39.52	36.18
Later than five years	156.68	166.03
<b>Total</b>	<b>204.09</b>	<b>212.27</b>

- (ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 1.33 crore as on 31.03.2016 (Previous year ₹ 1.78 crore). Lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as primary period and 5 years as secondary period. Secondary period is in force with effect from 19.07.2014.
- (iii) The Company had sanctioned an amount of ₹ 98.44 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). Gross investment stood at ₹ 3.94 crore as on 31.03.2016 (Previous year ₹ 4.43 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period is in force with effect from 01.04.2014.
- (iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at ₹ 4.21 crore as on 31.03.2016 (Previous year ₹ 7.62 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period is in force with effect from 01.04.2015.
- (v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 355.30 crore as on 31.03.2016 (Previous year ₹ 379.12 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 ₹ 4.65 crore (Previous year ₹ 4.43 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 are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are given below:

(₹ in crore)

Future minimum lease rent payments	Year ended 31.03.2016	Year ended 31.03.2015
Not later than one year	3.00	2.11
Later than one year and not later than 5 years	1.05	0.27
Later than 5 years	-	-
<b>Total</b>	<b>4.05</b>	<b>2.38</b>

12. Implementation of Gol Schemes

(A) Subsidy under Accelerated Generation & Supply Programme (AG&SP):

(i) The Company claimed subsidy from Gol 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 ₹ 7.80 crore and ₹ 87.47 crore as on 31.03.2016 (Previous year ₹ 7.02 crore and ₹ 61.32 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, Gol 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 31.03.2016	Year ended 31.03.2015
Opening Balance	111.35	123.87
Add : Received during the period	-	-
: Interest credited during the period	8.87	9.42
: Refund by the borrower due to non – commissioning of project in time	-	-



Less : Interest subsidy passed on to borrowers	12.75	21.94
: Refunded to MoP:-		
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
<b>Closing Balance</b>	<b>107.47</b>	<b>111.35</b>

(B) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

(i) The Company is Nodal Agency for operationalisation and associated service for implementation of R – APDRP.

Amounts received from the GoI under R – APDRP as a Nodal agency for on-lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. The amount on-lended but not converted in to grants as per applicable guidelines will become payable along-with interest to the GoI on receipt from borrowers.

Details are furnished below:

(₹ in crore)

Description	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
<b>A. GoI Loan under R-APDRP (Principal)</b>						
Opening Balance	7,687.84	7,315.85	-	-	-	-
Additions during the period	667.82	578.47	667.82	578.47	-	-
Recoveries / refunds / changes during the period	(125.21)	(206.48)	(667.82)	(578.47)	-	-
<b>Closing Balance (A)</b>	<b>8,230.45</b>	<b>7,687.84</b>	-	-	-	-
<b>B. Interest Accrued but not due (Int. earned on FD)</b>	-		<b>NA</b>		-	-
<b>C. Interest on loan under R-APDRP</b>	-	-	<b>NA</b>			
(i) Accrued but not due						
Opening Balance	2,563.89	1,605.09				
Additions during the period	650.36	673.90				
Transfers to / from Accumulated Moratorium Interest	(986.16)	298.41				
Transfer to Interest Accrued and Due	(91.26)	(13.51)				
Closing Balance (i)	2,136.83	2,563.89				
(ii) Accrued and due						
Opening Balance	3.68	3.69				

Additions During the period	182.27	16.59				
Recoveries & refunds to Gol / Changes due to extension of project completion period	(43.90)	(16.60)				
Closing Balance (ii)	142.05	3.68				
<b>Interest on loan under R-APDRP (C) = (i + ii)</b>	<b>2,278.88</b>	<b>2,567.57</b>				
<b>D. Accumulated Moratorium Interest</b>			<b>NA</b>			
Opening Balance	38.85	338.92				
Additions during the period	994.90	(301.58)				
Recoveries & refunds to Gol / Changes due to extension of project completion period	(34.07)	1.51				
<b>Closing Balance (D)</b>	<b>999.68</b>	<b>38.85</b>				
<b>E. Interest on Accumulated Moratorium Interest</b>			<b>NA</b>			
(i) Accrued but not due						
Opening Balance	0.15	1.42				
Additions during the period	34.99	(0.92)				
Transfer to accrued and due	(27.88)	(0.35)				
Closing Balance (i)	7.26	0.15				
(ii) Accrued and due						
Opening Balance	1.18	2.21				
Additions During the period	71.92	(1.88)				
Recoveries & refunds to Gol / Changes due to extension of project completion period	(17.88)	0.85				
Closing Balance (ii)	55.22	1.18				
<b>Interest on Accumulated Moratorium Int. (E) = (i + ii)</b>	<b>62.48</b>	<b>1.33</b>				
<b>F. Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest</b>			<b>NA</b>			
(i) Interest on Interest						
Opening Balance	0.05	0.00				
Additions During the period	4.64	0.11				
Recoveries / refunds / changes during the period	(0.06)	(0.06)				
Closing Balance (i)	4.63	0.05				
(ii) Interest on " Interest on Accumulated Moratorium Interest"						
Opening Balance	0.02	0.00				

Additions During the period	1.80	0.02				
Recoveries / refunds / changes on account of extension of project completion period during the year	(0.02)	0.00				
Closing Balance (ii)	1.80	0.02				
(iii) Penal Interest						
Opening Balance	0.05	0.00				
Additions During the period	5.21	0.15				
Recoveries / refunds / changes on account of extension of project completion period during the year	(0.08)	(0.10)				
Closing Balance (iii)	5.18	0.05				
<b>Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest (F) = (i + ii + iii)</b>	<b>11.61</b>	<b>0.12</b>				
<b>Closing Balance (A+B+C+D+E+F)</b>	<b>11,583.10<sup>(1)</sup></b>	<b>10,295.71</b>				

<sup>(1)</sup> Does not include an amount of ₹ 13.00 crore received from borrowers on 31.03.2016 and paid on 02.04.2016 to MoP, Gol. Accordingly, as at 31.03.2016 the amount is appearing as Amount payable to Gol under R-APDRP (Note Part A 4).

- (ii) Nodal Agency Fee under R – APDRP scheme for XI<sup>th</sup> plan is being accounted for @ 1% of sanctioned project cost in three stages - 0.40% on sanction of project, 0.30% on disbursement of funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). In addition, actual expenditure including expenditure allocable on account of Company's manpower, incurred for operationalising the R- APDRP is reimbursable by MoP, Gol. The cumulative claim for fee and reimbursement of expenditure is subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

From XII<sup>th</sup> plan onwards, in accordance with Company's claim, approved by MoP vide its letter dated 31.03.2015 and subsequent clarification issued by MoP vide letter dated 20.05.2015, the Company continues to restrict its claims only to reimbursement of actual expenditure excluding Company's own manpower and administrative charges.

As at 31.03.2016, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company is given below:

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015	Accumulated up-to year ended	
			31.03.2016	31.03.2015
Nodal agency fee <sup>(1)</sup>	0.66	(36.38)	128.07	127.41
Reimbursement of expenditure	22.99	41.20	127.67	104.68
<b>Total</b>	<b>23.65</b>	<b>4.82</b>	<b>255.74</b>	<b>232.09</b>

<sup>(1)</sup>Exclusive of Service Tax

#### (C) Integrated Power Development Scheme (IPDS)

Gol has launched IPDS for completion of targets laid down under R-APDRP for XII<sup>th</sup> and XIII<sup>th</sup> Plans by subsuming R-APDRP in IPDS and carrying forward approved outlay for R-APDRP to IPDS.

The Company has been designated as Nodal Agency for operationalisation and implementation of scheme under overall guidance of the MoP, Gol. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of Gol grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS guidelines.

The Company will be eligible for 0.5% of total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

- i. 1<sup>st</sup> installment: 40% of nodal agency fee in financial years in which projects are approved by the Monitoring Committee under IPDS.
- ii. 2<sup>nd</sup> installment: 30% of nodal agency fee on award of approved projects.
- iii. 3<sup>rd</sup> installment: 20% of nodal agency fee after one year of claiming 2<sup>nd</sup> installment.
- iv. 4<sup>th</sup> installment: 10% of nodal agency fee after completion of works.

The details are furnished below :

(₹ in crore)						
Description	Amount of Gol grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balance	-	-	50.00	-	0.01	0.00
Additions during the period	358.70	-	308.70	50.00	2.14	0.01
Recoveries / refunds / changes during the period	-	-	358.70	-	(2.15)	-
<b>Closing Balance</b>	<b>358.70</b>	<b>-</b>	<b>-</b>	<b>50.00</b>	<b>-</b>	<b>0.01</b>

13. Asset classification and Provisioning:

- A) Company being a Government owned NBFC is exempted from RBI directions relating to Prudential Norms and follows its own prudential norms approved by MoP, Gol. RBI has directed the Company, vide its letter dated 25.07.2013, to take steps to comply with RBI's Prudential Norms by 31.03.2016 except credit concentration norms, Restructuring / Reschedulement / Renegotiation (R/R/R) norms and asset classification norms for which it has issued separate directions.
- B) For asset classification, in pursuance to RBI directions dated 30.06.2015 and 10.12.2015 issued subsequent to RBI circular DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10.11.2014, Company's prudential norms have been suitably amended. For operationalisation of these directions, the Company has communicated its understanding to RBI vide letters dated 13.08.2015 and 13.01.2016. Accordingly, during the year:-
  - (i) a loan asset (excluding lease asset) has been recognized as NPA, if it remained overdue for a period of 6 months or more, however as at 31.03.2016 it has been recognized as NPA if it remained overdue for a period of 5 months or more,
  - (ii) a loan asset (including lease asset) has been sub-categorized as sub-standard if it continued to be NPA for a period not exceeding 18 months, however as at 31.03.2016 it has been sub-categorized as sub-standard if it continued to be NPA for a period not exceeding 16 months and
  - (iii) a loan asset (including lease asset) has been sub-categorized as doubtful if it continued to be NPA for a period exceeding 18 months & not exceeding 36 months, however as at 31.03.2016 it has been sub-categorized as doubtful if it continued to be NPA for a period exceeding 16 months & not exceeding 36 months.

Similarly, for FY 2016-17 and 2017-18, the change in number of months to be considered for asset classification and sub-categorization of NPA will take place as at 31<sup>st</sup> March of the respective financial year.

- (iv) During the year, a lease asset, in respect of which interest, principal instalment and / or other charges remain due but unpaid for a period of six months or more, has been classified as NPA. With effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

- C) As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.40% by 31.03.2018.

Acceleration of this provision by 0.10%, applicable for FY 2016-17 & FY 2017-18, but made during quarter and half year ended 30.09.2015 has been further reviewed and the provision has been aligned to the applicable rate of provision as at 31.03.2016, i.e. 0.30% as per RBI norms.

- 14. For credit concentration norms, RBI vide its letter dated 03.04.2014, has allowed exemption in respect of exposure to Central / State Government entities till 31.03.2016. The Company, vide its letter dated 22.01.2016 has requested RBI to extend the exemption further till 31.03.2020 and has inter-alia informed that the Company will continue to follow its own credit concentration norms for Central / State Government entities till such time any further directions are received from RBI.

In this regard, RBI, vide letter dated 22.04.2016, received on 28.04.2016, has directed the Company:-

- (i) that exposure in excess of levels currently permitted under RBI's credit concentration norms may be continued only in respect of already entered into agreements / sanctioned limits, up to their maturity,
- (ii) not to take any fresh position in respect of such exposure or enter into fresh agreements which do not conform to the RBI exposure norms, and
- (iii) that fresh sanctions to existing borrowers or new loans in excess of RBI's credit concentration norms shall be permitted provided there is a guarantee from the Central Government / State Government concerned and the same is a part of the concerned Government's borrowing programme. However, the matter has again been taken up with RBI for allowing extension in exemption to the Company from the applicability of RBI's credit concentration norms on Government sector entities upto 31.03.2022, vide letter dated 17.05.2016.

- 15. For R/R/R norms, RBI vide its letter dated 11.06.2014 – (i) has exempted the Company from application of its restructuring norms for Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017, and (ii) has directed that for new project loans to generating companies restructured w.e.f. 01.04.2015, the provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018; this provision is in addition to the provision for diminution in fair value.

For implementing RBI's directions dated 11.06.2014, Company vide its letter dated 03.07.2014 has communicated its implementation strategy to RBI, which has been further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that:-

- (i) all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R,
- (ii) project loans to generating companies already sanctioned up to 31.03.2015 are to be governed by MoP approved R/R/R Norms and
- (iii) Non Project loans will be governed by RBI norms on R/R/R w.e.f. 01.04.2015. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination. Company has not received any

further directions from RBI in the matter and accordingly, Company is implementing the RBI norms in line with RBI directions dated 11.06.2014 read with manner of implementation communicated to RBI as stated above.

As regards R/R/R loans on which restructuring provisioning as per RBI norms is applicable, the Company is required to enhance provision in a phased manner from 2.75% on 31.03.2015 to 3.50%, 4.25% and 5% by 31.03.2016, 31.03.2017 and 31.03.2018 respectively. Acceleration of this provision to 4.25% made during quarter and nine months ended 31.12.2015 has been further reviewed and the provision has been aligned to the applicable rate of provision as at 31.03.2016, i.e. 3.50% as per RBI directions.

16. Loan Assets, Other assets and provisions thereon:

(₹ in crore)

Sl. No.	Asset Classification	As at 31.03.2016			As at 31.03.2015		
		Principal Outstanding	Provision for the year ended 31.03.2016	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2015	Accumulated Provision
(A) Classification of Loan Assets and provision thereon							
(i)	Standard Assets	199,138.19	110.85	597.41	1,94,627.13	17.15	486.57
(ii)	Restructured Standard Assets <sup>(1)</sup>	32,262.98	564.77	1,129.20	20,524.91	564.43	564.43
(iii)	Sub-standard Assets	4,877.61	366.83	487.76	1,209.37	110.55	120.93
(iv)	Doubtful Assets	2,393.15	327.47	721.98	1,315.02	150.76	394.52
(v)	Loss Assets	248.28	239.36	248.28	8.92	0.00	8.92
(B) Other Assets and provision thereon							
(i)	Other Assets	1.17	0.04	1.01	1.04	0.02	0.97
	Grand Total	2,38,921.38	1,609.32	3,185.64	2,17,686.39	842.91	1,576.34

<sup>(1)</sup> R/R/R loans on which restructuring provisioning as per RBI norms is applicable, outstanding as at 31.03.2016 amount to ₹ 21,479.20 crore in private sector and ₹ 10,783.78 crore in Govt. sector (Previous year ₹ 20,524.91 crore in private sector and Nil in Govt. sector).

17. Details of Restructured Accounts on which restructuring provisioning as per RBI norms is applicable, along-with provisions thereon, are given below:

(₹ in crore)

Sl. N.	Type of Restructuring	Under CDR / SME Mechanism				Others				Total					
		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Total	
1.	Restructured accounts as on April,01 2015	No. of borrowers				14	1	3	-	18	14	1	3	-	18
		Amount outstanding (Restructured facility)				20524.91	76.63	1145.34	-	21746.88	20524.91	76.63	1145.34	-	21746.88
		Amount outstanding (Other facility)						169.78	-	169.78			169.78	-	169.78
		Provision Thereon				564.44	7.66	394.53	-	966.63	564.44	7.66	394.53	-	966.63
2.	Movement of balance in account appearing in opening balance	No. of borrowers				10		2	-	12	10		2	-	12
		Amount outstanding (Restructured facility)				2,113.48		192.70	-	2,306.18	2,113.48		192.70	-	2,306.18
		Amount outstanding (Other facility)				0.00		62.33	-	62.33	0.00		62.33	-	62.33
		Provision Thereon				73.97		110.70	-	184.67	73.97		110.70	-	184.67
3.	Fresh restructuring during the year	No. of borrowers				5			-	5	5			-	5
		Amount outstanding (Restructured facility)				14,192.68			-	14,192.68	14,192.68			-	14,192.68
		Amount outstanding (Other facility)							-	0.00	0.00			-	0.00
		Provision Thereon				496.74			-	496.74	496.74			-	496.74
4.	Up gradations to restructured standard category during the year	No. of borrowers							-					-	
		Amount outstanding (Restructured facility)							-					-	
		Amount outstanding (Other facility)							-					-	
		Provision Thereon							-					-	
5.	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers				-1			-	-1	-1			-	-1
		Amount outstanding (Restructured facility)				-1,457.04			-	-1,457.04	-1,457.04			-	-1,457.04
		Amount outstanding (Other facility)							-					-	
		Provision Thereon				-40.07			-	-40.07	-40.07			-	-40.07
6.	Down gradation of restructured accounts during the year	No. of borrowers				-3	2	1	-	-	-3	2	1	-	-
		Amount outstanding (Restructured facility)				-3111.05	3034.42	76.63	-	-	-3111.05	3034.42	76.63	-	-
		Amount outstanding (Other facility)							-	-				-	-
		Provision Thereon				-85.55	303.44	15.33	-	233.22	-85.55	303.44	15.33	-	233.22
7.	Write-offs restructured accounts during the year	No. of borrowers							-					-	
		Amount outstanding (Restructured facility)							-					-	
		Amount outstanding (Other facility)							-					-	
		Provision Thereon							-					-	
8.	Restructured accounts as on March 31, 2016	No. of borrowers				15	3	4	-	22	15	3	4	-	22
		Amount outstanding (Restructured facility)				32262.98	3111.05	1,414.67	-	36788.70	32262.98	3111.05	1,414.67	-	36788.70
		Amount outstanding (Other facility)						232.11	-	232.11			232.11	-	232.11
		Provision Thereon				1,129.20	311.11	520.57	-	1,960.88	1,129.20	311.11	520.57	-	1,960.88



18. In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015. The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset has been re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹ 339.99 crore made in the account during the year has been reversed. The matter is sub-judice and in last hearing held in Jan 2016 matter has again been adjourned and stay stands extended accordingly. Further, based on the subsequent legal opinion sought by the Company in respect of amount which became overdue on 15.10.2015 and 15.01.2016, the Company continues to maintain asset classification as standard.

19. 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 short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

B. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh per employee.

C. Pension

The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

D. Post-Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

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 31.03.2016 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	1.55 (1.43)	0.62 (0.52)	2.34 (2.14)
Interest cost on benefit obligation	1.55 (1.53)	1.17 (1.00)	1.87 (1.76)
Expected return on plan assets	-1.72 (-1.54)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-1.11 (-1.21)	2.36 (2.11)	2.18 (1.16)
Expenses recognised in Statement of Profit & Loss Account*	0.27 ( 0.21)	4.15 (3.63)	6.39 (5.06)

\*During the year, the expenses include ₹ 0.03 crore (previous year ₹ 0.02 crore), ₹ 0.55 crore (previous year ₹ 0.42 crore) and ₹ 0.44 crore (previous year ₹ 0.34 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 31.03.2016 (i)	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)
Fair value of plan assets as at 31.03.2016 (ii)	20.47 (19.15)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-0.27 (-0.21)	-17.83 (-14.58)	-26.89 (-23.42)
Net asset / (liability) recognized in the Balance Sheet	-0.27 (-0.21)	-17.83 (-14.58)	-26.89 (-23.42)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2015	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)
Interest cost	1.55 (1.53)	1.17 (1.00)	1.87 (1.76)
Current service cost	1.55 (1.43)	0.62 (0.52)	2.34 (2.14)
Benefits paid	-0.63 (-0.47)	-0.90 (-0.80)	-2.93 (-2.30)
Net actuarial (gain)/loss on obligation	-1.09 (-1.11)	2.36 (2.11)	2.18 (1.16)
Present value of the defined benefit obligation as at 31.03.2016	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)

iv) Changes in fair value of plan assets

(₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2015	19.14 (17.12)	- (-)	- (-)
Expected return on plan assets	1.72 (1.54)	- (-)	- (-)
Contributions by employer	0.21 (0.86)	- (-)	- (-)
Benefit paid	-0.63 (-0.47)	- (-)	- (-)
Actuarial gain / (loss)	0.02 (0.09)	- (-)	- (-)
Fair value of plan assets as at 31.03.2016	20.47 (19.14)	- (-)	- (-)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 3.00 crore

Cost decrease by 1% ₹ (2.34) crore

vi) During the year, Company has provided liability of ₹ 0.27 crore, ₹ 4.15 crore, ₹ 6.40 crore and Nil (Previous year ₹ 0.21 crore, ₹ 3.63 crore, ₹ 5.06 crore and Nil) towards contribution to the Gratuity Trust, PRMS, leave and towards Pension respectively. Above amount includes ₹ 0.03 crore, ₹ 0.55 crore and ₹ 0.44 crore (Previous year ₹ 0.02 crore, ₹ 0.42 crore and ₹ 0.34 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.33 crore (Previous year ₹ 0.01 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.48 crore (Previous year ₹ 0.92 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.

J. Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2016 are given below:

(₹ in crore)

S.No.	Description	As at 31.03.2016	As at 31.03.2015
i)	Government Securities	11.75	11.01
ii)	Corporate bonds / debentures <sup>(1)</sup>	8.07	7.64
iii)	Mutual Funds	0.15	-
	<b>Total</b>	<b>19.97</b>	<b>18.65</b>

<sup>(1)</sup>As at 31.03.2016, Bonds of the Company amounting to ₹ 0.50 crore (previous year ₹ 0.50 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	8.00%
Expected rate of return on assets – Gratuity	9.00%
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.

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*	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	20.74	19.36	17.98	16.16	14.03
Fair value of plan assets as at	20.47	19.14	17.12	14.67	12.95
Surplus/(Deficit)	(0.27)	(0.21)	(0.86)	(1.48)	(1.08)
Experience adjustment on plan liabilities (loss)/gain	1.09	1.10	0.31	0.31	0.23
Experience adjustment on plan assets (loss)/gain	0.02	0.09	0.26	0.02	0.17

\*The Company's best estimate of contribution towards gratuity for financial year 2016-17 is ₹ 0.74 crore. Actual return on plan assets during the year ended 31.03.2016 is ₹ 1.74 crore (Previous year ₹ 1.64 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	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	17.83	14.58	11.75	9.50	8.33
Experience adjustment on plan liabilities (loss)/gain	(2.36)	(2.11)	(1.54)	(0.16)	(0.78)

(₹ in crore)

Leave	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	26.89	23.42	20.66	20.39	17.74
Experience adjustment on plan liabilities (loss)/gain	(2.18)	(1.18)	(2.63)	(1.50)	(0.58)

(₹ in crore)

LSA	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	4.74	4.49	4.04	3.71	3.33
Experience adjustment on plan liabilities (loss)/gain	1.10	0.67	0.46	0.80	0.00

(₹ in crore)

ERS	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	1.50	1.24	1.24	1.31	1.24
Experience adjustment on plan liabilities (loss)/gain	0.02	0.38	0.46	0.43	0.00

(₹ in crore)

Baggage Allowance	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	0.11	0.10	0.09	0.08	0.07
Experience adjustment on plan liabilities (loss)/gain	0.02	0.02	0.01	0.01	0.00

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

(₹ in crore)

Provision for	Opening Balance (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance 5 = (1+2-3-4)
Post-Retirement Medical Scheme	14.58 (11.75)	4.15 (3.63)	0.90 (0.80)	- (-)	17.83 (14.58)
Gratuity	0.08 (0.86)	0.27 (0.21)	0.22 (0.99)	- (-)	0.13 (0.08)
Provision for super annuation benefit (Pension)	0.07 (0.07)	- (-)	- (-)	- (-)	0.07 (0.07)
Leave Encashment	23.42 (20.66)	6.40 (5.06)	2.93 (2.30)	- (-)	26.89 (23.42)
Economic Rehabilitation Scheme for employee	1.24 (1.24)	0.33 (0.01)	0.07 (0.01)	- (-)	1.50 (1.24)
Bonus / Incentives	10.90 (17.75)	9.22 (12.09)	8.89 (18.94)	-1.36 (0.00)	9.87 (10.90)
Baggage Allowances	0.10 (0.09)	0.01 (0.01)	0.00 (0.00)	- (-)	0.11 (0.10)
Service Award	4.49 (4.04)	0.48 (0.92)	0.23 (0.47)	- (-)	4.74 (4.49)
Provision on loan assets etc. <sup>(1)</sup>	1,576.34 (733.43)	1,609.32 (842.91)	0.00 (0.00)	- (-)	3,185.66 (1,576.34)
Provision for dimunition in value of investment	1.06 (0.00)	96.26 (1.06)	0.00 (0.00)	- (-)	97.32 (1.06)
CSR	114.30 (32.33)	145.79 (117.49)	157.93 (35.52)	- (-)	102.16 (114.30)
Income Tax	6,211.19 (4,630.44)	2,822.26 (2,502.42)	1,519.87 (921.67)	- (-)	7,513.58 (6,211.19)
Proposed Final Dividend	79.20 (26.40)	79.20 (79.20)	79.20 (26.40)	- (-)	79.20 (79.20)
Proposed Corporate Dividend Tax	16.12 (4.49)	16.12 (16.12)	16.12 (4.49)	- (-)	16.12 (16.12)

<sup>(1)</sup>As detailed at Note Part – C 16.

21. (a) Details of gross amount required to be spent by the Company during the year

(₹ in crore)

Particulars	FY 2015-16	FY 2014-15
CSR provision made at the rate of 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years	145.79	117.49
Carry forward from previous year	114.30	32.33
Gross amount required to be spent	260.09	149.82

(b) Amount spent during the year on:

(₹ in crore)

Sl. No.	Particulars	FY 2015-16			FY 2014-15		
		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						
	Sanitation / Waste Management / Drinking Water	133.85	-	133.85	2.57	-	2.57
	Education / Vocational Skill Development	16.06	-	16.06	15.97	0.40	16.37
	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED Lighting)	4.10	0.50	4.60	14.05	-	14.05
	Others	-	-	-	0.71	-	0.71
	Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR	3.16	0.26	3.42	1.63	0.19	1.82
	<b>Total (ii)</b>	<b>157.17</b>	<b>0.76</b>	<b>157.93</b>	<b>34.93</b>	<b>0.59</b>	<b>35.52</b>
	<b>Grand Total (i) and (ii)</b>			<b>157.93</b>			<b>35.52</b>

- c) Details of related party transactions as per Accounting Standard (AS) 18, Related Party Disclosures – Nil (Previous year Nil).
- d) Movements in the provision during the year as per AS-29 shown separately at Note no. 20 above.
- e) During the year ended 31.03.2016, an amount of ₹ 192.13 crore (Previous year ₹ 49.90 crore) has been disbursed against CSR activities.

22. During the year ended 31.03.2016, following modifications in Part – B Significant Accounting Policies have been made:

Sl. No.	Significant Accounting Policy		Modifications
	No.	Title	
1.	2.1.1	Recognition of Income	Modified in line with amendments made in accounting policy number 6.
2.	2.5	Income from dividend	Modified to bring in more clarity.
3.	3.1, 3.2 and 3.4	Tangible assets / Depreciation	Term "Fixed assets" replaced with "Tangible assets" to align with the assets dealt under the policy i.e. Tangible Assets.
4.	3.3	Tangible assets / Depreciation	Augmented to disclose the assets where different useful life of assets from those specified in the Act are being used.
5.	4.1	Intangible assets	Augmented to disclose useful life of assets estimated by the Company.
6.	6	Asset Classification and Provisions	The policy related to applicable Asset classification and provisioning requirement has been suitably reworded. Accordingly, heading "Provisions / write off against Loans and Advances" has also been suitably modified.
7.	7	Foreign Currency Transactions	Heading "Foreign Exchange Transactions" has been substituted with "Foreign Currency Transactions" to bring in clarity.
8.	9	Accounting of GoI Schemes	Para 9.2 deleted to remove redundancy.
9.	12.1 and 12.2	Employee Benefits	The word "(Revised)" suffixed to sub-paras has been deleted to remove the redundancy.

There is no financial impact on account of above.

23. Depreciation on assets is provided over the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013 or over the shorter useful life as estimated by the Company. Details are given 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	0%

All assets as mentioned above are depreciated using written down value method, while Intangible Assets are amortised using straight-line method. Further, useful life for all the items is in line with Schedule II of the Companies Act, 2013 other than for Intangible Assets and Cell Phone which is as per Company's own estimate.



24. The Company has no outstanding liability towards Micro, Small and Medium enterprises.
25. Leasehold land is not amortized, as it is a perpetual lease.
26. The Company got registered with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) in April, 2012 for filing and registering the records of equitable mortgages created in its favour, in the web portal of CERSAI. On facing practical difficulties, the Company has since then continuously taken up the matter with CERSAI and RBI.

The Company vide letter dated 24.12.2014 has also requested Department of Financial Services to exempt the Company from reporting of equitable mortgage transactions contemplated under Section 23 of SARFAESI Act, 2002. The Company vide letter dated 05.01.2015 has also sought RBI's intervention in the matter. Meanwhile, the Company vide letter dated 15.03.2016 has again requested CERSAI to remove the practical difficulties in entering data in the web portal of CERSAI. The response is still awaited.

27. As required under Section 205C of the Companies Act, 1956, ₹ 0.21 crore, (Previous Year ₹ 0.21 crore), became due and was transferred to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2016. However, an amount of ₹ 0.56 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.
28. During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2015 to the borrowers. Confirmation from all the borrowers has been received except some borrowers.
29. Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below :

(₹ in crore)

Description	As at 31.03.2016	As at 31.03.2015
<b>(A) Deferred Tax Asset (+)</b>		
(i) Provision for expenses not deductible under Income Tax Act	18.29	11.25
<b>(B) Deferred Tax Liabilities (-)</b>		
(i) Depreciation	(0.07)	(0.25)
(ii) Lease income	(68.73)	(72.19)
(iii) Amortization	(0.47)	(0.60)
(iv) Unamortized Exchange Loss (Net)	(251.08)	(127.46)
<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(302.06)</b>	<b>(189.25)</b>

30. In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earning Per Share (basic and diluted) is given below:

Description	During year ended 31.03.2016	During year ended 31.03.2015
Net Profit after tax used as numerator (₹ in crore)	6,113.48	5,959.33
Weighted average number of equity shares used as denominator (basic)	132,00,40,704	132,00,40,704
Diluted effect of outstanding Stock Options	-	153
Weighted average number of equity shares used as denominator (diluted)	132,00,40,704	132,00,40,857
Earning per equity share, face value ₹ 10 each (basic) (₹)	46.31	45.15
Effect of outstanding Stock Options (₹)	-	0.00
Earning per equity share, face value ₹ 10 each (diluted) (₹)	46.31	45.15

31. A) The status of dividend paid and proposed on equity shares of face value of ₹ 10 each, for the year ended 31.03.2016 is as under:

Particulars	Year ended 31.03.2016			Year ended 31.03.2015		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	88% <sup>(1)</sup>	8.80	1,161.64	85%	8.50	1,122.04
Second Interim dividend	45% <sup>(2)</sup>	4.50	594.02	-	-	-
Proposed Final Dividend	6%	0.60	79.20	6%	0.60	79.20
<b>Total Dividend</b>	<b>139%</b>	<b>13.90</b>	<b>1,834.86</b>	<b>91%</b>	<b>9.10</b>	<b>1,201.24</b>

<sup>(1)</sup>Declared by Board of Directors in their 341<sup>st</sup> meeting held on 16.12.2015 and paid on 04.01.2016.

<sup>(2)</sup>Declared by Board of Directors in their 343<sup>rd</sup> meeting held on 09.02.2016 and paid on 24.02.2016.

- (B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
Year to which the dividend relates	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Number of non-resident shareholders	2,075	2,343	2,220	NA	NA	2,521
Number of shares held by them of Face Value of ₹ 10 each	12,23,179	15,39,39,090	14,88,557	NA	NA	17,61,95,776
<b>Gross amount of Dividend (₹ in crore)</b>	<b>1.07</b>	<b>0.61</b>	<b>0.67</b>	<b>NA</b>	<b>NA</b>	<b>0.05</b>

32. Other key financial parameters:

Description	As at 31.03.2016	As at 31.03.2015
Debt Equity Ratio	5.61	5.83
Net worth (₹ in crore)	35,766.03	32,219.21

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

	Items	As at 31.03.2016	As at 31.03.2015
(i)	Capital Fund - a. Tier I (₹ in crore) - b. Tier II (₹ in crore)	33,217.38 6,224.90	30,099.55 6,011.08
(ii)	Risk weighted assets along-with adjusted value of off balance sheet items (₹ in crore)	1,94,558.46	1,77,542.35
(iii)	CRAR	20.27%	20.34%
(iv)	CRAR – Tier I Capital	17.07%	16.95%

(v)	CRAR – Tier II Capital	3.20%	3.39%
		<b>During the year ended 31.03.2016</b>	<b>During the year ended 31.03.2015</b>
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

#### 34. Additional disclosures in accordance with RBI directions on Corporate Governance

**(A) Reference may be made to Note Part - B for Significant Accounting Policies.**

**(B) Capital**

Reference may be made to Note Part C - 33 for CRAR.

**(C) Investments**

(₹ in crore)

Sl. No.	Description	As at 31.03.2016	As at 31.03.2015
(1)	Value of Investments		
(i)	Gross Value of Investments		
(a)	In India	2,774.79	852.38
(b)	Outside India	-	-
(ii)	Provisions for Depreciation		
(a)	In India	97.32	1.06
(b)	Outside India	-	-
(iii)	Net Value of Investments		
(a)	In India	2,677.47	851.32
(b)	Outside India.	-	-
(2)	Movement of provisions held towards depreciation on investments.		
(i)	Opening balance	1.06	0.00
(ii)	Add : Provisions made during the year	96.26	1.06
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	97.32	1.06

**(D) Derivatives**

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2016	As at 31.03.2015
(i)	Notional principal of swap agreements	7,164.60	9,541.10
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	121.72	74.47
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book	121.72	42.13

- 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 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 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 on accrual basis and are not marked to market as per accounting policy. The mark to market positions mentioned are those as informed by the counterparties.
  - 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 31.03.2016		As at 31.03.2015	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging <sup>(1)</sup>	939.65	7,164.60	1,595.42	9,541.10
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	6.54	125.42	12.86	86.05
	b) Liability (-MTM)	<b>181.39</b>	<b>3.70</b>	<b>294.66</b>	43.92
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures <sup>(2)</sup>	<b>10,070.22</b>	<b>8,587.86</b>	<b>8,514.73</b>	6,292.68

(1) Interest rate derivatives include derivatives on Rupee liabilities of ₹ 7,164.60 crore (Previous year ₹ 7,964.60 crore).

(2) Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/JPY) for ₹ 701.09 crore (Previous year ₹ 1,008.96 crore).

**(E) Disclosures related to Securitisation**

- I. Company has not entered into any securitisation transaction during the year and there is no exposure on account of securitisation as at 31.03.2016 (Previous year Nil).
- II. Company has not sold any financial assets to Securitisation / Reconstruction Company for asset construction during the year ended 31.03.2016 (Previous Year Nil).
- III. Company has not undertaken any assignment transaction during the year ended 31.03.2016 (Previous Year Nil).
- IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2016 (Previous Year Nil)

(F) **Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

(₹ in crore)

Description	Up to 30 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances <sup>(1)</sup>	3,124.16	396.04	1,069.45	20,866.40	8,596.10	36,410.72	41,260.26	126,897.47	<b>238,620.60</b>
Investments <sup>(2)</sup>	0.00	0.00	0.00	0.00	410.74	0.00	0.00	2,266.73	<b>2,677.47</b>
Borrowings <sup>(3)</sup>	9,366.68	9,350.00	3,393.00	4,818.60	7,277.83	55,701.03	36,312.50	63,859.11	<b>190,078.75</b>
Foreign Currency assets	5.14	0.00	0.00	12.23	17.37	5.14	144.41	115.31	<b>299.60</b>
Foreign Currency liabilities	4.78	0.00	5.56	420.24	1,647.69	1,243.22	4,581.83	2,872.27	<b>10,775.59</b>

<sup>(1)</sup>Rupee Loan Assets

<sup>(2)</sup>Net of provision

<sup>(3)</sup>Rupee Liabilities

(G) **Exposures**

- I. Company does not have any exposure to real estate sector.
- II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Description	Amount as at 31.03.2016	Amount as at 31.03.2015
(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);	869.64	844.70
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	1,076.71
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances (excluding loans where security creation is under process);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	1,744.13	2,097.82
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	7.68
<b>Total Exposure to Capital Market</b>		<b>2,619.92</b>	<b>4,026.91</b>

III. Details of financing of parent company products:

Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2015-16 and FY 2014-15.

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 31.03.2016 (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 31.03.2016, no penalty has been imposed on the Company by RBI and other regulators (Previous Year Nil). However, the Company has received communication from NSE and BSE imposing penalty for non-appointment of a Woman Director on the Board of Directors, for which the Company has requested the stock exchanges to withdraw the same, considering that the Directors on the Board of the Company are appointed by Gol.

(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 31.03.2016:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable
3.	Moody's	Baa3	Positive (Outlook revised from Stable to Positive in April 2015)

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

Reference may be made to Part A-18 and C-22 of notes to accounts regarding prior period items and changes in accounting policies respectively.

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

Nil.

(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 7 (A) of notes to accounts in this regard.

(N) **Provisions and Contingencies**

Reference may be made to Note Part C - 20 for provisions and contingencies.

(O) **Draw Down from Reserves**

Nil (Previous year refer note Part A-2)

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

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

b. Concentration of Advances:

(₹ in crore)		
Description	As at 31.03.2016	As at 31.03.2015
Total Advances to 20 largest borrowers	1,49,625.35	1,34,468.69
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	62.63%	61.77%

c. Concentration of Exposures:

(₹ in crore)		
Description	As at 31.03.2016	As at 31.03.2015
Total Exposure to twenty largest borrowers / customers	2,10,983.79	2,02,132.26
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	56.43%	55.77%

d. Concentration of NPAs:

(₹ in crore)		
Description	As at 31.03.2016	As at 31.03.2015
Total Outstanding to top four NPA accounts	4,461.48	2,228.64

e. Sector-wise NPAs

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2016, the percentage of Gross NPAs to total loan assets stands at 3.15% (Previous year 1.16%).

(Q) **Movement of NPAs in respect of Loan Assets**

(₹ in crore)			
Sl. No.	Description	Year ended 31.03.2016	Year ended 31.03.2015
(i)	Net NPAs to Net Advances (%)	2.55	0.93
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	2,533.31	1,331.54
	(b) Additions during the year	8,385.58	2,548.77
	(c) Reductions during the year	(3,399.85)*	(1,347.00)
	(d) Closing balance	7,519.04	2,533.31
(iii)	Movement of Net NPAs		



	(a)	Opening balance	2,008.96	1,068.48
	(b)	Additions during the year	7,111.93	2,265.41
	(c)	Reductions during the year	(3,059.87)*	(1,324.93)
	(d)	Closing balance	6,061.02	2,008.96
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	524.35	263.06
	(b)	Provisions made during the year	1,273.66	283.36
	(c)	Write-off / write-back of excess provisions	(339.99)*	(22.07)
	(d)	Closing balance	1,458.02	524.35

\*Reference may be made to Note Part –C 18.

- (R) Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.
- (S) Reference may be made to Part C-7(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.

**(T) Customer Complaints for FY 2015-16**

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

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 conform to current period classification.

For and on behalf of the Board of Directors

**Sd\-**  
**(MANOHAR BALWANI)**  
Company Secretary

**Sd\-**  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892

**Sd\-**  
**M.K. GOEL**  
Chairman & Managing Director  
DIN - 00239813

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

**Place : New Delhi**  
**Date : 25.05.2016**

**Sd\-**  
**(ATUL AGGARWAL)**  
PARTNER  
Membership No - 099374

**Sd\-**  
**(SANJEEV CHANDNA)**  
PARTNER  
Membership No - 087354

**POWER FINANCE CORPORATION LIMITED**  
**CIN L65910DL1986GOI024862**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

( ₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
<b>I. Cash Flow from Operating Activities :-</b>		
<b>Net Profit before Tax and Extraordinary items</b>	<b>9,060.66</b>	<b>8,378.23</b>
<b>ADD: Adjustments for</b>		
Loss on Sale of Fixed Assets (net)	0.14	(0.04)
Profit on sale of Investments	(0.49)	(1.31)
Depreciation / Amortization	6.17	6.09
Amortization of Zero Coupon Bonds & Commercial Papers	(11.55)	47.50
Foreign Exchange Translation Loss	306.16	222.64
Provision for decline in value of investments	96.26	1.06
Provisions	1609.32	842.91
Dividend / Interest on investment	(70.66)	(31.46)
CSR Expenses	145.79	117.49
Interest Subsidy Fund	(3.88)	(12.52)
Provision for interest under IT Act	0.00	4.32
Excess Liabilities written back	(0.30)	(2.45)
Provision for Retirement Benefits / Other Welfare Expenses / Wage revision	20.84	21.94
<b>Operating profit before working Capital Changes:</b>	<b>11,158.46</b>	<b>9,594.40</b>
<b>Increase / Decrease :</b>		
Loans Assets (Net)	(21,220.77)	(28,570.46)
Other Assets	(774.44)	(725.94)
Foreign Currency Monetary Item Translation Difference A/c	(359.18)	328.65
Liabilities and provisions	878.88	358.98
<b>Cash flow before extraordinary items</b>	<b>(10,317.05)</b>	<b>(19,014.37)</b>
Extraordinary items	0.00	0.00
<b>Cash Inflow / Outflow from operations before Tax</b>	<b>(10,317.05)</b>	<b>(19,014.37)</b>
Income Tax paid	(3,059.54)	(2,453.36)
Income Tax Refund	37.62	5.67
<b>Net Cash flow from Operating Activities</b>	<b>(13,338.97)</b>	<b>(21,462.06)</b>
<b>II. Cash Flow From Investing Activities :</b>		
Sale / adjustment of Tangible / Intangible Assets	0.14	0.18
Purchase of Tangible / Intangible Assets	(4.57)	(4.30)
Increase / decrease in Intangible assets under development	(0.16)	0.00
Investments in Subsidiaries	(0.20)	0.00
Dividend on investments	70.66	31.46
Purchase / Sale of Other Investments	(1921.72)	(498.90)
<b>Net Cash Used in Investing Activities</b>	<b>(1855.85)</b>	<b>(471.56)</b>
<b>III. Cash Flow From Financing Activities :</b>		
Issue of Bonds (including premium) (Net)	<b>11711.11</b>	32857.60

Raising of Long Term Loans (Net)	<b>(3,585.00)</b>		(7,885.00)
Foreign Currency Loans (Net)	<b>732.75</b>		566.33
Commercial paper (Net)	<b>3195.00</b>		805.00
Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)	<b>357.03</b>		1928.17
Unclaimed Bonds (Net)	<b>(0.13)</b>		(0.57)
Unclaimed Dividend (Net)	<b>0.40</b>		(0.13)
Payment of Final Dividend of Previous year	<b>(79.20)</b>		(26.40)
Payment of Interim Dividend of Current year	<b>(1755.66)</b>		(1122.04)
Payment of Corporate Dividend Tax	<b>(372.86)</b>		(228.59)
<b>Net Cash in-flow from Financing Activities</b>		<b>10,203.44</b>	<b>26,894.37</b>
<b>Net Increase / Decrease in Cash &amp; Cash Equivalents</b>		<b>(4,991.38)</b>	<b>4,960.75</b>
Add : Cash & Cash Equivalents at beginning of the financial year		5019.44	58.69
<b>Cash &amp; Cash Equivalents at the end of the financial year</b>		<b>28.06</b>	<b>5019.44</b>
<b>Details of Cash &amp; Cash Equivalents at the end of the year:</b>			
i) Balances in current accounts with:			
Reserve Bank of India	0.05		0.05
Scheduled Banks	<u>28.01</u>	28.06	<u>127.16</u>
ii) Cheques in hand		0.00	0.01
iii) Imprest with postal authority		0.00	0.00
iv) Fixed Deposits with Scheduled Banks (original maturity up to three months)		0.00	4892.22
<b>Sub Total (I)</b>		<b><u>28.06</u></b>	<b><u>5019.44</u></b>
<b>Details of Earmarked Cash and Bank Balances at the end of the year:</b>			
i) Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.		6.41	1.36
ii) IPDS / R-APDRP			
Balances in current account with schedule banks		13.01	5.00
Fixed Deposits with Banks (original maturity up to 3 months)		0.00	45.00
iii) Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)		30.97	0.00
<b>Sub Total (II)</b>		<b><u>50.39</u></b>	<b><u>51.36</u></b>
<b>Total Cash and Bank Balance at the end of the year. (I+II)</b>		<b><u>78.45</u></b>	<b><u>5,070.80</u></b>

For and on behalf of the Board of Directors

**Sd\-**  
**(MANOHAR BALWANI)**  
Company Secretary

**Sd\-**  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892

**Sd\-**  
**M.K. GOEL**  
Chairman & Managing Director  
DIN - 00239813

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

**Place : New Delhi**  
**Date : 25.05.2016**

**Sd\-**  
**(ATUL AGGARWAL)**  
PARTNER  
Membership No - 099374

**Sd\-**  
**(SANJEEV CHANDNA)**  
PARTNER  
Membership No - 087354

## INDEPENDENT AUDITOR'S 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, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

#### AUDITOR'S RESPONSIBILITY

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

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

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

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

#### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016 and its profit and its cash flows for the year ended on that date.

#### EMPHASIS OF MATTER

We draw attention to the following matters in the notes to the financial statements:

- (a) Note no. 13 (C) of Part-C 'Other Notes on Accounts' regarding realignment of provisions made on standard assets as per RBI norms for the period 31.03.2016.
- (b) Note No. 15 of Part-C 'Other Notes on Accounts', regarding prudential norms as stipulated by Reserve Bank of

India with respect to Restructuring / Reschedulement/ Renegotiation (R/R/R) and realignment of provisions made on restructured standard assets as per RBI norms for the period 31.03.2016.

Our opinion is not modified in respect of above matters.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(5) of the Act, we have considered the directions / sub-directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact to the financial statements of the Company given in the **Annexure A**.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure B** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure C**.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note no. 2(B) & note no. 3 of Part-C 'Other Notes on Accounts' to the financial statements;
    - ii. There are no long-term contracts including derivative contracts existing as on the date of balance sheet for which provision is required to be made under the applicable law or accounting standards for any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

**Sd/-**

**CA ATUL AGGARWAL**

Partner  
Membership No.099374

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

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

**Sd/-**

**CA SANJEEV CHANDNA**

Partner  
Membership No.087354

**Date: 25.05.2016**

**Place: New Delhi**

## Annexure- A to Independent Auditors' Report on the Standalone Financial Statements

As required under the Section 143(5) of the Act, with respect to the directions and sub-directions issued by The Comptroller & Auditor General of India, we report that:

Sl. No.	Questionnaire	Replies
1	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	Yes, the Company has clear title / lease deeds for freehold and leasehold land respectively
2	Whether there are any cases of waiver / write off of debts / loans / interest etc., if yes, the reasons there for and the amount involved.	During FY 2015-16: a. In line with MOP's Office Memorandum dated 20 <sup>th</sup> November 2015, interest on interest amounting to ₹34.93 crore and penal interest amounting to ₹5.34 crore has been waived off in respect of states who have signed MoU under Ujwal DISCOM Assurance Yojna (UDAY). b. Commitment charges aggregating to ₹0.01 crore were waived off in respect of one borrower as per the request of the borrower and extant delegation of powers. c. Additional interest aggregating to ₹0.41 crore were waived off in respect of two borrowers as per the request of the borrowers and extant delegation of powers.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities?	N.A.
4	In respect of provisioning requirement of all restructured, rescheduled or renegotiated loan, whether a system of periodical assessment of realizable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard may be suitably commented upon.	The matter is governed by clause 6C (iii) of prudential norms of the Company. This clause is not applicable on the stock of outstanding restructured loans to generating companies as on 31.03.2015. On such stock of loans, provisioning is made as per RBI directions vide letter dated 11.06.2014 i.e. to commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018. The resulting provisioning aligned to RBI's direction as on 31.03.2016 stands at ₹ 1129.20 crore as disclosed at note no. 16 of Note Part –C 'Other Notes on Accounts'. Clause 6C (iii) is applicable only on restructured project loans extended to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters till 31.03.2017. Such loan assets amounting to ₹ 1,016.77 crore are classified as secured as on 31.03.2016. Accordingly, security valuation is not required on such secured loan assets. Further, subsequent to sub-direction, with respect to Clause 6C (iii) a system for periodical assessment of realizable value of securities available has also been devised.

### FOR M.K. AGGARWAL & CO.

Chartered Accountants  
Firm's Registration No.: 01411N  
by the hand of  
**Sd/-**  
**CA ATUL AGGARWAL**  
Partner  
Membership No.099374

**Date: 25.05.2016**  
**Place: New Delhi**

### FOR K. B. CHANDNA & CO.

Chartered Accountants  
Firm's Registration No.: 00862N  
by the hand of  
**Sd/-**  
**CA SANJEEV CHANDNA**  
Partner  
Membership No.087354

## **Annexure B to Independent Auditor's Report on the Standalone Financial Statements**

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As explained to us, the management carries out the physical verification of fixed assets at the year end in a phased manner. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company and nature of its assets. As explained to us, no material discrepancies were noticed by the management on such physical verification necessitating any adjustment.  
(c) The Company has clear title deeds of immovable properties held in its name.
- ii. The Company is a Non-Banking Finance Company. Accordingly, it does not hold any Inventory. Thus, clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- iii. As explained to us and verified from books and records, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Further, clauses 3(iii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2016 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 Companies Act, 2013.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from public during the year within the meaning of section 73 to 76 or any other relevant provision of the companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, clauses 3(vi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- vii. In respect of statutory dues, on the basis of information and explanations given to us and on the basis of our examination of the records of the company, we report that:
  - (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Service Tax and Value Added Tax and other material statutory dues as applicable to it and there is no undisputed amounts payable in respect of aforesaid dues outstanding for a period of more than six months as on 31<sup>st</sup> March, 2016, 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.
- viii. The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- ix. Money raised by way of debt instruments and term loans during the year was applied for the purposes for which it was raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- xi. Being a Government Company, Section 197 of Companies Act, 2013 does not apply to the Company.
- xii. The Company is not a Nidhi Company. Hence, the Nidhi Rules, 2014 are not applicable to the Company. Accordingly, clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- xiii. All transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable. The details have been disclosed in the Financial Statements as per the requirement of the accounting standard.



- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with them which are covered under Section 192 of Companies Act, 2013.
- xvi. The Company is a Non- Banking Finance Company and has obtained registration u/s 45-IA of the Reserve Bank of India Act, 1934.

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

Chartered Accountants

Firm's Registration No.: 01411N

by the hand of

**Sd/-**

**CA ATUL AGGARWAL**

Partner

Membership No.099374

**Date: 25.05.2016**

**Place: New Delhi**

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

Chartered Accountants

Firm's Registration No.: 00862N

by the hand of

**Sd/-**

**CA SANJEEV CHANDNA**

Partner

Membership No.087354

## **Annexure – C to the Independent Auditors’ Report on the Standalone Financial Statements**

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

We have audited the internal financial controls over financial reporting of **Power Finance Corporation Limited** (“the Company”) as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

### **AUDITORS’ RESPONSIBILITY**

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

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

## OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

Firm's Registration No.: 01411N

by the hand of

**Sd/-**

**CA ATUL AGGARWAL**

Partner

Membership No.099374

**Date: 25.05.2016**

**Place: New Delhi**

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

Chartered Accountants

Firm's Registration No.: 00862N

by the hand of

**Sd/-**

**CA SANJEEV CHANDNA**

Partner

Membership No.087354

**NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

**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, 2008" issued by the Reserve Bank of India on the matters specified in Para 3 and 4 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 31.03.2016.
2. As per Para 1(3)(ii) of RBI Notification No. DNBR.009/CGM(CDS)-2015 dated March 27, 2015 on Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, these directions, except the provisions of paragraph 25 of the said directions relating to submission of information to Reserve Bank in regard to change of address, directors, auditors, etc. shall not apply to a non-banking financial company being a Government Company as defined under clause (45) of Section 2 of the Companies Act, 2013 (18 of 2013) and not accepting / holding public deposit.
3. According to information and explanation given to us, the RBI Directions as to deposits are not applicable to the Company. Therefore, the Board of Directors of the Company has not passed a resolution for non-acceptance of any public deposits.
4. The Company has not accepted any public deposits during the year 2015-16.
5. For the Financial year ending 31 March, 2016, the Company has complied with the Accounting Standards, Income recognition, asset classification and provisioning for Bad and Doubtful debts as per the prudential norms formulated by the Company and approved by the Ministry of Power (MoP), Govt.of India.
6. In terms of RBI Master Circular No. RBI/2015-16/28DNBR (PD) CC.No.055/03.10.119/2015-16 dated July 1, 2015, being a Government Company, it is exempt from submitting NBS-7 to the Reserve Bank of India.

**FOR M.K. AGGARWAL & CO.**  
Chartered Accountants  
Firm's Registration No.: 01411N  
by the hand of

**CA ATUL AGGARWAL**  
Partner  
Membership No.099374

**Date: 25.05.2016**  
**Place: New Delhi**

**FOR K. B. CHANDNA & CO.**  
Chartered Accountants  
Firm's Registration No.: 00862N  
by the hand of

**CA SANJEEV CHANDNA**  
Partner  
Membership No.087354

## 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 2016 AND MANAGEMENT REPLIES THEREON

Comment	Management Reply
<p>The preparation of financial statements of Power Finance Corporation Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 May 2016.</p> <p>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 2016. 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. Based on my supplementary audit, I would like to highlight the following significant matter under Section 143(6)(b) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related audit report:</p>	
<p><b>I. General</b> <b>Other Notes on Accounts (Part – C) – Note 18</b></p> <p>The above note discloses the fact that the Company considered a 'restructured sub-standard asset' as 'restructured standard asset' as per orders of Hon'ble High Court of Madras and as a result, provision amounting to ₹339.99 crore made during the year 2015-16 has been reversed. However, the note does not disclose the financial impact on account of deviation from the declared accounting policy in respect of the said loan account, which includes the following:</p>	<p>The Company has classified the loan as a standard asset subsequent to the order of the Hon'ble High Court followed by legal opinions obtained by the Company.</p>

<p>(i) Had the asset been treated as 'restructured sub-standard, interest income amounting to ₹328.78 crore (i.e., interest not received in cash of ₹201.26 crore and interest accrued but not due of ₹127.52 crore) would not have been recognised during the year; and</p> <p>(ii) Had the asset been treated as 'restructured sub-standard in terms of accounting policy for asset classification and provisions adopted by the Company, a provision of ₹276.37 crore would have been necessitated in addition to the provision of ₹148.82 crore made in the accounts treating the loan asset as 'restructured standard'.</p>	<p>The Company's accounting of interest of ₹328.78 crore on accrual basis is in accordance with the applicable prudential norms related to income recognition on standard assets. Norm of recognition of interest income on cash basis applies to a Non-Performing Asset (NPA), whereas the loan account under reference was a standard asset as on 31.03.2016. Hence, the Company's accounting of interest of ₹328.78 crore on accrual basis is in accordance with the significant accounting policy no. 2.1 of the Company.</p> <p>The Company's accounting of provisioning @ 3.5% amounting to ₹148.82 crore, based on asset classification as restructured standard asset, is in accordance with the significant accounting policy no. 6.3.2(b) of the Company. Norm of provision @ 10% applies to a sub-standard asset. The loan asset under reference being a standard asset in the restructured category, provisioning @ 10% is not applicable and thus, additional provision of ₹276.37 crore (based on 10% minus 3.5%) is not necessitated.</p> <p>Thus, the Company has recognized the income and made the provisioning in accordance with the declared significant accounting policies and hence, no deviation has been made</p> <p>There being no deviation of any declared accounting policy, any consequential financial impact requiring disclosure also does not arise. Therefore, the income recognition, provisioning and disclosure are in order.</p>
<p><b>For and on behalf of the Comptroller and Auditor General of India</b></p> <p><b>Sd/- (Ritika Bhatia)</b></p> <p><b>Principal Director of Commercial Audit &amp; Ex-officio Member, Audit Board – III,</b></p> <p><b>Place: New Delhi Dated : July 26, 2016</b></p>	<p><b>For and on behalf of the Board of Directors</b></p> <p><b>Sd/- (Sh. M.K. Goel)</b></p> <p><b>Chairman and Managing Director Power Finance Corporation Limited</b></p> <p><b>Place: New Delhi Dated : July 26, 2016</b></p>

**POWER FINANCE CORPORATION LIMITED**  
**CIN L65910DL1986GOI024862**  
**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2016**

				(₹ in crore)	
Description		Note Part	As at 31.03.2016	As at 31.03.2015	
<b>A. EQUITY &amp; LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	A-1	1,320.04		1,320.04	
(b) Reserves & Surplus	A-2	34,708.27	36,028.31	31,091.31	32,411.35
<b>(2) Non-Current Liabilities</b>					
(a) Long Term Borrowings	A-3				
Secured		19,869.75		20,786.66	
Unsecured		152,744.82	172,614.57	144,208.75	164,995.41
(b) Deferred Tax Liabilities (Net)	C-29		301.96		188.27
(c) Other Long Term Liabilities	A-4		548.85		333.81
(d) Long Term Provisions	A-5		1,230.59		963.97
<b>(3) Current Liabilities</b>					
(a) Short -Term Borrowings	A-3				
Secured		-		1,928.17	
Un-secured		7,571.57		2,136.24	
(b) Trade Payables					
(i) total outstanding dues of micro enterprises and small enterprises		-		-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		69.65		17.04	
(c) Other Current Liabilities					
(i) Current Maturity of Long Term Borrowings	A-3				
Secured		1,916.91		1,990.00	
Un-secured		18,557.09		16,745.28	
(ii) Others	A-4	7,564.86		6,672.68	
(d) Short Term Provisions	A-5	815.39	36,495.47	529.43	30,018.84
<b>Total</b>			<b>247,219.75</b>		<b>228,911.65</b>
<b>B. ASSETS</b>					
<b>(1) Non-current Assets</b>					
(a) Fixed Assets	A-6				
(i) Tangible Assets		256.20		142.65	
Less: Accumulated Depreciation		59.18	197.02	42.94	99.71
(ii) Intangible Assets		8.90		8.34	
Less: Accumulated Amortization		7.44	1.46	6.55	1.79
(iii) Intangible assets under development			46.63		2.42
(b) Non-Current Investments	A-7				
Trade		19.23		23.80	
Others		1,800.00	1,819.23	-	23.80
(c) Long Term Loans	A-8				
Secured		134,986.71		129,696.73	
Un-Secured		65,394.00	200,380.71	68,233.61	197,930.34
(d) Other Non-Current Assets	A-9				
(i) Fixed Deposits with Scheduled Banks (original maturity more than twelve months)		57.37		93.27	
(ii) Other		318.14	375.51	225.64	318.91
<b>(2) CURRENT ASSETS</b>					
(a) Current Investments	A-10	410.74		504.04	
(b) Trade Receivables	A-19				
More than Six Months		49.16		9.57	
Others		62.05		19.02	
(c) Cash and cash Bank Balances	A-11	301.55		5,367.36	
(d) Short Term Loans	A-8				
Secured		1,080.93		549.88	
Un-Secured		2,711.45		2,456.12	
(e) Other Current Assets					
(i) Current Maturity of Long Term Loans	A-8				
Secured		12,203.39		10,711.87	
Un-Secured		21,431.03		5,601.96	
(ii) Others	A-9	6,148.89	44,399.19	5,314.86	30,534.68
<b>Total</b>			<b>247,219.75</b>		<b>228,911.65</b>

**CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES**  
**CONSOLIDATED OTHER NOTES ON ACCOUNTS**  
**Notes from Part A 1 to 20, Part B & Part C form integral Financial Statements.**

**Part B**  
**Part C**

For and on behalf of the Board of Directors

Sd/-  
**(MANOHAR BALWANI)**  
 Company Secretary

Sd/-  
**R.NAGARAJAN**  
 Director (Finance)  
 DIN - 00701892

Sd/-  
**M.K. GOEL**  
 Chairman & Managing Director  
 DIN - 00239813

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
 Chartered Accountants  
 Firm Regn. No - 01411N

For K.B.Chandna & Co.  
 Chartered Accountants  
 Firm Regn. No.: 00862N

Sd/-  
**(ATUL AGGARWAL)**  
 PARTNER  
 Membership No - 099374

Sd/-  
**(SANJEEV CHANDNA)**  
 PARTNER  
 Membership No - 087354

Place : New Delhi  
 Date : 25.05.2016



**POWER FINANCE CORPORATION LIMITED**  
**CIN L65910DL1986GOI024862**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

				(₹ in crore)	
Description	Note No.	Year ended 31.03.2016		Year ended 31.03.2015	
<b>I. Revenue from Operations</b>					
(a) Interest Income	A-12	27,099.83		24,589.98	
(b) Consultancy / Advisory Services	A-12	262.52		56.78	
(c) Other Operating Income	A-12	136.21		160.87	
(d) Other Financial Services	A-12	<u>281.65</u>	27,780.21	<u>146.30</u>	24,953.93
<b>II. Other Income</b>					
Other Income	A-13		105.56		59.00
<b>III. Total Income (I+II)</b>			<u><b>27,885.77</b></u>		<u><b>25,012.93</b></u>
<b>IV. Expenses</b>					
Finance Costs	A-14		16,645.38		15,451.33
Bonds Issue Expenses	A-15		33.44		31.40
Employee Benefit Expenses	A-16		106.63		101.47
Provision for Contingencies	C-16		1,610.16		843.07
Provision for decline in value of investments	C-20		96.26		1.06
Depreciation and Amortization Expenses	A-6		20.08		7.92
CSR Expenses	C-21(a)		146.81		118.50
Other Expenses	A-17		61.97		14.45
Prior Period Items (Net)	A-18		(2.06)		(2.14)
<b>Total Expenses</b>			<u><b>18,718.67</b></u>		<u><b>16,567.06</b></u>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>			<b>9,167.10</b>		<b>8,445.87</b>
<b>VI. Exceptional Items</b>			0.00		0.00
<b>VII. Profit before extraordinary items and tax (V-VI)</b>			<b>9,167.10</b>		<b>8,445.87</b>
<b>VIII. Extraordinary Items</b>			0.00		0.00
<b>IX. Profit Before Tax (VII-VIII)</b>			<b>9,167.10</b>		<b>8,445.87</b>
<b>X. Tax Expenses</b>					
1) Current Tax		2,857.89		2,525.38	
2) Tax for earlier years		<u>12.11</u>	<b>2,870.00</b>	<u>(0.18)</u>	<b>2,525.20</b>
3) Deferred Tax Liability (+) / Asset (-)			113.10		(83.73)
<b>XI. Profit (Loss) for the year from continuing operations (IX-X)</b>			<u><b>6,184.00</b></u>		<u><b>6,004.40</b></u>
<b>XII. Earnings per equity share of par value of ₹ 10/- each</b>	<b>C-30</b>				
(1) Basic (₹)			<b>46.85</b>		<b>45.49</b>
(2) Diluted (₹)			<b>46.85</b>		<b>45.49</b>
<b>CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES</b>	<b>Part B</b>				
<b>CONSOLIDATED OTHER NOTES ON ACCOUNTS</b>	<b>Part C</b>				
<b>Notes from part A 1 to 20, Part B &amp; part C form integral part of Financial Statements.</b>					

For and on behalf of the Board of Directors

Sd/-  
**(MANOHAR BALWANI)**  
Company Secretary

Sd/-  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892

Sd/-  
**M.K. GOEL**  
Chairman & Managing Director  
DIN - 00239813

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

Sd/-  
**(ATUL AGGARWAL)**  
PARTNER  
Membership No - 099374

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

Sd/-  
**(SANJEEV CHANDNA)**  
PARTNER  
Membership No - 087354

Place : New Delhi  
Date : 25.05.2016

## NOTE - Part A - 1

### CONSOLIDATED SHARE CAPITAL

Description	(₹ in crore)	
	As at 31.03.2016	As at 31.03.2015
<b>Authorized :</b>		
200,00,00,000 Equity shares of ₹10/- each (Previous year 200,00,00,000 shares of ₹10/- each)	2,000.00	2,000.00
<b>Total</b>	<b><u>2,000.00</u></b>	<b><u>2,000.00</u></b>
<b>Issued, subscribed and paid up :</b>		
132,00,40,704 Equity shares of ₹ 10/- each fully paid up (Previous year 132,00,40,704 equity shares of ₹ 10/- each fully paid up)	1,320.04	1,320.04
<b>Total</b>	<b><u>1,320.04</u></b>	<b><u>1,320.04</u></b>

#### Notes:-

- During the year, the Company has neither issued nor bought back any shares.
- The Company has only one class of equity shares having a par value of ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meetings of shareholders.
- Redeemable preference shares as on 31.03.2016 stand at Nil (Previous year Nil).
- During the year, no shares have been allotted under ESOP scheme.
- Reconciliation of the number of equity shares.

Description	As at 31.03.2016 Number	As at 31.03.2015 Number
Opening Balance	132,00,40,704	132,00,40,704
Issued during the year	Nil	Nil
Closing Balance	132,00,40,704	132,00,40,704

- During the year, Government of India, Ministry of Power, acting through Department of Disinvestment has disinvested 29,188 equity shares of par value of ₹ 10/-each by selling it to Goldman Sachs Asset Management (India) Private Limited.
  - During the year, President of India, acting through and represented by Ministry of Power, Government of India has sold 6,60,02,035 equity shares of par value of ₹ 10/- each representing 5% of the total paid up equity share capital of the Company, out of its shareholding of 72.80%, through "Offer for Sale" of shares by Promoters through the Stock Exchange mechanism. Post sale of shares, promoter shareholding stands at 67.80% of the total paid up share capital of the Company.
- Information on shares in the Company held by each shareholder holding more than 5 percent of paid-up equity share capital:

Name of Holders		31.03.2016	31.03.2015
President of India	% of Share Holding	67.80	72.80
	No. of Shares Held	894,924,366	960,955,589
Life Insurance Corporation of India	% of Share Holding	9.08	6.90
	No. of Shares Held	119,830,788	91,071,654

**NOTE - Part A - 2  
CONSOLIDATED RESERVES & SURPLUS**

				(₹ in crore)	
Description		As at		As at	
		31.03.2016		31.03.2015	
<b>(A)</b>	<b>Securities Premium Reserve</b>				
	Opening balance	4,096.37		4,096.37	
	Add : Addition during the year	<u>0.21</u>	4,096.58	<u>0.00</u>	4,096.37
<b>(B)</b>	<b>Debenture Redemption Reserve</b>				
	Opening balance	856.28		546.08	
	Add : Transfer from Profit and Loss Appropriation for the year (Refer Note No. 5(B) of Part-C - Consolidated Other Notes on Accounts)	<u>316.27</u>	1,172.55	<u>310.20</u>	856.28
<b>(C)</b>	<b>Others</b>				
<b>(i)</b>	<b>Reserve for Bad &amp; doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961</b>				
	Opening balance	2,117.93		1,730.44	
	Add : Transfer from Profit and Loss Appropriation for the year	<u>429.21</u>	2,547.14	<u>387.49</u>	2,117.93
<b>(ii)</b>	<b>Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97</b>		<b>599.85</b>		<b>599.85</b>
<b>(iii)</b>	<b>Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98</b>				
	Opening balance	10,541.45		8,624.76	
	Add : Transfer from Profit and Loss Appropriation for the year	2,008.37		1,851.11	
	Less : Transfer to General Reserve	(66.22)		(6.82)	
	Add : Transfer from Surplus*	28.76		72.71	
	Less : Transfer to Profit and Loss Appropriation (Balance Sheet head)	<u>0.00</u>	12,512.36	<u>(0.31)</u>	10,541.45
<b>(iv)</b>	<b>Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934</b>				
	Opening balance	6.43		2.65	
	Add : Transfer from Profit and Loss Appropriation for the year	<u>4.52</u>	10.95	<u>3.78</u>	6.43
<b>(v)</b>	<b>General Reserve</b>				
	Opening balance	4,197.11		3,594.29	
	Add : Transfer from Profit and Loss Appropriation for the year	1,101.00		596.00	
	Add : Transfer from Special Reserve	<u>66.22</u>	5,364.33	<u>6.82</u>	4,197.11
<b>(vi)</b>	<b>Foreign Currency Monetary Item Translation Difference A/c (Refer Note No. 6(C) of Part-C - Consolidated Other Notes on Accounts)</b>				
	Opening balance	(380.56)		(709.21)	
	Add : Net addition during the year	<u>(359.18)</u>	(739.74)	<u>328.65</u>	(380.56)
<b>(D)</b>	<b>Surplus</b>				
	Opening balance	9,056.45		7,717.00	
	Add: Transfer from CSR and SD Reserve	0.00		0.00	
	Add: Adjustments during the current period **	(0.35)		(0.58)	
	Add : Transfers from Special Reserve under Income Tax Act, 1961	0.00		0.31	
	Less : Transfers to Reserve for Bad & doubtful debts and Special Reserve under Income Tax Act, 1961	0.00		0.00	
	Less : Depreciation on Life Expired Assets	0.00		(1.93)	
	Less : Transfers to Special Reserve under Income Tax Act, 1961 *	(28.76)		(72.71)	
	Add: Surplus retained from the Profit and Loss Appropriation for the year	116.91	9,144.25	1,414.36	9,056.45
	<b>Total (A) + (B) + (C) + (D) #</b>		<b><u>34,708.27</u></b>		<b><u>31,091.31</u></b>

## Note : Profit and Loss Appropriation

Description	As at 31.03.2016	As at 31.03.2015
<b>Profit after tax for the year</b>	<b>6,184.00</b>	<b>6,004.40</b>
<b>Less : Transfer to Reserves</b>		
Transfer towards Reserve for Bad & Doubtful Debts u/s 36 (1) (viii) (c) of Income Tax Act, 1961	429.21	387.49
Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	2,008.37	1,851.11
Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	4.52	3.78
Debt Redemption Reserve	316.27	310.20
General Reserve	1,101.00	596.00
	<b>3,859.37</b>	<b>3,148.58</b>
<b>Less : Dividend &amp; Corporate Dividend Tax</b>		
Interim Dividend Paid	1,755.66	1,122.04
Proposed Final Dividend	79.20	79.20
Corporate Dividend Tax paid on Interim Dividend	356.74	224.10
Proposed Corporate Dividend Tax	16.12	16.12
	<b>2,207.72</b>	<b>1,441.46</b>
<b>Total</b>	<b>116.91</b>	<b>1,414.36</b>

\* Transferred to match the deduction claimed as per the Income tax return for the Assessment Year 2015-16.

# Includes ₹ 14.34 crore net (Previous year ₹ 5.19 crore) share of jointly controlled entities.

\*\* Includes amount of ₹ 0.38 crore (Previous year ₹ 0.58 crore) in respect of EESL against adjustment of audited statement of profit and loss over unaudited statement of profit and loss used for consolidation in previous year.

## NOTE - Part A - 3 CONSOLIDATED BORROWINGS

(₹ in crore)

Description	As at 31.03.2016			As at 31.03.2015		
	Current	Non-Current	Total	Current	Non-Current	Total
<b>A. Long Term Borrowings</b>						
<b>I. Secured</b>						
<b>Bonds</b>						
Infrastructure Bonds (Refer Note No. I)	316.91	44.64	361.55	0.00	361.55	361.55
Tax Free Bonds (Refer Note No. II)	0.00	12,275.11	12,275.11	0.00	11,275.11	11,275.11
Other Bonds (Refer Note No. III)	1,600.00	7,550.00	9,150.00	1,990.00	9,150.00	11,140.00
<b>Sub- Total (I)</b>	<b>1,916.91</b>	<b>19,869.75</b>	<b>21,786.66</b>	<b>1,990.00</b>	<b>20,786.66</b>	<b>22,776.66</b>
<b>II. UnSecured</b>						
<b>a) Bonds</b>						
Other Bonds / Debentures (Refer Note No. IV & V)	15,868.00	129,682.64	145,550.64	10,235.10	122,581.32	132,816.42
Subordinated Bonds (Refer Note No. VI)	0.00	3,800.00	3,800.00	0.00	3,800.00	3,800.00
Foreign Currency Notes (Refer Note No. VII)	0.00	1,201.86	1,201.86	0.00	1,135.08	1,135.08
	<b>15,868.00</b>	<b>134,684.50</b>	<b>150,552.50</b>	<b>10,235.10</b>	<b>127,516.40</b>	<b>137,751.50</b>
<b>b) Foreign Currency Loans</b>						
Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India) (Refer Note No. VIII)	20.68	282.05	302.73	22.07	241.23	263.30
Syndicated Foreign Currency Loans from banks / Financial Institutions (Refer Note No. IX)	2,057.58	7,278.27	9,335.85	2,029.11	6,325.12	8,354.23
	<b>2,078.26</b>	<b>7,560.32</b>	<b>9,638.58</b>	<b>2,051.18</b>	<b>6,566.35</b>	<b>8,617.53</b>
<b>c) Rupee Term Loans</b>						
Rupee Term Loans (From Banks) (Refer Note No X)	610.83	10,500.00	11,110.83	4,459.00	10,126.00	14,585.00
	<b>610.83</b>	<b>10,500.00</b>	<b>11,110.83</b>	<b>4,459.00</b>	<b>10,126.00</b>	<b>14,585.00</b>

<b>Sub- Total (II)</b>	<b>18,557.09</b>	<b>152,744.82</b>	<b>171,301.91</b>	<b>16,745.28</b>	<b>144,208.75</b>	<b>160,954.03</b>
<b>B. Short Term Borrowings</b>						
<b>Rupee Term Loans</b>						
<b>I. Secured</b>						
Loan against FD	0.00	0.00	0.00	1,928.17	0.00	1,928.17
<b>Sub- Total (I)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,928.17</b>	<b>0.00</b>	<b>1,928.17</b>
<b>II. UnSecured</b>						
Commercial Paper (Refer Note No. XI)	5,286.37	0.00	5,286.37	2,136.24	0.00	2,136.24
Working Capital Demand Loan / OD / CC / Line of Credit from Banks	2,285.20	0.00	2,285.20	0.00	0.00	0.00
<b>Sub- Total (II)</b>	<b>7,571.57</b>	<b>0.00</b>	<b>7,571.57</b>	<b>2,136.24</b>	<b>0.00</b>	<b>2,136.24</b>
<b>Total (A)+(B)#</b>	<b>28,045.57</b>	<b>172,614.57</b>	<b>200,660.14</b>	<b>22,799.69</b>	<b>164,995.41</b>	<b>187,795.10</b>

# Includes ₹ 175.69 crore net (Previous year ₹ 21.94 crore) share of Jointly controlled entities.

**Notes:-**

<b>I.Details of Infrastructure Bonds outstanding as at 31.03.2016 are as follows:</b>								
<b>Sl. No.</b>	<b>Bond Series</b>	<b>Date of allotment</b>	<b>Rate of Interest p.a.</b>	<b>Amount (₹ in crore)</b>	<b>Date of Redemption</b>	<b>Redemption details</b>	<b>Nature of Security</b>	<b>Extent of Security</b>
1	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%
2	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.	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%
3	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%
4	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.	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%

5	Infrastructure Bonds 86 C Series	30.03.2012	8.72%	0.95	31-Mar-18	On exercise of put option by the bondholders, redeemable at par, on a date, falling six years and one day from the date of allotment; otherwise redeemable at par on a date falling fifteen years from the date of allotment.	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.	100%
6	Infrastructure Bonds 86 D Series	30.03.2012	8.72%	2.75	31-Mar-18	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling six years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.	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%
7	Infrastructure Bonds 86 A Series	30.03.2012	8.43%	9.04	31-Mar-17	On exercise of put option by the bondholders, redeemable at par, on a date, falling five years and one day from the date of allotment; otherwise 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%
8	Infrastructure Bonds 86 B Series	30.03.2012	8.43%	17.81	31-Mar-17	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling five years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, 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%
9	Infrastructure Bonds (2011-12) Series-I	21.11.2011	8.50%	32.43	22-Nov-16	On exercise of put option by the bondholders, redeemable at par, on a date, falling five years and one day from the date of allotment; otherwise 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%
10	Infrastructure Bonds (2011-12) Series-II	21.11.2011	8.50%	51.15	22-Nov-16	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling five years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, 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%

11	Infrastructure Bonds (2010-11) Series-1	31.03.2011	8.30%	66.80	1-Apr-16	On exercise of put option by the bondholders, redeemable at par, on a date, falling five years and one day from the date of allotment; otherwise 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%
12	Infrastructure Bonds (2010-11) Series-2	31.03.2011	8.30%	139.68	1-Apr-16	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling five years and one day from the date of allotment; otherwise, redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.		
		<b>Total</b>		<b>361.55</b>				

**II. Details of Tax Free Bonds outstanding as at 31.03.2016 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	17.10.2015	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	17.10.2015	7.60%	155.48	17-Oct-35		
15	Tax Free Bonds (2013-14) - Series 3A	16.11.2013	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	16.11.2013	8.92%	861.96	16-Nov-33		
17	Tax Free Bonds 2015-16 SR-2A	17.10.2015	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	17.10.2015	7.52%	45.18	17-Oct-30		
19	Tax Free Bonds (2013-14) - Series 2A	16.11.2013	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	16.11.2013	8.79%	353.32	16-Nov-28		
21	Tax Free Bonds Series 107 B	30.08.2013	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	28.03.2013	7.04%	5.06	28-Mar-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created)	100%
23	Tax Free Bonds (2012-13) tranche - II - Series II	28.03.2013	7.54%	64.15	28-Mar-28		
24	Tax Free Bonds (2012-13) tranche - I - Series II	04.01.2013	7.36%	142.23	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	04.01.2013	7.86%	214.77	4-Jan-28		
26	Tax Free Bonds Series 95 B	29.11.2012	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	22.11.2012	7.38%	25.00	22-Nov-27		



28	Tax Free Bonds(2011-12) tranche -I - Series II	01.02.2012	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	25.11.2011	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	15.10.2011	7.75%	217.99	15-Oct-26	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari-passu charge on immovable property situated at Guindy, Chennai.	100%
31	Tax Free Bonds 2015-16 SR-1A	17.10.2015	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	17.10.2015	7.36%	79.35	17-Oct-25	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
33	Tax Free Bonds Series 136	17.07.2015	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	16.11.2013	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	16.11.2013	8.43%	335.47	16-Nov-23	Total book debts of the Company (excluding the book debts on which specific charge has already been created), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies what so ever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.	100%
36	Tax Free Bonds Series 107 A	30.08.2013	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	28.03.2013	6.88%	49.24	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	28.03.2013	7.38%	46.91	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%
39	Tax Free Bonds (2012-13) tranche - I - Series I	04.01.2013	7.19%	182.04	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	04.01.2013	7.69%	160.71	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%
41	Tax Free Bonds Series 95 A	29.11.2012	7.22%	30.00	29-Nov-22	First pari-passu charge on the Immovable Property situated at Chennai.	100%
42	Tax Free Bonds Series 94 A	22.11.2012	7.21%	255.00	22-Nov-22	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%
43	Tax Free Bonds(2011-12) tranche -I - Series I	01.02.2012	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	25.11.2011	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	15.10.2011	7.51%	205.23	15-Oct-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%
	<b>Total</b>			<b>12,275.11</b>			

### III. The details of Taxable Bonds (Secured) outstanding as at 31.03.2016 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	31.01.2014	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	31.01.2014	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%
48	Taxable Bonds Series 113	03.03.2014	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	31.01.2014	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	07.10.2013	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%
51	Taxable Bonds Series 108	27.09.2013	9.80%	1,600.00	27-Sep-16	First pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.	100%
<b>Total</b>				<b>9,150.00</b>			

**IV. Zero Coupon unsecured Taxable Bonds 2022-XIX Series of ₹ 443.74 crore (previous year ₹ 410.42 crore) are redeemable at face value of ₹ 750.00 crore on 30.12.2022 [net of Unamortized Interest of ₹ 306.26 crore (previous year ₹ 339.58 crore)].**

**V. Details of other Unsecured Taxable Bonds as on 31.03.2016 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 77-B	9.45%	1-Sep-26	2,568.00
8	Series 76-B	9.46%	1-Aug-26	1,105.00
9	Series 71	9.05%	15-Dec-25	192.70
10	Series 141-B	8.40%	18-Sep-25	1,000.00
11	Series 66-B	8.75%	15-Jun-25	1,532.00
12	Series 65	8.70%	14-May-25	1,337.50
13	Series 130-C	8.39%	19-Apr-25	925.00
14	Series 64-III	8.95%	30-Mar-25	492.00
15	Series 131-C	8.41%	27-Mar-25	5,000.00
16	Series 63-III	8.90%	15-Mar-25	184.00
17	Series 128	8.20%	10-Mar-25	1,600.00
18	Series 62-B	8.80%	15-Jan-25	1,172.60
19	Series 126	8.65%	4-Jan-25	5,000.00
20	Series 125	8.65%	28-Dec-24	2,826.00
21	Series 61	8.50%	15-Dec-24	351.00
22	Series 124-C	8.48%	9-Dec-24	1,000.00
23	Series 120-A	8.98%	8-Oct-24	961.00
24	Series 120-B	8.98%	8-Oct-24	950.00
25	Series 118-B-II	9.39%	27-Aug-24	460.00
26	Series 117-B	9.37%	19-Aug-24	855.00

27	Series 57-C	8.60%	7-Aug-24	866.50
28	Series 85-D	9.26%	15-Apr-23	736.00
29	Series 102-A(II)	8.90%	18-Mar-23	403.00
30	Series 102-B	8.87%	18-Mar-23	70.00
31	Series 100-B	8.84%	4-Mar-23	1,310.00
32	Series 92-C	9.29%	21-Aug-22	640.00
33	Series 91-B	9.39%	29-Jun-22	2,695.20
34	Series 88-C	9.48%	15-Apr-22	184.70
35	Series 124-B	8.55%	9-Dec-21	1,200.00
36	Series 123-C	8.66%	27-Nov-21	200.00
37	Series 78-B	9.44%	23-Sep-21	1,180.00
38	Series 76-A	9.36%	1-Aug-21	2,589.40
39	Series 115-III	9.20%	7-Jul-21	700.00
40	Series 75-C	9.61%	29-Jun-21	2,084.70
41	Series 74	9.70%	9-Jun-21	1,693.20
42	Series 28	8.85%	31-May-21	600.00
43	Series 73	9.18%	15-Apr-21	1,000.00
44	Series 72-B	8.99%	15-Jan-21	1,219.00
45	Series 71	9.05%	15-Dec-20	192.70
46	Series 70	8.78%	15-Nov-20	1,549.00
47	Series 141-A	8.46%	18-Sep-20	1,000.00
48	Series 140-B	8.36%	4-Sep-20	1,250.00
49	Series 138	8.45%	10-Aug-20	1,000.00
50	Series 137	8.53%	24-Jul-20	2,700.00
51	Series 68-B	8.70%	15-Jul-20	1,424.00
52	Series 66-A	8.65%	15-Jun-20	500.00
53	Series 65	8.70%	14-May-20	1,337.50
54	Series 131-B	8.38%	27-Apr-20	1,350.00
55	Series 130-B	8.42%	18-Apr-20	200.00
56	Series 85-C	9.30%	15-Apr-20	79.50
57	Series 64-II	8.95%	30-Mar-20	492.00
58	Series 87-D	9.42%	20-Mar-20	650.80
59	Series 63-II	8.90%	15-Mar-20	184.00
60	Series 100-A	8.86%	4-Mar-20	54.30
61	Series 127	8.36%	26-Feb-20	4,440.00
62	Series 99-B	8.82%	20-Feb-20	733.00
63	Series 62-A	8.70%	15-Jan-20	845.40
64	Series 61	8.50%	15-Dec-19	351.00
65	Series 124-A	8.52%	9-Dec-19	1,220.00
66	Series 123-B	8.65%	28-Nov-19	836.00
67	Series 60-B	1YINCMTBMK+179 bps (floating rate)	20-Nov-19	925.00
68	Series 122	8.76%	7-Nov-19	1,000.00

69	Series 121-B	8.96%	21-Oct-19	1,100.00
70	Series 59-B	8.80%	15-Oct-19	1,216.60
71	Series 119-B	9.32%	17-Sep-19	1,591.00
72	Series 118-B-I	9.39%	27-Aug-19	460.00
73	Series 57-B	8.60%	7-Aug-19	866.50
74	Series 115-II	9.15%	7-Jul-19	100.00
75	Series 135-B	8.50%	29-Jun-19	1,500.00
76	Series 90-B	9.41%	1-Jun-19	391.00
77	Series 143	8.12%	28-Feb-19	700.00
78	Series 98-III	8.72%	8-Feb-19	324.00
79	Series 82-C	9.70%	15-Dec-18	2,060.00
80	Series 52-C	11.25%	28-Nov-18	1,950.60
81	Series 142-B	8.00%	22-Oct-18	1,000.00
82	Series 51-C	11.00%	15-Sep-18	3,024.40
83	Series 140-A	8.28%	4-Sep-18	1,930.00
84	Series 139-C	8.17%	18-Aug-18	800.00
85	Series 49-B	10.85%	11-Aug-18	428.60
86	Series 48-C	10.55%	15-Jul-18	259.70
87	Series 135-A	8.40%	29-Jun-18	1,210.00
88	Series 130-A	8.40%	19-Jun-18	1,175.00
89	Series 129-A	8.29%	13-Jun-18	980.00
90	Series 129B	8.29%	13-Jun-18	100.00
91	Series 47-C	9.68%	9-Jun-18	780.70
92	Series 134-B	8.39%	28-May-18	1,500.00
93	Series 132-B	8.09%	16-May-18	200.00
94	Series 131-A	8.34%	27-Apr-18	100.00
95	Series 132-A	8.03%	9-Apr-18	272.00
96	Series 102-A(I)	8.90%	18-Mar-18	403.00
97	Series 101-A	8.95%	11-Mar-18	3,201.00
98	Series 99-A	8.77%	20-Feb-18	2.00
99	Series 98-II	8.72%	8-Feb-18	324.00
100	Series 72-A	8.97%	15-Jan-18	144.00
101	Series 40-C	9.28%	28-Dec-17	650.00
102	Series 123-A	8.50%	28-Nov-17	1,075.00
103	Series 18	7.87%	13-Nov-17	25.00
104	Series 121-A	8.90%	21-Oct-17	1,500.00
105	Series 142-A	7.88%	21-Oct-17	800.00
106	Series 93-B	8.91%	15-Oct-17	950.00
107	Series 17	8.21%	3-Oct-17	25.00
108	Series 118-A	9.30%	27-Aug-17	2,160.00
109	Series 92-A	9.01%	21-Aug-17	50.00
110	Series 92-B	9.27%	21-Aug-17	1,930.00

111	Series 117-A	9.32%	19-Aug-17	1,311.00
112	Series 115-I	9.11%	7-Jul-17	1,650.00
113	Series 91-A	9.40%	29-Jun-17	107.50
114	Series 90-A	9.61%	1-Jun-17	537.90
115	Series 134-A	8.35%	27-May-17	1,500.00
116	Series 13	9.60%	24-May-17	65.00
117	Series 139-B	8.12%	22-May-17	1,435.00
118	Series 35	9.96%	18-May-17	530.00
119	Series 13	9.60%	16-May-17	125.00
120	Series 89-A	9.52%	2-May-17	165.00
121	Series 133-B	8.00%	24-Apr-17	605.00
122	Series 144	7.98%	21-Apr-17	1,775.00
123	Series 139-A	8.12%	17-Apr-17	565.00
124	Series 133-A	8.00%	3-Apr-17	545.00
125	Series 34	9.90%	30-Mar-17	500.50
126	Series 33-B	9.90%	22-Mar-17	561.50
127	Series 87-B	9.72%	20-Mar-17	23.00
128	Series 84	9.33%	17-Feb-17	1,521.20
129	Series 98-I	8.72%	8-Feb-17	324.00
130	Series 82-B	9.64%	15-Dec-16	825.00
131	Series 31-A	8.78%	11-Dec-16	1,451.20
132	Series 18	7.87%	13-Nov-16	25.00
133	Series 17	8.21%	3-Oct-16	25.00
134	Series 29-A	8.80%	7-Sep-16	250.00
135	Series 77-A	9.41%	1-Sep-16	1,083.60
136	Series 116	9.16%	31-Jul-16	1,885.00
137	Series 75-B	9.62%	29-Jun-16	360.00
138	Series 106-B	8.27%	25-Jun-16	3,033.00
139	Series 104-A	8.35%	15-May-16	4,000.00
			<b>Total*</b>	<b>145,106.90</b>

\*As at 31.03.2016, Bonds of ₹ 6.10 crore (previous year ₹ 7.40 crore) are held by PFC Ltd. Employees Provident Fund Trust.

**VI. Details of Unsecured Subordinated Bonds as on 31.03.2016 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
			<b>Total</b>	<b>3,800.00</b>

**VII. Foreign currency 6.61 % Senior Notes (USPP - I) amounting to ₹1,201.86 crore (previous year ₹1,135.08 crore) are redeemable at par on 05.09.2017.**

**VIII. Details of Foreign Currency Loans from Foreign banks / Financial Institutions (Guaranteed by the Govt. of India) outstanding as at 31.03.2016 are as follows:**

Sl. No.	Loan	Rate of Interest p.a. as on 31.03.2015	Amount (₹ in crore)	Date of Repayment
1	KfW I	0.75%	1.24	30-Jun-35
2	KfW I	0.75%	1.43	30-Dec-34
3	KfW I	0.75%	1.43	30-Jun-34
4	KfW I	0.75%	1.43	30-Dec-33
5	KfW I	0.75%	1.43	30-Jun-33
6	KfW I	0.75%	1.43	30-Dec-32
7	KfW I	0.75%	1.43	30-Jun-32
8	KfW I	0.75%	1.43	30-Dec-31
9	KfW I	0.75%	1.43	30-Jun-31
10	KfW I	0.75%	1.43	30-Dec-30
11	KfW I	0.75%	1.43	30-Jun-30
12	KfW I	0.75%	1.43	30-Dec-29
13	KfW I	0.75%	1.43	30-Jun-29
14	KfW I	0.75%	1.43	30-Dec-28
15	ADB (New Loan)	1.0045%	0.27	15-Oct-28
16	Credit National France	2.00%	0.03	30-Jun-28
17	KfW I	0.75%	1.43	30-Jun-28
18	ADB (New Loan)	1.0045%	1.93	15-Apr-28
19	Credit National France	2.00%	0.03	31-Dec-27
20	KfW I	0.75%	1.43	30-Dec-27
21	ADB (New Loan)	1.0045%	2.29	15-Oct-27
22	Credit National France	2.00%	0.06	30-Jun-27
23	KfW I	0.75%	1.43	30-Jun-27
24	ADB (New Loan)	1.0045%	2.42	15-Apr-27
25	Credit National France	2.00%	0.39	31-Dec-26
26	KfW I	0.75%	1.43	30-Dec-26
27	ADB (New Loan)	1.0045%	2.66	15-Oct-26
28	Credit National France	2.00%	0.39	30-Jun-26
29	KfW I	0.75%	1.43	30-Jun-26
30	ADB (New Loan)	1.0045%	4.45	15-Apr-26
31	Credit National France	2.00%	0.46	31-Dec-25
32	KfW I	0.75%	1.43	30-Dec-25
33	ADB (New Loan)	1.0045%	4.45	15-Oct-25
34	Credit National France	2.00%	1.01	30-Jun-25
35	KfW I	0.75%	1.43	30-Jun-25
36	ADB (New Loan)	1.0045%	4.45	15-Apr-25

37	Credit National France	2.00%	2.76	31-Dec-24
38	KfW I	0.75%	1.43	30-Dec-24
39	ADB (New Loan)	1.0045%	4.45	15-Oct-24
40	Credit National France	2.00%	3.33	30-Jun-24
41	KfW I	0.75%	1.43	30-Jun-24
42	ADB (New Loan)	1.0045%	4.78	15-Apr-24
43	Credit National France	2.00%	3.37	31-Dec-23
44	KfW I	0.75%	1.43	30-Dec-23
45	ADB (New Loan)	1.0045%	4.78	15-Oct-23
46	KfW (first line of credit)	1.96%	1.26	30-Jun-23
47	Credit National France	2.00%	4.13	30-Jun-23
48	KfW I	0.75%	1.43	30-Jun-23
49	ADB (New Loan)	1.0045%	4.78	15-Apr-23
50	Credit National France	2.00%	4.13	31-Dec-22
51	KfW (first line of credit)	1.96%	6.36	30-Dec-22
52	KfW I	0.75%	1.43	30-Dec-22
53	ADB (New Loan)	1.0045%	4.78	15-Oct-22
54	KfW (first line of credit)	1.9600%	6.36	30-Jun-22
55	Credit National France	2.00%	4.13	30-Jun-22
56	KfW I	0.75%	1.43	30-Jun-22
57	ADB (New Loan)	1.0045%	4.78	15-Apr-22
58	Credit National France	2.00%	4.13	31-Dec-21
59	KfW (first line of credit)	1.96%	6.36	30-Dec-21
60	KfW I	0.75%	1.43	30-Dec-21
61	ADB (New Loan)	1.0045%	4.78	15-Oct-21
62	KfW (first line of credit)	1.96%	6.36	30-Jun-21
63	Credit National France	2.00%	4.13	30-Jun-21
64	KfW I	0.75%	1.43	30-Jun-21
65	ADB (New Loan)	1.0045%	4.78	15-Apr-21
66	Credit National France	2.00%	4.13	31-Dec-20
67	KfW (first line of credit)	1.96%	6.36	30-Dec-20
68	KfW I	0.75%	1.43	30-Dec-20
69	ADB (New Loan)	1.0045%	4.78	15-Oct-20
70	KfW (first line of credit)	1.96%	6.36	30-Jun-20
71	Credit National France	2.00%	4.13	30-Jun-20
72	KfW I	0.75%	1.43	30-Jun-20
73	ADB (New Loan)	1.0045%	4.78	15-Apr-20
74	Credit National France	2.00%	4.13	31-Dec-19
75	KfW (first line of credit)	1.96%	6.36	30-Dec-19
76	KfW I	0.75%	1.43	30-Dec-19
77	ADB (New Loan)	1.0045%	4.78	15-Oct-19
78	KfW (first line of credit)	1.96%	6.36	30-Jun-19

79	Credit National France	2.00%	4.13	30-Jun-19
80	KfW I	0.75%	1.43	30-Jun-19
81	ADB (New Loan)	1.0045%	4.78	15-Apr-19
82	Credit National France	2.00%	4.13	31-Dec-18
83	KfW (first line of credit)	1.96%	6.36	30-Dec-18
84	KfW I	0.75%	1.43	30-Dec-18
85	ADB (New Loan)	1.0045%	4.78	15-Oct-18
86	Credit National France	2.00%	4.13	30-Jun-18
87	KfW I	0.75%	1.43	30-Jun-18
88	KfW (first line of credit)	1.96%	6.36	30-Jun-18
89	ADB (New Loan)	1.0045%	4.78	15-Apr-18
90	Credit National France	2.00%	4.13	31-Dec-17
91	KfW I	0.75%	1.43	30-Dec-17
92	ADB (New Loan)	1.0045%	4.78	15-Oct-17
93	Credit National France	2.00%	4.13	30-Jun-17
94	KfW I	0.75%	1.43	30-Jun-17
95	ADB (New Loan)	1.0045%	4.78	15-Apr-17
96	Credit National France	2.00%	4.13	31-Dec-16
97	KfW I	0.75%	1.43	30-Dec-16
98	ADB (New Loan)	1.0045%	4.78	15-Oct-16
99	Credit National France	2.00%	4.13	30-Jun-16
100	KfW I	0.75%	1.43	30-Jun-16
101	ADB (New Loan)	1.0045%	4.78	15-Apr-16
		<b>Total</b>	<b>302.73</b>	

**IX. Details of Syndicated Foreign Currency Loans from banks / Financial Institutions outstanding as at 31.03.2016 are as follows:**

Sl. No.	Loan	Rate of Interest p.a. as on 31.03.2016	Amount (₹ in crore)	Date of Repayment
1	SLN XVIII	0.87157%	868.12	4-Nov-22
2	SLN XVIII	0.87157%	868.12	8-Nov-21
3	SLN XVII-(III)	2.19310%	1,001.55	26-Sep-21
4	SLN XVII-(II)	2.19310%	1,001.55	26-Mar-21
5	SLN XVIII	0.87157%	868.12	06-Nov-20
6	SLN XVII-(I)	2.19310%	1,001.55	26-Sep-20
7	SLN XVI	2.21945%	1,669.25	04-Dec-19
8	SLN XIII- (II)	2.34205%	834.62	06-Mar-17
9	SLN IX	1.78229%	802.72	24-Feb-17
10	SLN VIII	1.52307%	420.24	23-Sep-16
		<b>Total</b>	<b>9,335.84</b>	



<b>X. Details of Rupee Term Loans (From Banks) outstanding as at 31.03.2016 are as follows:</b>				
<b>Sl. No.</b>	<b>Loan</b>	<b>Rate of Interest p.a. as on 31.03.2016</b>	<b>Amount (₹ in crore)</b>	<b>Date of Repayment</b>
1	Bank of India	10.14%	500.00	28-Mar-2020
2	United Bank	10.09%	500.00	28-Mar-2018
3	SBBJ	10.14%	500.00	28-Jun-2017
4	SMBC	9.65%	250.00	23-May-2017
5	Union Bank	10.09%	1,000.00	30-Apr-2017
6	Central bank of India	10.14%	47.75	28-Apr-2017
7	PNB	10.03%	1,250.00	28-Apr-2017
8	Central bank of India	10.14%	952.25	23-Apr-2017
9	J&K Bank	9.92%	1,000.00	23-Apr-2017
10	Union Bank	10.09%	1,000.00	18-Apr-2017
11	CorpoartionBank	10.09%	1,000.00	18-Apr-2017
12	Union Bank	10.09%	500.00	17-Apr-2017
13	Canara Bank	10.09%	2,000.00	16-Apr-2017
14	ICICI Bank	10.55%	2.40	31-Mar-2017
15	IndusInd Bank	10.00%	5.76	7-Mar-2017
16	ICICI Bank	10.55%	3.12	28-Feb-2017
17	IndusInd Bank	10.00%	4.32	28-Feb-2017
18	Canara Bank	10.55%	4.80	19-Feb-2017
19	ICICI Bank	10.55%	3.60	31-Jan-2017
20	PTC India Financial Services Limited	10.50%	7.48	31-Jan-2017
21	Canara Bank	10.55%	4.80	19-Jan-2017
22	ICICI Bank	10.55%	7.20	31-Dec-2016
23	PTC India Financial Services Limited	10.50%	7.29	31-Dec-2016
24	Canara Bank	10.55%	4.80	19-Dec-2016
25	ICICI Bank	10.55%	7.20	30-Nov-2016
26	PTC India Financial Services Limited	10.50%	7.10	30-Nov-2016
27	Canara Bank	10.55%	4.80	19-Nov-2016
28	ICICI Bank	10.55%	7.20	31-Oct-2016
29	PTC India Financial Services Limited	10.50%	6.92	31-Oct-2016
30	Canara Bank	10.55%	4.80	19-Oct-2016
31	Vijaya Bank	10.09%	500.00	30-Sep-2016
32	ICICI Bank	10.55%	4.80	30-Sep-2016
33	Canara Bank	10.55%	4.80	19-Sep-2016
34	ICICI Bank	10.55%	4.08	31-Aug-2016
35	ICICI Bank	10.55%	3.60	31-Jul-2016
		<b>Total</b>	<b>11,110.83</b>	

XI. Details of Commercial Paper outstanding as at 31.03.2016 are as follows:				
Sl. No.	Loan	Rate of Interest p.a. as on 31.03.2016	Amount (₹ in crore)	Date of Repayment
1	CP series 72-B	8.20%	2,105.00	27-May-16
2	CP series 71	8.39%	1,325.00	26-May-16
3	CP series 73-B	8.33%	1,370.00	26-May-16
4	CP series 72-A	8.22%	350.00	6-May-16
5	CP series 73-A	8.33%	200.00	6-May-16
	Less-Unamortized Financial Charges*		(63.63)	
		<b>Total</b>	<b>5,286.37</b>	

\* Unamortized financial charges on Commercial Paper as on 31.03.2016 amounts to ₹63.63 crore (Previous year ₹18.76 crore)

**NOTE - Part A - 4**  
**CONSOLIDATED OTHER LONG TERM & CURRENT LIABILITIES**

(₹ in crore)

Description	As at 31.03.2016			As at 31.03.2015		
	Short Term	Long Term	Total	Short Term	Long Term	Total
Interest Subsidy Fund from GOI (Refer Note No. 12(A) of Part-C - Consolidated Other Notes on Accounts)	6.88	100.59	107.47	12.63	98.72	111.35
"Interest Differential Fund - KFW (Refer Note No. 10 of Part-C - Consolidated Other Notes on Accounts)	0.00	60.71	60.71	0.00	58.38	58.38
Advance received / payable to Subsidiaries (including interest payable thereon) (Refer Note No. 8(A)(ii) of Part-C - Consolidated Other Notes on Accounts)	182.33	198.79	381.12	166.21	172.08	338.29
Amount payable to Gol under R-APDRP (Refer Note No. 12(B) of Part-C - Consolidated Other Notes on Accounts)	13.00	0.00	13.00	0.00	0.00	0.00
Amount payable to Gol under IPDS	0.00	0.00	0.00	50.01	0.00	50.01
<b>Sub Total</b>	<b>202.21</b>	<b>360.09</b>	<b>562.30</b>	<b>228.85</b>	<b>329.18</b>	<b>558.03</b>
<b>Interest Accrued but not due :</b>						
On Bonds	6,841.49	188.50	7,029.99	6,241.57	0.00	6,241.57
On Loans	58.78	0.00	58.78	114.24	0.00	114.24
On Interest subsidy fund from Gol	0.00	0.00	0.00	0.00	0.00	0.00
	<b>6,900.27</b>	<b>188.50</b>	<b>7,088.77</b>	<b>6,355.81</b>	<b>0.00</b>	<b>6,355.81</b>
<b>Unpaid / Unclaimed</b>						
Bonds	3.84	0.00	3.84	3.97	0.00	3.97
Interest on Bonds	8.33	0.00	8.33	2.42	0.00	2.42
Dividend	1.72	0.00	1.72	1.32	0.00	1.32
	<b>13.89</b>	<b>0.00</b>	<b>13.89</b>	<b>7.71</b>	<b>0.00</b>	<b>7.71</b>
Others	448.49	0.26	448.75	80.31	4.63	84.94
<b>TOTAL#</b>	<b>7,564.86</b>	<b>548.85</b>	<b>8,113.71</b>	<b>6,672.68</b>	<b>333.81</b>	<b>7,006.49</b>

# Includes ₹ 62.78 crore net (Previous year ₹ 11.53 crore) share of Jointly controlled entities.

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

(₹ in crore)

Sl. No.	Description	As at 31.03.2016			As at 31.03.2015		
		Short Term	Long Term	Total	Short Term	Long Term	Total
<b>I.</b>	<b>Employee Benefits*</b>						
	Economic Rehabilitation of Employees	0.21	1.29	1.50	0.10	1.14	1.24
	Leave Encashment	2.37	24.72	27.09	1.51	22.05	23.56
	Staff Welfare Expenses	1.07	21.61	22.68	0.83	18.34	19.17
	Gratuity / Superannuation Fund	0.20	0.08	0.28	0.15	0.00	0.15
	Bonus / Incentive	11.14	0.00	11.14	12.45	0.00	12.45
	<b>Sub Total</b>	<b>14.99</b>	<b>47.70</b>	<b>62.69</b>	<b>15.04</b>	<b>41.53</b>	<b>56.57</b>
<b>II.</b>	<b>Others</b>						
	Income Tax (net)	6.76	49.49	56.25	120.16	54.60	174.76
	CSR & SD Expenses (Refer Note No. 20 of Part-C - Consolidated Other Notes on Accounts)	102.98	0.00	102.98	114.46	0.00	114.46
	Contingent provision against Standard Assets (Refer Note No. 16(A)(i) of Part-C - Consolidated Other Notes on Accounts)	103.48	495.00	598.48	44.89	441.90	486.79
	Contingent Provisions against Restructured Standard Assets (Refer Note No. 16(A)(ii) of Part-C - Consolidated Other Notes on Accounts)	490.80	638.40	1,129.20	138.50	425.94	564.44
	Proposed Final Dividend*	79.20	0.00	79.20	79.20	0.00	79.20
	Proposed Corporate Dividend Tax*	16.12	0.00	16.12	16.12	0.00	16.12
	Provision for diminution in value of Investments	1.06	0.00	1.06	1.06	0.00	1.06
	<b>Sub Total</b>	<b>800.40</b>	<b>1,182.89</b>	<b>1,983.29</b>	<b>514.39</b>	<b>922.44</b>	<b>1,436.83</b>
	<b>TOTAL#</b>	<b>815.39</b>	<b>1,230.59</b>	<b>2,045.98</b>	<b>529.43</b>	<b>963.97</b>	<b>1,493.40</b>

# Includes ₹ 7.04 crore net (Previous period ₹ 1.23 crore) share of Jointly controlled entities.

\* (Refer Note No. 20 of Part-C - Consolidated Other Notes on Accounts)

## NOTE - Part A - 6 CONSOLIDATED FIXED ASSETS

(₹ in crore)

Description	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	Opening Balance as at 01.04.2015	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2016	Opening Balance as at 01.04.2015	For the period 01.04.2015 to 31.03.2016	Adjustment	Prior period Adjustments	Withdrawn / Written back	Closing Balance as at 31.03.2016	As at 31.03.2016**	As at 31.03.2015
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	8.91	0.78	0.00	0.00	0.00	9.69	15.23	16.01
EDP Equipments	17.27	2.29	2.04	17.52	13.31	3.02	0.00	0.00	1.93	14.40	3.12	3.94
Office and other equipments	56.62	107.83	1.42	163.03	14.39	14.74	0.01	0.00	1.26	27.88	135.15	36.93
Furniture & Fixtures	7.97	0.91	0.08	8.80	6.49	0.58	0.05	0.00	0.06	7.06	1.74	1.45
Vehicles	0.20	0.00	0.00	0.20	0.07	0.04	0.00	0.00	0.00	0.11	0.09	0.13
Leasehold Improvements	0.00	0.48	0.00	0.48	0.00	0.03	0.01	0.00	0.00	0.04	0.44	0.00
Total #	148.23	111.51	3.54	256.20	43.17	19.19	0.07	0.00	3.25	59.18	197.02	99.71
Previous year	104.00	40.35	1.70	142.65	34.85	6.72	2.91	0.00	1.54	42.94	99.71	69.15
II. Intangible Assets* #:												
Purchased Software (Useful Life - 5 years)	8.34	0.55	0.00	8.90	6.55	0.89	0.00	0.00	0.00	7.44	1.46	1.79
Previous year	7.80	0.54	0.00	8.34	5.35	1.20	0.00	0.00	0.00	6.55	1.79	2.45
III. Others # :												
Intangible assets under development	0.00	0.16	0.00	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.00
Capital Works in Progress	2.78	170.51	126.82	46.47	0.00	0.00	0.00	0.00	0.00	0.00	46.47	2.42
	2.78	170.67	126.82	46.63	0.00	0.00	0.00	0.00	0.00	0.00	46.63	2.42
Previous year	0.66	1.76	0.00	2.42	0.00	0.00	0.00	0.00	0.00	0.00	2.42	0.66

\* (Refer Note No. 23 of Part-C - Other Notes on Accounts)

\*\* Net Block of FY 2015-16 include amount of ₹ 0.15 crore in respect of EEEL against adjustment of audited financial statements over unaudited financial statement used for consolidation in previous year.

\*\*\* (Refer Note No. 25 of Part-C - Consolidated Other Notes on Accounts)

# Net Block includes ₹ 180.55 crore net (Previous year ₹ 37.78 crore) share of Jointly controlled entities.

**NOTE - Part A - 7**  
**CONSOLIDATED NON- CURRENT INVESTMENTS**

(₹ in crore)

Description	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
<b>Long Term Investments</b>				
(A) Trade Investments (Face value of ₹ 10 /- each fully paid up - unless otherwise stated)				
I. <b>Equity Instruments (Quoted)</b>				
PTC India Ltd.	1,20,00,000	12.00	1,20,00,000	12.00
II. <b>Equity Instruments (Unquoted)*</b>				
Power Exchange India Ltd.	32,20,000	3.22	32,20,000	3.22
Less : Provision for diminution		<u>3.22</u> 0.00		<u>0.00</u> 3.22
Subsidiaries (Refer Note No. 2.1 of Part-C - Consolidated Other Notes on Accounts)		1.08		0.90
III. <b>Others (Unquoted)*</b>				
Units of " Small is Beautiful " Fund of KSK Investment Advisor Pvt. Ltd.**	61,52,200	6.15	76,82,816	7.68
<b>Sub Total</b>		<b><u>19.23</u></b>		<b><u>23.80</u></b>
(B) <b>Other Investment -Bonds (Quoted)</b> <b>(Face value of ₹ 10,00,000/- each fully paid up - unless otherwise stated)</b>				
10,000 Bonds of Dena Bank and 8000 Bonds of Andhra Bank (Refer Note No. 9 of Part-C - Other Notes on Accounts)	18,000	1800.00	0.00	0.00
<b>Sub Total</b>		<b><u>1800.00</u></b>		<b><u>0.00</u></b>
<b>TOTAL</b>		<b><u>1819.23</u></b>		<b><u>23.80</u></b>

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Aggregate of Quoted Investments</b>		
Book Value	1812.00	12.00
Market Value***	1876.80	116.28
<b>Aggregate of Un-Quoted Investments</b>		
Book Value	7.23	11.80
<b>Aggregate Provision for Diminution in value</b>	3.22	0.00

\* Being Un-Quoted Investments, market value is not available.

\*\* NAV as on 31-Mar-2016 is ₹10.24 per unit (31-Mar-2015 ₹9.70 per unit). The fluctuation in NAV is considered as temporary.

\*\*\* 10,000 Bonds of Dena Bank and 8,000 Bonds of Andhra Bank are listed on NSE platform, however, market price as at 31.03.2016 is not available on NSE platform and the bonds have not been traded in the market till 31.03.2016. Accordingly, the face value of the above bonds has been considered as market price.

## NOTE - Part A - 8 CONSOLIDATED LOANS\*

Description	As at 31.03.2016			As at 31.03.2015		
	Current maturities (Twelve Months)	Non-Current	Total	Current maturities (Twelve Months)	Non-Current	Total
<b>A. Long Term</b>						
<b>I Secured Loans</b>						
<b>a) Considered Good</b>						
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments	8,886.36	110,419.53	119,305.89	8,653.83	101,793.35	110,447.18
RTLs to Independent Power Producers	1,881.53	18,665.66	20,547.19	1,287.56	24,944.13	26,231.69
Foreign Currency Loans to Independent Power Producers	20.58	5.14	25.72	25.52	24.29	49.81
Buyer's Line of Credit	318.44	764.04	1,082.48	89.83	574.03	663.86
Lease Financing to Borrowers **	7.89	196.20	204.09	7.73	204.54	212.27
RTLs to Equipment Manufacturers	18.95	842.35	861.30	73.09	840.52	913.61
		130,892.92	142,026.67	10,137.56	128,380.86	138,518.42
<b>b) Others</b>						
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV 619B Borrowers and State Governments - NPA	374.35	347.61	721.96	267.39	454.57	721.96
Less: Provision for contingencies	74.87	69.51	144.38	26.74	45.45	72.19
RTL to Independent Power Producers - NPA	947.64	4,251.81	5,199.45	471.52	933.37	1,404.89
Less: Provision for contingencies	202.61	577.38	779.99	143.22	187.01	330.23
FCL to Independent Power Producers - NPA	35.90	201.79	237.69	7.66	229.12	236.78
Less: Provision for contingencies	10.77	60.53	71.30	2.30	68.73	71.03
<b>Sub-Total I</b>	<b>12,203.39</b>	<b>134,986.71</b>	<b>147,190.10</b>	<b>10,711.87</b>	<b>129,696.73</b>	<b>140,408.60</b>
<b>II. Un-Secured Loans</b>						
<b>a) Considered Good</b>						
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments	19,378.04	56,435.04	75,813.08	5,401.87	59,925.69	65,327.56

RTIs to Independent Power Producers	1,836.77	7,705.09	9,541.86	158.29	6,794.73	6,953.02	
Foreign Currency Loans to State Power Utilities	14.16	0.00	14.16	13.38	13.38	26.76	
Buyer's Line of Credit	202.06	99.07	301.13	0.00	76.79	76.79	
RTIs to Equipment Manufacturers	0.00	21,431.03	0.00	28.42	223.04	251.46	<b>72,635.59</b>
b) Others							
RTL to Independent Power Producers - NPA	41.56	1,064.35	1,105.91	0.00	0.00	0.00	
Less : Provision for contingencies	41.56	0.00	370.70	0.00	0.00	0.00	0.00
FCL to Independent Power Producers - NPA	0.00	22.04	22.04	0.00	0.00	0.00	
Less: Provision for contingencies	0.00	0.00	22.04	0.00	0.00	0.00	0.00
<b>Sub-Total II</b>							<b>72,635.59</b>
<b>Total A (I+ II)</b>							
	21,431.03		86,405.44	5,601.96	67,033.63	67,033.63	213,044.19
	33,634.42		233,595.54	16,313.83	196,730.36		
<b>B. Bonds</b>							
I Un-secured Bonds							
Bonds / Debentures from State Power Corporations	0.00		390.15				1,170.50
Bonds / Debentures from Independent Power Producers	0.00		29.44				29.48
Total B	0.00		419.59				1,199.98
<b>C. Short Term</b>							
I Secured Loans - Considered Good							
Working Capital Loans to State Electricity Boards and State Power Corporations	1,080.93		1,080.93				549.88
Working Capital Loans to Independent Power Producers	0.00		0.00				0.00
Sub-Total I	1,080.93		1,080.93				549.88
II Un-Secured Loans - Considered Good							
Working Capital Loans to State Electricity Boards and State Power Corporations	2,180.07		2,180.07				2,132.14
Working Capital Loans to Independent Power Producers	369.00		369.00				205.20
Others	231.97	0.00	231.97	169.68	0.00	169.68	
Less : Provision for contingencies	69.59	0.00	69.59	50.90	0.00	50.90	118.78
Sub-Total II	2,711.45		2,711.45				2,456.12
Total C (I+ II)	3,792.38		3,792.38				3,006.00
Grand Total	37,426.80		237,807.51	200,380.71			<b>217,250.17</b>

\* (Refer Note No. 16(A) of Part-C - Consolidated Other Notes on Accounts)  
 \*\* (Refer Note No. 11(A)(i) of Part-C - Consolidated Other Notes on Accounts)



## NOTE - Part A - 9 CONSOLIDATED OTHER ASSETS

(₹ in crore)

Description	As at 31.03.2016				As at 31.03.2015			
	Current		Non-Current		Current		Non-Current	
				Total				Total
<b>LOANS &amp; ADVANCES</b>								
<b>Loans (considered good) *</b>								
a) to Employees (Secured)	2.33		14.33	<b>16.66</b>	2.51	16.99	19.50	
b) to Employees (Unsecured)	<b>8.48</b>	10.81	<b>46.68</b>	<b>55.16</b>	<b>5.51</b>	<b>38.78</b>	<b>44.29</b>	<b>63.79</b>
<b>Advances (Unsecured considered good)</b>								
Advances recoverable in cash or in kind or for value to be received	199.26		117.76	<b>317.02</b>	186.58	104.15	290.73	
a) from Subsidiaries (including interest recoverable there on) (Refer Note No. 8(A)(i) of Part-C-Consolidated Other Notes on Accounts)								
b) to Employees *	1.63		1.89	<b>3.52</b>	1.27	0.90	2.17	
c) Prepaid Expenses	18.86		0.00	<b>18.86</b>	2.23	0.00	2.23	
d) Others	262.05		9.33	<b>271.38</b>	137.61	3.54	141.15	
e) Advance Income Tax and Tax Deducted at Source (net)	9.73		107.44	<b>117.17</b>	2.15	45.56	47.71	
f) Security Deposits	<b>3.28</b>	494.81	<b>0.69</b>	<b>3.97</b>	<b>0.36</b>	<b>0.39</b>	<b>0.75</b>	<b>484.74</b>
<b>OTHER ASSETS</b>								
<b>I Accrued but not due :</b>								
a) Interest on Loan Assets	4,814.39		0.00	<b>4,814.39</b>	4,415.15	0.00	4,415.15	
b) Other charges	11.92		0.00	<b>11.92</b>	2.06	0.00	2.06	
c) Interest on Loans to Employee	0.50		18.87	<b>19.37</b>	0.27	15.33	15.60	
d) Interest on Deposits and Investments	<b>38.13</b>	4,864.94	<b>1.15</b>	<b>39.28</b>	<b>25.75</b>	<b>0.00</b>	<b>25.75</b>	<b>4,458.56</b>
<b>II Accrued and due :</b>								
Incomes accrued & due on loans	<b>778.17</b>	778.17	<b>0.00</b>	<b>778.17</b>	533.35	<b>0.00</b>	533.35	533.35
III Fixed Deposits with Scheduled Banks (original maturity more than twelve months)	<b>0.00</b>	0.00	<b>57.37</b>	<b>57.37</b>	<b>0.00</b>	<b>93.27</b>	<b>93.27</b>	93.27
<b>Loans &amp; Advances (Unsecured - Others)</b>								
Non Performing Assets (NPAs)	1.17		0.00	<b>1.17</b>	1.03	0.00	1.03	
Less : Provision for contingencies	<b>1.01</b>	0.16	<b>0.00</b>	<b>1.01</b>	<b>0.97</b>	<b>0.00</b>	<b>0.97</b>	0.06
<b>TOTAL #</b>		<b>6,148.89</b>		<b>6,524.40</b>		<b>5,314.86</b>	<b>318.91</b>	<b>5,633.77</b>

# Additions during the year includes ₹84.54 crore net (Previous year ₹1.21 crore) share of jointly controlled entities.

\* Note :- Loans and Advances include :

Particulars	Balance as at 31.03.2016	Balance as at 31.03.2015
Loans & Advances given to Directors & Other Officers	0.40	0.26

**NOTE - Part A -10**  
**CONSOLIDATED CURRENT INVESTMENTS**

(₹ in crore)

Description	As at 31.03.2016		As at 31.03.2015	
	Number	Amount	Number	Amount
<b>Equity Instruments (Quoted) (Face value of ₹ 10/- each fully paid up) - Valued scrip wise at lower of cost or fair value</b>				
PGCIL (Shares purchased at a cost of ₹ 52)	4,89,349	2.54	5,39,349	2.80
REC Ltd. (Shares purchased at a cost of ₹ 105)	47,952	0.50	47,952	0.50
Coal India Ltd. (Shares purchased at a cost of ₹ 358.58)	1,39,64,530	500.74	1,39,64,530	500.74
Less : Provision for diminution (Market Price as on 31.03.2016 on NSE ₹ 291.95)		<u>93.04</u> 407.70		<u>0.00</u> 500.74
<b>Total</b>		<b><u>410.74</u></b>		<b><u>504.04</u></b>

(₹ in crore)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Aggregate of Quoted Investments</b>		
Book Value	410.74	504.04
Market Value	415.25	515.50
<b>Aggregate Provision for Diminution in value</b>	93.04	0.00

**NOTE - Part A 11**  
**CONSOLIDATED CASH AND BANK BALANCES**

(₹ in crore)

	Description	As at 31.03.2016		As at 31.03.2015	
<b>A</b>	<b>CASH AND CASH EQUIVALENTS</b>				
i)	Balance in Current account with:				
	i) Reserve Bank of India	0.05		0.05	
	ii) Scheduled Banks	141.87	141.92	138.25	138.30
ii)	Cheques in hand		0.00		0.01
iii)	Imprest with postal authority		0.00		0.00
iv)	Fixed Deposits with Scheduled Banks (original maturity up to three months)		3.73		4,894.89
	<b>Sub-total (A)</b>		<b>145.65</b>		<b>5,033.20</b>
<b>B</b>	<b>Earmarked Balances:</b>				
i)	Balances in current account with scheduled banks for payment of interest on bonds, dividend etc.	6.41		1.36	
ii)	IPDS				
	Balances in current account with schedule banks	13.01		5.00	
	Fixed Deposits with Banks	0.00	19.42	45.00	51.36
iii)	Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)		30.97		0.00
	<b>Sub-total (B)</b>		<b>50.39</b>		<b>51.36</b>
<b>C</b>	<b>Other Balances</b>				
i)	Fixed Deposits with Scheduled Banks (original maturity more than three months but up to twelve months)		105.51		282.80
	<b>Sub-total (C)</b>		<b>105.51</b>		<b>282.80</b>
	<b>TOTAL (A) + (B) + (C) #</b>		<b>301.55</b>		<b>5,367.36</b>

# Includes ₹115.03 (Previous year ₹29.55 crore) share of Jointly Controlled Entities.

**NOTE - Part A - 12**  
**CONSOLIDATED REVENUE FROM OPERATIONS**

(₹ in crore)

	Description	Year ended 31.03.2016		Year ended 31.03.2015	
<b>(A)</b>	<b>Interest</b>				
	Interest on Loans	27,379.56		24,828.11	
	Less: Rebate for Timely Payment to Borrowers	297.46		261.06	
	Less : Post COD Timely Payment Rebate	2.56	27,079.54	0.00	24,567.05
	Lease income		20.29		22.93
	<b>Sub Total (A)</b>		<b>27,099.83</b>		<b>24,589.98</b>
<b>(B)</b>	<b>Consultancy / Advisory Services</b>				
	Income from consultancy assignment		259.37		52.34
	Syndication and Debenture Trustee Fee		3.15		4.44
	<b>Sub Total (B)</b>		<b>262.52</b>		<b>56.78</b>
<b>(C)</b>	<b>Other Operating Income</b>				
	Income from surplus funds		112.07		150.90
	Interest received on advances given to subsidiaries		12.29		9.37
	Profit on sale of Bonds of Borrowers		9.05		0.00
	Others		2.80		0.60
	<b>Sub Total (C)</b>		<b>136.21</b>		<b>160.87</b>
<b>(D)</b>	<b>Other Financial Services</b>				
	Prepayment Premium on Loans		170.46		64.48
	Upfront fees on Loans		21.58		16.34
	Management, Agency & Guarantee Fees		49.38		94.21
	Commitment charges on Loans	5.07		1.84	
	Less : Commitment charges on Loans waived	0.01	5.06	0.01	1.83
	Fee on account of Gol Schemes :-				
	Nodal Agency Fee - R-APDRP (Refer Note No. 12(B)(ii) of Part-C - Consolidated Other Notes on Accounts)	0.66		(36.38)	
	Nodal Agency Fee - IPDS	34.51	35.17	5.82	(30.56)
	<b>Sub Total (D)</b>		<b>281.65</b>		<b>146.30</b>
	<b>TOTAL (A) + (B) +(C) + (D) #</b>		<b>27,780.21</b>		<b>24,953.93</b>

# Includes ₹204.07 crore (Previous year ₹17.58 crore) share of Jointly Controlled Entity.

## NOTE - Part A - 13

### CONSOLIDATED OTHER INCOME

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
Dividend / Interest Income on Non-Current Investments	32.22	2.40
Dividend Income on Current Investments	38.44	29.06
Others	14.97	13.83
Profit on sale of Fixed Assets	0.08	0.05
Profit on sale of Non-Current Investments	0.05	0.00
Profit on sale of Current Investments	0.44	1.31
Interest on Income Tax Refund	9.11	1.48
Miscellaneous Income	9.56	8.33
Excess Liabilities written back	0.55	2.45
Processing Fee	0.14	0.09
<b>TOTAL #</b>	<b>105.56</b>	<b>59.00</b>

# Includes ₹1.88 crore (Previous year ₹0.10 crore) share of Jointly Controlled Entity.

## NOTE - Part A - 14

### CONSOLIDATED FINANCE COSTS

(₹ in crore)

	Description	Year ended 31.03.2016		Year ended 31.03.2015	
<b>I.</b>	<b>Interest</b>				
	On Bonds	15,071.06		12,353.14	
	On Loans	646.68		2,080.85	
	GOI on Interest Subsidy Fund	8.86		9.42	
	Financial Charges on Commercial Paper	277.43		288.47	
	Swap Premium ( Net )	1.65	16,005.68	60.53	14,792.41
<b>II.</b>	<b>Other Charges</b>				
	Commitment & Agency Fees	0.67		0.61	
	Guarantee, Listing & Trusteeship fees	2.13		2.35	
	Management Fees on Foreign Currency Loans	39.32		124.15	
	Bank / Other charges	0.01		0.02	
	Direct overheads for Consultancy Services	167.52		11.96	
	Interest paid on advances received from subsidiaries	5.11	214.76	5.64	144.73
<b>III</b>	<b>Net Translation / Transaction Exchange Loss (+) / gain (-)</b>		424.94		514.19
	<b>TOTAL (I + II + III) #</b>		<b>16,645.38</b>		<b>15,451.33</b>

# Includes ₹168.52 crore (Previous year ₹9.95 crore) share of Jointly Controlled Entity.

**NOTE - Part A - 15  
CONSOLIDATED BOND ISSUE EXPENSES**

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
Interest on Application Money	11.51	0.18
Credit Rating Fees	4.20	3.73
Other Issue Expenses	11.23	21.28
Stamp Duty Fees	6.50	6.21
<b>TOTAL</b>	<b>33.44</b>	<b>31.40</b>

**NOTE - Part A - 16  
CONSOLIDATED EMPLOYEE BENEFIT EXPENSES**

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
Salaries, Wages and Bonus	78.14	75.46
Contribution to Provident and other funds	9.91	8.40
Staff Welfare	13.30	12.50
Rent for Residential accommodation of employees (Refer Note No. 11(B) of Part-C - Consolidated Other Notes on Accounts)	5.28	5.11
<b>Total #</b>	<b>106.63</b>	<b>101.47</b>

# Includes ₹4.16 crore (Previous period ₹1.76 crore) share of Jointly Controlled Entities.

**NOTE - Part A - 17  
CONSOLIDATED OTHER EXPENSES**

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
<b>Administrative Expenses</b>		
Office Rent	1.00	1.20
Electricity & Water charges	1.94	1.80
Insurance	0.15	0.06
Repairs & Maintenance	4.02	3.38
Stationery & Printing	1.93	1.82
Travelling & Conveyance	10.12	9.00
Postage, Telegraph & Telephone	2.08	2.23
Professional & Consultancy charges	4.30	1.24
Miscellaneous Expenses*	24.45	22.23
Loss on sale of Fixed Assets	0.17	0.02
Auditors' Remuneration*	0.84	0.46
Service Tax	9.34	6.48
Rates & Taxes	1.12	1.10
Contribution to PMC (MoP)	0.51	0.34
<b>Sub - Total (I)</b>	<b>61.97</b>	<b>51.36</b>
<b>Others</b>		
R-APDRP Expenses	0.00	(36.91)
<b>Sub - Total (II)</b>	<b>0.00</b>	<b>(36.91)</b>
<b>TOTAL #</b>	<b>61.97</b>	<b>14.45</b>

# Includes ₹5.27 crore (Previous year ₹1.30 crore) share of Jointly Controlled entities

**\* Note :-**

<b>1) Miscellaneous Expenses includes :</b>		
Books & Periodicals	0.04	0.06
Advertisement	6.77	4.46
Membership & Subscription	0.74	0.79
Entertainment	0.71	0.59
Conference & Meeting Expenses	2.03	1.71
Security Expenses	1.39	1.30
Training	1.04	0.89
EDP Expenses	2.46	2.07
Business Promotion / Related Expenses	0.51	0.73
Equipment hiring charges	0.00	0.00
Interest on income tax	0.00	4.32
<b>2) Auditors' Remuneration includes :</b>		
Audit fees	0.35	0.24
Tax Audit fees	0.07	0.06
Other certification services	0.39	0.16
Reimbursement of Expenses	0.03	0.00

**Note - Part A -18**

**CONSOLIDATED PRIOR PERIOD ITEMS (NET)**

(₹ in crore)

Description	Year ended 31.03.2016		Year ended 31.03.2015	
<b>Prior Period Expenses :</b>				
Advertisement	0.00		0.00	
Interest & other Charges	(0.02)		(6.06)	
Issue Expenses	0.00		(0.02)	
Personnel & Administration Expenses - CSR	0.00		0.00	
Personnel & Administration Expenses - Others	0.19		3.94	
Depreciation	0.00	<b>0.17</b>	0.00	<b>(2.14)</b>
Prior Period Income :				
Interest Income	0.00		0.00	
Other Income	(2.23)	<b>(2.23)</b>	0.00	<b>0.00</b>
<b>Total #</b>		<b>(2.06)</b>		<b>(2.14)</b>

# Includes ₹0.00 crore (Previous year Nil) share of Jointly Controlled Entity.

**Note - Part A -19**  
**CONSOLIDATED TRADE RECEIVABLES**

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
<b>Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment.</b>		
(a) Secured, considered good;	0.00	0.00
(b) Unsecured, considered good;	49.16	9.57
(c) Doubtful	0.00	0.26
<b>Sub-Total (I)</b>	<b>49.16</b>	<b>9.83</b>
Less: Allowance for bad and doubtful debts.	0.00	0.26
	<b>49.16</b>	<b>9.57</b>
<b>Other Debts</b>		
(a) Secured, considered good;	0.00	0.00
(b) Unsecured, considered good;	62.05	19.02
(c) Doubtful.	0.00	0.00
<b>Sub-Total (II)</b>	<b>62.05</b>	<b>19.02</b>
<b>Total #</b>	<b>111.21</b>	<b>28.59</b>

# Includes ₹97.58 crore (Previous period ₹11.61 crore) share of Jointly Controlled Entity.



## Note - Part A - 20

### Additional Information - Subsidiaries and JVs

(₹ in crore)

Name of the Subsidiary / JV	Net Assets, i.e., total assets minus total liabilities		Share in Profit / Loss	
	As % of Consolidated net assets	Amount (₹ crore)	As % of consolidated profit / loss	Amount (₹ crore)
1	2	3	4	5
<b>Parent Subsidiaries</b>				
<b>Indian</b>				
1. PFC Consulting Limited	0.52%	188.681	0.61%	37.650
2. PFC Green Energy Limited	0.15%	52.759	0.37%	22.604
3. PFC Capital Advisory Services Limited	0.02%	7.112	0.02%	1.329
4. Power Equity Capital Advisors Private Limited	0.00%	0.001	0.00%	(0.001)
<b>Sub Total (A)</b>	<b>0.69%</b>	<b>248.552</b>	<b>1.00%</b>	<b>61.583</b>
<b>Foreign</b>				
N.A				
<b>Minority Interests in all subsidiaries</b>				
N.A				
<b>Associates (Investment as per the equity method)</b>				
N.A				
<b>Joint Ventures (as per proportionate consolidation/ investment as per the equity method)</b>				
<b>Indian</b>				
1. National Power Exchange Limited	0.00%	(0.985)	0.00%	0.059
2. Energy Efficiency Services Limited	0.03%	15.320	0.15%	9.467
<b>Sub Total B</b>	<b>0.03%</b>	<b>14.336</b>	<b>0.15%</b>	<b>9.526</b>
<b>Foreign</b>				
N.A				
<b>Total</b>	<b>0.73%</b>	<b>262.889</b>	<b>1.15%</b>	<b>71.109</b>

Note:- This excludes subsidiaries in the nature of SPVs as mentioned at note no. 2.1 of Part C of Consolidated Other Notes on Accounts.

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

## PART "A" : Subsidiaries - SPVs

₹ in crore

Sr. No.	Name of the Subsidiary / SPV	Reporting period	Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Chhattisgarh Surguja Power Ltd.*	01.04.2015-31.03.2016	0.0500	(0.0024)	81.3310	81.2834	-	-	-	-	-	-	100
2	Coastal Karnataka Power Limited *	01.04.2015-31.03.2016	0.0500	(0.0021)	4.4037	4.3558	-	-	-	-	-	-	100
3	Coastal Maharashtra Mega Power Limited *	01.04.2015-31.03.2016	0.0500	0.0043	61.9602	61.9059	-	0.0117	0.0117	0.0036	0.0081	-	100
4	Orissa Integrated Power Limited**	01.04.2015-31.03.2016	0.0500	(0.2158)	1,032.4581	1,032.6239	-	-	-	-	-	-	100
5	Coastal Tamil Nadu Power Limited**	01.04.2015-31.03.2016	0.0500	0.0321	185.3738	185.2917	-	-	-	-	-	-	100
6	Sakthigopal Integrated Power Limited**	01.04.2015-31.03.2016	0.0500	(0.0035)	24.4159	24.3694	-	0.0013	0.0013	0.0004	0.0009	-	100
7	Ghogarpalli Integrated Power Company Limited**	01.04.2015-31.03.2016	0.0500	(0.0047)	23.1784	23.1331	-	-	-	-	-	-	100
8	Tatiya Andhra Mega Power Limited**	01.04.2015-31.03.2016	0.0500	(0.0015)	20.9262	20.8777	-	0.8139	0.0010	0.0003	0.0007	-	100
9	Deoghar Mega Power Limited**	01.04.2015-31.03.2016	0.0500	(0.0039)	8.7470	8.7009	-	-	-	-	-	-	100
10	Cheyur Infra Limited.**	01.04.2015-31.03.2016	0.0500	(0.0037)	0.0723	0.0259	-	-	-	-	-	-	100
11	Odisha Infrapower Limited**	01.04.2015-31.03.2016	0.0500	(0.0046)	0.2078	0.1624	-	-	-	-	-	-	100
12	Deogarh Infra Limited**	30.06.2015-31.03.2016	0.0500	(0.0034)	0.0540	0.0074	-	-	(0.0034)	-	(0.0034)	-	100
13	Bihar Infrapower Limited**	30.06.2015-31.03.2016	0.0500	(0.0034)	0.0540	0.0074	-	-	(0.0034)	-	(0.0034)	-	100
14	Bihar Mega Power Limited**	09.07.2015-31.03.2016	0.0500	(0.0034)	16.3281	16.2815	-	-	(0.0034)	-	(0.0034)	-	100
15	Jharkhand Infrapower Limited *	10.12.2015-31.03.2016	0.0500	(0.0040)	0.0569	0.0109	-	-	(0.0040)	-	(0.0040)	-	100
16	Ballabgarh-GN Transmission Company Limited**	01.04.2015-31.03.2016	0.0500	(0.0029)	0.6996	0.6525	-	-	-	-	-	-	100

17	Tanda Transmission Company Limited**	01.04.2015-31.03.2016	0.0500	(0.0029)	1.3940	1.3469	-	-	-	-	100
18	Mohindergarh-Bhiwani Transmission Limited**	01.04.2015-31.03.2016	0.0500	(0.0036)	0.5332	0.4868	-	-	-	-	100
19	South-Central East Delhi Power Transmission Limited**	01.04.2015-31.03.2016	0.0500	(0.0034)	0.1184	0.0718	-	-	-	-	100
20	Odisha Generation Phase-II Transmission Limited **	17.04.2015-31.03.16	0.0500	(0.0034)	1.1845	1.1379	-	(0.0034)	-	(0.0034)	100
21	Warora-Kurnool Transmission Limited**	20.04.2015-31.03.2016	0.0500	(0.0034)	1.6339	1.5873	-	(0.0034)	-	(0.0034)	100
22	Gurgaon-Palwal Transmission Limited**	26.10.2015-31.03.2016	0.0100	(0.0018)	0.4987	0.4904	-	(0.0018)	-	(0.0018)	100
23	Kohima-Mariani Transmission Limited**	22.01.2016-31.03.2016	0.0100	(0.0018)	0.2452	0.2370	-	(0.0018)	-	(0.0018)	100
24	Medinipur-Jeerat Transmission Limited**	22.01.2016-31.03.2016	0.0100	(0.0018)	0.2693	0.2610	-	(0.0018)	-	(0.0018)	100

**\* Audited**

**\*\* Unaudited**

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. Sipat Transmission Limited, Raipur-Rajnandgaon-Warora Transmission Limited and Chhattisgarh-WR Transmission Limited (Wholly owned subsidiaries company of PFCC Limited) have been transferred during the year.

For and on behalf of the Board of Directors

**Sd/-**  
**(MANOHAR BALWANI)**  
Company Secretary

**Sd/-**  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892

**Sd/-**  
**M.K. GOEL**  
Chairman & Managing Director  
DIN - 00239813

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N  
**Sd/-**  
**(ATUL AGGARWAL)**  
PARTNER  
Membership No - 099374

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N  
**Sd/-**  
**(SANJEEV CHANDNA)**  
PARTNER  
Membership No - 087354

**Place : New Delhi**  
**Date : 25.05.2016**

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

₹ 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 <sup>1</sup>	31.03.2016	31.03.2016	31.03.2016	31.03.2016
2	Share Capital	0.05	300.00	0.10	0.05
3	Reserves & Surplus	188.09	52.76	7.11	0.00
4	Total Assets	194.33	366.52	7.67	0.05
5	Total Liabilities	6.19	13.76	0.46	0.00
6	Investments	0.33	0.00	0.00	0.00
7	Turnover <sup>2</sup>	60.07	38.71	3.15	0.00
8	Profit before Taxation	57.10	32.96	2.01	0.00
9	Provision for Taxation	20.04	10.35	0.68	0.00
10	Profit after taxation	37.06	22.60	1.33	0.00
11	Proposed Dividend	Nil	Nil	Nil	Nil
12	% 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

₹ in crore			
B.	Name of Joint Ventures	National Power Exchange Limited	Energy Efficiency Services Limited
1	Latest audited Balance Sheet Date	31-03-2016	31-03-2015
2	Shares of Joint Ventures held by the company on the year end		
	No. of shares	21,87,015	4,75,00,000
	Amount of Investments in Joint Venture	2.19	47.50
	Extent of Holding %	16.66%	28.79%
3	Description of how there is Significant Influence	Business Decisions under agreement	Being Promoter <sup>3</sup>
4	Reason why the joint venture is not consolidated	NA	NA
5	Net worth attributable to shareholding as per latest audited Balance sheet	1.14	31.76
6	Profit / Loss for the year		
	i) Considered in Consolidation	0.06	9.47
	ii) Not considered in Consolidation	NA	NA

#### Note:

- Voluntary winding up of National Power Exchange Limited is under process.
- EESL has been jointly promoted by PFC, NTPC, PGCIL and RECL.

For and on behalf of the Board of Directors

Sd/-  
(**MANOHAR BALWANI**)  
Company Secretary

Sd/-  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892

Sd/-  
**M.K. GOEL**  
Chairman & Managing  
Director  
DIN - 00239813

Signed in terms of our report of even date attached

For M.K. Aggarwal  
& Co.  
Chartered  
Accountants  
Firm Regn. No -  
01411N

For K.B.Chandna &  
Co.  
Chartered  
Accountants  
Firm Regn. No.:  
00862N

Sd/-  
(**ATUL AGGARWAL**)  
PARTNER  
Membership No -  
099374

Sd/-  
(**SANJEEV CHANDNA**)  
PARTNER  
Membership No -  
087354

Place : New Delhi  
Date : 25.05.2016

**Part – B**

**CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES**

**A. PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

- i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.
- ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – Financial Reporting of interests in Joint Ventures.
- iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.
- iv) In case of Associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

**B. Investments in Subsidiaries and Associates which are not consolidated, are accounted for as per Accounting Standard (AS) 13 – Accounting for Investments, as per policy no. 6.2 infra.**

**C. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**1. 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), notified Accounting Standards and relevant provisions of the Companies Act, 1956 and 2013.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

**2. RECOGNITION OF INCOME/EXPENDITURE**

- 2.1 Income and expenses (except as stated below) are accounted for on accrual basis.
  - 2.1.1 In accordance with the prudential norms of the Company, income on non-performing assets is recognized in the year of its receipt and any unrealized income recognized in respect of such assets is reversed.
  - 2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.
- 2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.
- 2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.
- 2.4 Expenditure on issue of shares is charged to the securities premium account.

- 2.5 Income from dividend is accounted when the right to receive has been established, i.e. after the declaration by Board of Directors in case of interim dividend and after the approval by shareholders in Annual General Meeting in case of final dividend.
- 2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.
- 2.7 Prior period expenses / income and prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.
- 2.8 Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts.
- 2.9 Fees for advisory and professional services for developing Ultra Mega Power Projects (UMPPs) (Special Purpose Vehicle of Power Finance Corporation Limited) / Independent Transmission (ITPs) Projects becomes due only on transfer of project to the successful bidder and is accordingly accounted for at the time of such transfer.
- 2.10 The sale proceeds from Request for Qualification (RFQ) document / Request for Proposal (RFP) document for ITPs and UMPPs are accounted for when it becomes due.

### 3. MISCELLANEOUS (PRELIMINARY) EXPENDITURE

Expenditures which are not an Intangible Assets in terms of AS-26 will be fully written off in the same year in which it's incurred.

### 4. TANGIBLE ASSETS/DEPRECIATION

- 4.1 Tangible assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.
- 4.2 Additions to tangible assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.
- 4.3 Depreciation on tangible assets is provided on, original cost of the asset reduced by its residual value estimated from time to time, as per written down value method, over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 except following:

Nature of Assets	Life of Assets
Cell Phone <sup>(1)</sup>	2 Years
ESCO projects <sup>(2)</sup>	Project period
Lease Hold Improvements <sup>(2)</sup>	Lease Period

<sup>(1)</sup>Useful life has been taken as 2 years by the Company, PFCGEL (one of Company's Subsidiary) and EESL (one of Company's Joint Venture).

<sup>(2)</sup>Useful life taken by EESL.

- 4.4 Items of tangible assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

### 5. INTANGIBLE ASSETS / AMORTIZATION

- 5.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company as 5 years.

### 6. INVESTMENTS

- 6.1 Current investments are valued individually at lower of cost or fair value.

- 6.2 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

## 7. Asset Classification and Provisions

### 7.1 Asset Classification

Loans & other credits and lease assets are classified into the following classes, namely:

- 7.1.1 Standard Assets: Standard asset shall mean an asset which is not a Non-Performing Asset (NPA) and in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.
- 7.1.2 (i) An asset will be considered as NPA and sub-categorized as Sub-standard, Doubtful and Loss Asset, if it remains outstanding as mentioned below:

As at	NPA (loan assets excluding lease assets)	NPA Sub-Categorization (all loan assets including lease assets)		
		Sub- Standard	Doubtful	Loss
31 <sup>st</sup> March 2016	Overdue for 5 months or more	NPA for a period not exceeding 16 months	NPA for a period exceeding 16 months	Doubtful for a period exceeding 36 months or identified as loss asset by the Company, whichever is earlier
31 <sup>st</sup> March 2017	Overdue for 4 months or more	NPA for a period not exceeding 14 months	NPA for a period exceeding 14 months	As per RBI norms.
31 <sup>st</sup> March 2018 and thereafter	Overdue for 3 months or more	NPA for a period not exceeding 12 months	NPA for a period exceeding 12 months	

(ii) A lease asset, in respect of which interest, principal installment and /or other charges remain due but unpaid for a period of six months or more, has been classified as non-performing asset. With effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.

### 7.2 Provisioning against Standard Loans and NPAs

- 7.2.1 The provisioning requirement in respect of loans and other credit shall be as under:

Sl. No.	Description	Rate of Provision as at 31.03.2016
1.	Standard Asset (Provisioning for Restructured Standard Loans will be as per RBI norms as detailed in Para 7.3)	0.30%
2.	Sub-Standard Asset	10%
3.	Doubtful Asset	
	Secured portion of Doubtful assets	
	Upto one year	20%
	More than one year to upto three years	30%
	Doubtful assets not covered by the realizable value of the security to which the Company has a valid recourse	100%
4.	Loss Asset if not written off	100%



- 7.2.2 As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.30% by 31.03.2016, 0.35% by 31.03.2017 and 0.40% by 31.03.2018.
- 7.2.3 A facility which is backed by Central / State Government Guarantee or by State Government undertaking for deduction from central plan allocation or a loan to State Department, would be treated as secured for the purpose of making provision on doubtful assets.
- 7.2.4 Provision on hire purchase and lease assets is as per para 9(2) of the Non-Banking Financial (\Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued vide circular dated 01.07.2013 and subsequent amendments issued from time to time.

### 7.3 Provisioning against Restructured Loans

- 7.3.1 RBI has exempted the Company from application of RBI restructuring norms for project loans to Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years, i.e. till 31.03.2017. Accordingly, where facilities to such projects is partly secured, a provision to the extent of shortfall in the security available, shall be made while restructuring and or rescheduling and/or renegotiation of the loans apart from the provision required on present value basis.
- 7.3.2 For the following cases, the provisioning against Restructured Standard Assets will be as per RBI norms, including provision on diminution in fair value:
  - a) new project loans to generating companies sanctioned w.e.f. 01.04.2015, where provisioning will be at the rate of 5%.
  - b) stock of restructured outstanding loans as on 31.03.2015 to all generating companies (as per RBI in case of stock of outstanding restructured loan, the provisioning has to be increased in a phased manner, i.e. commencing with a provision of 2.75% with effect from 31.03.2015 and shall reach 3.5% by 31.03.2016, 4.25% by 31.03.2017 and 5% by 31.03.2018).
- 7.4 For the purpose of asset classification and provisioning, facilities granted to Government Sector & Private Sector Entities shall be classified borrower wise with the following exception:
 

Government Sector loans, where cash flows from each project are separately identifiable and applied to the same project, are classified on project wise basis. Government sector cases where there is a single escrow account and therefore the cash flows are not identifiable project-wise, such facilities shall be classified borrower wise.
- 7.5 As regards PFCGEL, asset classification is in accordance with Prudential Norms issued by RBI. Provision in respect of Standard Assets, Non-Performing Assets and Restructured Assets is being made and maintained in accordance with Prudential Norms issued by RBI.

## 8. FOREIGN CURRENCY TRANSACTIONS

- 8.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11:
  - (i) Expenses and income in foreign currency; and
  - (ii) Amounts borrowed and lent in foreign currency.
- 8.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 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.
- 8.3 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.
- 8.4 In accordance with the paragraph 46A of the Accounting Standard (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

## **9. DERIVATIVE TRANSACTIONS**

- 9.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.
- 9.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose. These are accounted for on accrual basis, and are not marked to market.
- 9.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard– 11.

## **10. ACCOUNTING OF GOVERNMENT OF INDIA (GOI) SCHEMES**

- 10.1 The Company acts as a channelizing / nodal agency for pass-through of loans / grants / subsidies to beneficiaries under various schemes of the Govt. of India. The Company receives the amount on such account and disburses it to the eligible entities in accordance with the relevant schemes.
- 10.2 Where funds are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the beneficiary.
- 10.3 The income on account of fee etc. arising from implementation of such GoI schemes is accounted for in accordance with the respective scheme / GoI directives as applicable.

## **11. INTEREST SUBSIDY FUND**

- 11.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.
- 11.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

## **12. INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES**

- 12.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".
- 12.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

- 12.3 Interest on amount recoverable from subsidiaries (promoted as SPVs for Ultra Mega Power Projects) is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.
- 12.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.
- 12.5 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

### 13. EMPLOYEE BENEFITS

#### 13.1 **Provident Fund, Gratuity, Pension Fund and Post-Retirement Benefits**

Company's contribution paid / payable during the financial year towards provident fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post-retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15.

#### 13.2 **Other Employee Benefits**

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15.

### 14. INCOME TAX

- 14.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

- 14.2 Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

### 15. CASH FLOW STATEMENT

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

### 16. CASH AND CASH EQUIVALENTS

Cash comprises cash in 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.

## Part – C

### Consolidated Other Notes on Accounts

- The Company is a Government Company engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India as an Infrastructure Finance Company. Equity shares of the Company are listed on NSE and BSE.
- The consolidated financial statements represent consolidation of accounts of the company (Power Finance Corporation Limited), its subsidiary companies and joint venture entities as detailed below:

Name of the Subsidiary Companies /Joint Venture Entities	Country of incorporation	Proportion of shareholdings as on		Status of accounts & Accounting period
		31.03.2016	31.03.2015	01.04.2015 – 31.03.2016
Subsidiary Companies:				
PFC Consulting Limited (PFCCL) <sup>(i)</sup>	India	100%	100%	Audited
PFC Green Energy Ltd. (PFCGEL)	India	100%	100%	Audited
PFC Capital Advisory Services Limited (PFCCAS) <sup>(i)</sup>	India	100%	100%	Audited
Power Equity Capital Advisors Private Limited (PECAP) <sup>(iii)</sup>	India	100%	100%	Audited
Joint Venture Entities:				
National Power Exchange Limited (NPEL) <sup>(iii)</sup>	India	16.66%	16.66%	Audited
Energy Efficiency Services Limited (EESL) <sup>(iv)</sup>	India	28.79%	25%	Unaudited

<sup>(i)</sup>Decision to merge PFCCAS with PFCCL has been referred to Ministry of Power (MoP), Govt. of India (Gol). MoP in the process has advised to take a legal opinion on the complete merger for any potential conflict of interest arising out of the proposed merged company and Company's business. The legal opinion as advised by MoP is being sought by the subsidiary company.

<sup>(iii)</sup>Decision of voluntary winding up of PECAP is under consideration of MoP, Gol.

<sup>(iii)</sup>The voluntary winding up of NPEL is under process and its accounts are being prepared on liquidation basis. The Company as at 31.03.2016 has an investment of ₹ 2.19 crore (Previous year ₹ 2.19 crore) in equity share capital of NPEL against which provision for diminution stands at ₹ 1.06 crore as at 31.03.2016 (Previous year ₹ 1.06 crore).

<sup>(iv)</sup>Excludes further investment of ₹ 99.00 crore, to subscribe 9,90,00,000 equity shares (allotted on 25.04.2016) of face value of ₹ 10 each, made in EESL on 31.03.2016.

- 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)	
			31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Subsidiary Companies:					
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	100%	100%	0.05	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	100%	100%	0.05	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	100%	100%	0.05	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	100%	100%	0.05	0.05
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	100%	100%	0.05	0.05
(vi)	Sakhigopal Integrated Power Limited	27.01.2010	100%	100%	0.05	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	100%	100%	0.05	0.05
(viii)	Tatiya Andhra Mega Power Limited*	27.01.2010	100%	100%	0.05	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	100%	100%	0.05	0.05
(x)	Cheyur Infra Limited	24.03.2014	100%	100%	0.05	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	100%	100%	0.05	0.05
(xii)	Deoghar Infra Limited	25.08.2015	100%	NA	0.05	–
(xiii)	Bihar Infrapower Limited	26.08.2015	100%	NA	0.05	–
(xiv)	Bihar Mega Power Limited	27.08.2015	100%	NA	0.05	–
(xv)	Jharkhand Infrapower Limited	05.02.2016	100%	NA	0.05	–
	<b>Total</b>				<b>0.75</b>	<b>0.55</b>

\* Decision of winding up of Tatiya Andhra Mega Power Limited is under consideration of MoP, GoI.

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, 9 subsidiary companies (out of 12 wholly owned subsidiaries of PFCCL, 3 were transferred to successful bidders during FY 2015-16) 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)	
				31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Subsidiary Companies:						
1.	Ballabgarh-GN Transmission Company Limited	21.10.2013	--	100%	100%	0.05	0.05
2.	Tanda Transmission Company Limited	21.10.2013	--	100%	100%	0.05	0.05
3.	Mohindergarh-Bhiwani Transmission Limited	23.12.2014	--	100%	100%	0.05	0.05
4.	Raipur-Rajnandgaon-Warora Transmission Limited <sup>(i)</sup>	23.12.2014	23.11.2015	--	100%	--	0.05
5.	Sipat Transmission Limited <sup>(i)</sup>	23.12.2014	23.11.2015	--	100%	--	0.05
6.	Chhattisgarh-WR Transmission Limited <sup>(i)</sup>	24.12.2014	23.11.2015	--	100%	--	0.05
7.	South-Central East Delhi Power Transmission Limited	18.02.2015	--	100%	100%	0.05	0.05
8.	Odisha Generation Phase-II Transmission Limited <sup>(ii)</sup>	17.04.2015	--	100%	--	0.05	--
9.	Warora-Kurnool Transmission Limited <sup>(ii)</sup>	20.04.2015	--	100%	--	0.05	--
10.	Gurgaon-Palwal Transmission Limited <sup>(ii)</sup>	26.10.2015	--	100%	--	0.01	--
11.	Kohima-Mariani Transmission Limited <sup>(ii)</sup>	22.01.2016	--	100%	--	0.01	--
12.	Medinipur-Jeerat Transmission Limited <sup>(ii)</sup>	22.01.2016	--	100%	--	0.01	--
	<b>Total</b>					<b>0.33</b>	<b>0.35</b>

<sup>(i)</sup> Transferred to successful bidder(s) on completion of the bidding process:

<sup>(ii)</sup> Incorporated as wholly owned subsidiary of PFCCL during FY 2015-16.

2.2 The Company promoted and acquired the shares at face value in the subsidiary companies. Therefore, goodwill or capital reserve did not arise.

### 3 Contingent Liabilities and Commitments:

#### 3.1 Contingent Liabilities

(A) Guarantees etc.

(₹ in crore)

Sl. No.	Description	As at 31.03.2016	As at 31.03.2015
(i)	Default guarantees issued in foreign currency - Nil (Previous year US \$ 0.74 million)	-	4.69
(ii)	Guarantees issued in domestic currency	226.75	262.84
(iii)	Claims against the Company not acknowledged as debts	-	0.04
(iv)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	446.22	813.07
	<b>Total</b>	<b>672.97</b>	<b>1,080.64</b>

(B) Income Tax Demands

Additional demands raised by and paid to the Income Tax Department totaling to ₹ 45.23 crore (Previous year ₹ 64.41 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Company aggregating to ₹ 121.04 crore (Previous year ₹ 85.47 crore). The same are being contested. The Management does not consider it necessary to make provision, as the liability is not considered probable.

3.2 Commitments

Estimated amount of contract remaining to be executed on capital account, not provided for, is ₹ 84.23 crore (Previous year ₹ 15.32 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 31.03.2016	Year ended 31.03.2015
1.	Opening Balance	78.50	55.10
2.	Addition during the year	17.65	23.40
3.	Reversal during the year	(0.76)	-
4.	Closing Balance	95.39*	78.50 <sup>§</sup>

\* Pertaining to Assessment Year 2001-02 to 2013-14.

§ Pertaining to Assessment Year 2001-02 to 2012-13.

5. A. The Company has made a public issue of 70,00,000 number of Tax Free bonds at face value of ₹ 1,000/- each aggregating to ₹ 700.00 crore. Security has been created on 15.10.2015. Bonds have been allotted on 17.10.2015 and were listed on the Bombay Stock Exchange (BSE) on 20.10.2015. Proceeds of bond issue have been utilized for the purpose mentioned in offer document.
- B. 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.
- C. 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 31.03.2016 and 17.03.2016 respectively.

6. A. Foreign currency expenditure and earning:

(₹ in crore)

Sl. No.	Description	For the Year ended 31.03.2016	For the Year ended 31.03.2015
<b>A.</b>	<b>Expenditure in foreign currency</b>		
(i)	Interest on foreign currency loans *	250.90	236.21
(ii)	Financial & Other charges*	39.38	125.68
(iii)	Traveling Expenses	0.30	0.38
(iv)	Training Expenses	0.26	0.18
<b>B.</b>	<b>Earning in foreign currency</b>	-	7.64

\*excluding withholding tax

B. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Description	As at 31.03.2016		As at 31.03.2015	
	Millions in respective currency	₹ in crore	Millions in respective currency	₹ in crore
USD	979	6,535.38	1,128	7,110.90
EURO	17	129.28	19	129.72
JPY	57,102	3,405.56	24,209	1,274.11
<b>Total</b>		<b>10,070.22</b>		<b>8,514.73</b>

C. The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2016 unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 739.74 crore (Previous year debit balance ₹ 380.56 crore).

D. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below:

Sl. No.	Exchange Rates	As at 31.03.2016	As at 31.03.2015
(i)	USD / INR	66.77	63.06
(ii)	JPY / INR	0.5964	0.5263
(iii)	EURO / INR	75.78	68.42

In-case of specific provision in the loan agreement for a rate other than SBI TT selling rate, rate has been taken as prescribed in respective loan agreement.

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

A. Key managerial personnel (KMP):

Description	Period
<b>Power Finance Corporation Limited</b>	
Shri M K Goel*, CMD and CEO <sup>(i)</sup>	with effect from 22.01.2015
Shri R Nagarajan, Director (Finance) and CFO <sup>(ii)</sup>	with effect from 31.07.2009
Shri A K Agarwal, Director (Projects) <sup>(iii)</sup>	with effect from 13.07.2012
Shri D. Ravi, Director (Commercial) <sup>(iv)</sup>	With effect from 16.11.2015
Shri Manohar Balwani, CS	With effect from 01.04.2014
<b>Subsidiary Companies</b>	
Shri C Gangopadhyay, CEO, PFCCL	With effect from 03.12.2013
Shri C Gangopadhyay, Director, PECAP	With effect from 13.10.2009
Shri A. Chakravarti, Director, PECAP	With effect from 11.10.2011
Shri A. Chakravarti, CEO, PFCGEL	With effect from 14.09.2012 till 18.05.2015
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
<b>Joint Venture Entities</b>	
Shri Saurabh Kumar, Managing Director, EESL	with effect from 07.05.2013
Shri P Thakkar, Chairman, EESL	with effect from 10.12.2013 to 12.10.2015
Shri Rajeev Sharma, Chairman, EESL	with effect from 21.10.2015
Shri Anil Kumar Gupta, Director (Finance)	with effect from 05.02.2016
Shri S N Gaikwad, Director (Projects)	with effect from 05.02.2016



(i) Chairman in PFCCL, PFCGEL and PFC CAS also w.e.f 13.09.2013.

(ii) Director in PFCCL (w.e.f 21.10.2008), PFCGEL (w.e.f 30.03.2011), and PFC CAS (w.e.f 18.07.2011) also

(iii) Director in PFCCL (w.e.f 23.09.2013), PFCGEL (w.e.f 03.08.2012), and PFC CAS (w.e.f 19.09.2013) also

(iv) Director in PFCCL (w.e.f 01.12.2015), PECAP (w.e.f 29.03.2010), and Additional Director PFCGEL (w.e.f 01.12.2015).

\*Holding additional charge of Director (Commercial) upto 16.11.2015.

#### B. Transactions with KMP:

Managerial remuneration of KMP for the year ended 31.03.2016 is ₹ 3.44 crore (Previous year ₹ 3.74 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 31.03.2016*	As at 31.03.2015*	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
Coastal Maharashtra Mega Power Limited	9.99	8.99	10.14	9.10
Orissa Integrated Power Limited	89.04	105.21	132.11	111.77
Coastal Karnataka Power Limited	4.35	3.81	4.35	3.81
Coastal Tamil Nadu Power Limited	96.85	70.13	96.85	70.13
Chhattisgarh Surguja Power Limited	82.13	75.23	82.13	75.23
Sakhigopal Integrated Power Company Limited	6.41	5.54	6.58	5.54
Ghogarpalli Integrated Power Company Limited	5.46	4.79	5.72	4.67
Tatiya Andhra Mega Power Limited	9.26	8.37	9.26	11.65
Deoghar Mega Power Limited	8.70	6.12	8.70	6.12
Cheyur Infra Limited	0.02	0.01	0.02	0.01
Odisha Infra Power Limited	0.16	0.11	0.16	0.11
Bihar Infra Power Limited	0.01	0.00	0.01	0.00
Bihar Mega Power Limited	0.95	0.00	0.95	0.00
Deoghar Infra Limited	0.01	0.00	0.01	0.00
Jharkhand Infrapower Limited	0.00	0.00	0.00	0.00
Subsidiaries of PFCCL	3.68	2.34	5.44	2.79
<b>Total</b>	<b>317.02</b>	<b>290.73</b>	<b>362.43</b>	<b>300.93</b>

\* Amount is in the nature of advances, does not include any loan.

- (ii) The details of amount payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	As at 31.03.2016	As at 31.03.2015	Maximum during the year ended 31.03.2016	Maximum during the year ended 31.03.2015
Coastal Maharashtra Mega Power Limited	62.81	59.79	62.81	59.79
Orissa Integrated Power Limited	83.06	72.57	83.06	72.57
Coastal Tamil Nadu Power Limited	73.56	68.72	73.56	68.72
Chhattisgarh Surguja Power Limited	71.00	66.17	71.00	66.17
Sakhigopal Integrated Power Company Limited	25.05	23.69	25.05	23.69
Ghogarpalli Integrated Power Company Limited	23.71	22.44	23.71	22.44
Tatiya Andhra Mega Power Limited	25.73	24.91	25.73	27.48
Bihar Mega Power Limited	16.20	0.00	16.20	0.00
<b>Total</b>	<b>381.12</b>	<b>338.29</b>	<b>381.12</b>	<b>340.86</b>

- B. Investment by the loanee in the shares of the Company and / or any of its Subsidiaries (Amount at year end and maximum amount during the year): Nil (Previous year Nil).

9. Major Investments made during the year:

The Company has subscribed to 18,000 Unsecured, additional Tier I, Basel III compliant, Non-Convertible Taxable Bonds (coupon rate 10.95%) of nationalized banks of face value of ₹ 10,00,000/- per bond aggregating to ₹ 1,800 crore.

10. Interest Differential Fund (IDF) – KFW

The agreement between KFW and the Company provides that IDF belongs to the borrowers solely and will be used to cover exchange risk variations under this loan and any excess will be used in accordance with the agreement. Balance in IDF has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. Total fund accumulated as on 31.03.2016 is ₹ 60.71 crore (Previous year ₹ 58.38 crore), after transferring exchange difference of ₹ 13.48 crore (Previous year ₹ 14.11 crore).

11. As required under AS-19, disclosure with respect to various leases are given below:

- A. Asset under finance lease after 01.04.2001:

- (i) Gross investment in leased assets and present value of minimum value receivable at the balance sheet date and value of unearned financial income are given in table below:

(₹ in crore)		
Description	As at 31.03.2016	As at 31.03.2015
Total of future minimum lease payments recoverable (Gross Investments)	364.78	392.95
Present value of lease payments recoverable	204.09	212.27
<b>Unearned finance income</b>	<b>160.69</b>	<b>180.68</b>
<b>Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-</b>		
Not later than one year	27.11	30.06
Later than one year and not later than 5 years	107.54	107.98
Later than five years	230.13	254.91
<b>Total</b>	<b>364.78</b>	<b>392.95</b>
<b>Break up of present value of lease payments recoverable:-</b>		
Not later than one year	7.89	10.06
Later than one year and not later than 5 years	39.52	36.18
Later than five years	156.68	166.03
<b>Total</b>	<b>204.09</b>	<b>212.27</b>

- ii) The Company had sanctioned an amount of ₹ 88.90 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). Sanction was reduced to ₹ 88.85 crore in December 2006. Gross investment stood at the level of ₹ 1.33 crore as on 31.03.2016 (Previous year ₹ 1.78 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 18.05.2004). Gross investment stood at ₹ 3.94 crore as on 31.03.2016 (Previous year ₹ 4.43 crore). Lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as primary period and a maximum of another 10 years as secondary period. Secondary period is in force with effect from 01.04.2014.
- (iv) The Company had sanctioned an amount of ₹ 93.51 crore in year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). Gross investment stood at ₹ 4.21 crore as on 31.03.2016 (Previous year ₹ 7.62 crore). Lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as primary period and a maximum of 9 years and 11 months as secondary period. Secondary period is in force with effect from 01.04.2015.
- (v) The Company had sanctioned an amount of ₹ 228.94 crore in year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). Gross investment stood at ₹ 355.30 crore as on 31.03.2016 (Previous year ₹ 379.12 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 ₹ 5.28 crore (Previous year ₹ 5.11 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 are shown as office rent in Note Part A 17 – Other Expenses. Future lease payments in respect of these lease agreements are given below:

(₹ in crore)

Future minimum lease rent payments	Year ended 31.03.2016	Year ended 31.03.2015
Not later than one year	3.69	2.80
Later than one year and not later than 5 years	3.11	2.31
Later than 5 years	4.03	4.53
<b>Total</b>	<b>10.83</b>	<b>9.64</b>

## 12. Implementation of Gol Schemes

### (A) Subsidy under Accelerated Generation & Supply Programme (AG&SP):

- (i) The Company claimed subsidy from Gol 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 ₹ 7.80 crore and ₹ 87.47 crore as on 31.03.2016 (Previous year ₹ 7.02 crore and ₹ 61.32 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, Gol 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 31.03.2016	Year ended 31.03.2015
Opening Balance	111.35	123.87
Add : Received during the period	-	-
: Interest credited during the period	8.87	9.42
: Refund by the borrower due to non – commissioning of project in time	-	-
Less : Interest subsidy passed on to borrowers	12.75	21.94
: Refunded to MoP:-		
(a) Estimated net excess against IX Plan	-	-
(b) Due to non- commissioning of Project in time	-	-
(c) Estimated net excess against X Plan	-	-
<b>Closing Balance</b>	<b>107.47</b>	<b>111.35</b>

### (B) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

- (i) The Company is Nodal Agency for operationalisation and associated service for implementation of R – APDRP. Amounts received from the Gol 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 Gol on receipt from borrowers.

Details are furnished below:

(₹ in crore)

Description	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to Gol (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
A. Gol Loan under R-APDRP (Principal)						
Opening Balance	7,687.84	7,315.85	-	-	-	-
Additions during the period	667.82	578.47	667.82	578.47	-	-
Recoveries / refunds / changes during the period	(125.21)	(206.48)	(667.82)	(578.47)	-	-
Closing Balance (A)	8,230.45	7,687.84	-	-	-	-
B. Interest Accrued but not due (Int. earned on FD)	NA					
C. Interest on loan under R-APDRP			NA			
(i) Accrued but not due						
Opening Balance	2,563.89	1,605.09				
Additions during the period	650.36	673.90				
Transfers to / from Accumulated Moratorium Interest	(986.16)	298.41				
Transfer to Interest Accrued and Due	(91.26)	(13.51)				
Closing Balance (i)	2,136.83	2,563.89				
(ii) Accrued and due						
Opening Balance	3.68	3.69				
Additions During the period	182.27	16.59				
Recoveries & refunds to Gol / Changes due to extension of project completion period	(43.90)	(16.60)				
Closing Balance (ii)	142.05	3.68				
Interest on loan under R-APDRP (C) = (i + ii)	2,278.88	2,567.57				
D. Accumulated Moratorium Interest			NA			
Opening Balance	38.85	338.92				
Additions during the period	994.90	(301.58)				
Recoveries & refunds to Gol / Changes due to extension of project completion period	(34.07)	1.51				
Closing Balance (D)	999.68	38.85				
E. Interest on Accumulated Moratorium Interest			NA			
(i) Accrued but not due						
Opening Balance	0.15	1.42				

Additions during the period	34.99	(0.92)				
Transfer to accrued and due	(27.88)	(0.35)				
Closing Balance (i)	7.26	0.15				
(ii) Accrued and due						
Opening Balance	1.18	2.21				
Additions During the period	71.92	(1.88)				
Recoveries & refunds to Gol / Changes due to extension of project completion period	(17.88)	0.85				
Closing Balance (ii)	55.22	1.18				
<b>Interest on Accumulated Moratorium Int. (E) = (i + ii)</b>	<b>62.48</b>	<b>1.33</b>				
<b>F. Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest</b>			<b>NA</b>			
(i) Interest on Interest						
Opening Balance	0.05	0.00				
Additions During the period	4.64	0.11				
Recoveries / refunds / changes during the period	(0.06)	(0.06)				
Closing Balance (i)	4.63	0.05				
(ii) Interest on " Interest on Accumulated Moratorium Interest"						
Opening Balance	0.02	0.00				
Additions During the period	1.80	0.02				
Recoveries / refunds / changes on account of extension of project completion period during the year	(0.02)	0.00				
Closing Balance (ii)	1.80	0.02				
(iii) Penal Interest						
Opening Balance	0.05	0.00				
Additions During the period	5.21	0.15				
Recoveries / refunds / changes on account of extension of project completion period during the year	(0.08)	(0.10)				
Closing Balance (iii)	5.18	0.05				
<b>Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest (F) = (i + ii + iii)</b>	<b>11.61</b>	<b>0.12</b>				
<b>Closing Balance (A+B+C+D+E+F)</b>	<b>11,583.10<sup>(1)</sup></b>	<b>10,295.71</b>				

<sup>(1)</sup> Does not include an amount of ₹ 13.00 crore received from borrowers on 31.03.2016 and paid on 02.04.2016 to MoP, Gol. Accordingly, as at 31.03.2016 the amount is appearing as Amount payable to Gol under R-APDRP (Note Part A 4).

(ii) Nodal Agency Fee under R – APDRP scheme for XIth plan is being accounted for @ 1% of sanctioned project cost in three stages - 0.40% on sanction of project, 0.30% on disbursement of funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B). In addition, actual expenditure including expenditure allocable on account of Company's manpower, incurred for operationalising the R– APDRP is reimbursable by MoP, Gol. The cumulative claim for fee and reimbursement of

expenditure is subject to cap of ₹ 850 crore or 1.7% of likely project outlay under Part A & B of R-APDRP, whichever is less.

From XIIth plan onwards, in accordance with Company's claim, approved by MoP vide its letter dated 31.03.2015 and subsequent clarification issued by MoP vide letter dated 20.05.2015, the Company continues to restrict its claims only to reimbursement of actual expenditure excluding Company's own manpower and administrative charges.

As at 31.03.2016, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by the Company is given below:

(₹ in crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015	Accumulated up-to year ended	
			31.03.2016	31.03.2015
Nodal agency fee <sup>(1)</sup>	0.66	(36.38)	128.07	127.41
Reimbursement of expenditure	22.99	41.20	127.67	104.68
<b>Total</b>	<b>23.65</b>	<b>4.82</b>	<b>255.74</b>	<b>232.09</b>

<sup>(1)</sup>Exclusive of Service Tax

#### (C) Integrated Power Development Scheme (IPDS)

Gol has launched IPDS for completion of targets laid down under R-APDRP for XII<sup>th</sup> and XIII<sup>th</sup> Plans by subsuming R-APDRP in IPDS and carrying forward approved outlay for R-APDRP to IPDS.

The Company has been designated as Nodal Agency for operationalization and implementation of scheme under overall guidance of the MoP, Gol. Role of Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of Gol grant to eligible utilities which can be recalled / pre-closed subject to certain conditions mentioned in IPDS guidelines.

The Company will be eligible for 0.5% of total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

- 1<sup>st</sup> installment: 40% of nodal agency fee in financial years in which projects are approved by the Monitoring Committee under IPDS.
- 2<sup>nd</sup> installment: 30% of nodal agency fee on award of approved projects.
- 3<sup>rd</sup> installment: 20% of nodal agency fee after one year of claiming 2nd installment.
- 4<sup>th</sup> installment: 10% of nodal agency fee after completion of works.

The details are furnished below :

(₹ in crore)

Description	Amount of Gol grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balance	-	-	50.00	-	0.01	0.00
Additions during the period	358.70	-	308.70	50.00	2.14	0.01
Recoveries / refunds / changes during the period	-	-	358.70	-	(2.15)	-
<b>Closing Balance</b>	<b>358.70</b>	<b>-</b>	<b>-</b>	<b>50.00</b>	<b>-</b>	<b>0.01</b>

**13. Asset classification and Provisioning:**

- A) Company being a Government owned NBFC is exempted from RBI directions relating to Prudential Norms and follows its own prudential norms approved by MoP, Gol. RBI has directed the Company, vide its letter dated 25.07.2013, to take steps to comply with RBI's Prudential Norms by 31.03.2016 except credit concentration norms, Restructuring / Reschedulement / Renegotiation (R/R/R) norms and asset classification norms for which it has issued separate directions.
- B) For asset classification, in pursuance to RBI directions dated 30.06.2015 and 10.12.2015 issued subsequent to RBI circular DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10.11.2014, Company's prudential norms have been suitably amended. For operationalisation of these directions, the Company has communicated its understanding to RBI vide letters dated 13.08.2015 and 13.01.2016. Accordingly, during the year:-
- (i) a loan asset (excluding lease asset) has been recognized as NPA, if it remained overdue for a period of 6 months or more, however as at 31.03.2016 it has been recognized as NPA if it remained overdue for a period of 5 months or more,
  - (ii) a loan asset (including lease asset) has been sub-categorized as sub-standard if it continued to be NPA for a period not exceeding 18 months, however as at 31.03.2016 it has been sub-categorized as sub-standard if it continued to be NPA for a period not exceeding 16 months and
  - (iii) a loan asset (including lease asset) has been sub-categorized as doubtful if it continued to be NPA for a period exceeding 18 months & not exceeding 36 months, however as at 31.03.2016 it has been sub-categorized as doubtful if it continued to be NPA for a period exceeding 16 months & not exceeding 36 months.
- Similarly, for FY 2016-17 and 2017-18, the change in number of months to be considered for asset classification and sub-categorization of NPA will take place as at 31st March of the respective financial year.
- (iv) During the year, a lease asset, in respect of which interest, principal instalment and / or other charges remain due but unpaid for a period of six months or more, has been classified as NPA. With effect from 31.03.2018, a lease asset will be classified as NPA if it remains overdue for a period of 3 months or more.
- C) As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.40% by 31.03.2018.

Acceleration of this provision by 0.10%, applicable for FY 2016-17 & FY 2017-18, but made during quarter and half year ended 30.09.2015 has been further reviewed and the provision has been aligned to the applicable rate of provision as at 31.03.2016, i.e. 0.30% as per RBI norms.

14. For credit concentration norms, RBI vide its letter dated 03.04.2014, has allowed exemption in respect of exposure to Central / State Government entities till 31.03.2016. The Company, vide its letter dated 22.01.2016 has requested RBI to extend the exemption further till 31.03.2020 and has inter-alia informed that the Company will continue to follow its own credit concentration norms for Central / State Government entities till such time any further directions are received from RBI.

In this regard, RBI, vide letter dated 22.04.2016, received on 28.04.2016, has directed the Company:-

- (i) that exposure in excess of levels currently permitted under RBI's credit concentration norms may be continued only in respect of already entered into agreements / sanctioned limits, up to their maturity,
  - (ii) not to take any fresh position in respect of such exposure or enter into fresh agreements which do not conform to the RBI exposure norms, and
  - (iii) that fresh sanctions to existing borrowers or new loans in excess of RBI's credit concentration norms shall be permitted provided there is a guarantee from the Central Government / State Government concerned and the same is a part of the concerned Government's borrowing programme. However, the matter has again been taken up with RBI for allowing extension in exemption to the Company from the applicability of RBI's credit concentration norms on Government sector entities upto 31.03.2022, vide letter dated 17.05.2016.
15. For R/R/R norms, RBI vide its letter dated 11.06.2014 – (i) has exempted the Company from application of its restructuring norms for Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017, and (ii) has directed that for new project loans to generating companies restructured w.e.f. 01.04.2015, the



provisioning requirement would be 5% and for stock of such outstanding loans as on 31.03.2015 to all generating companies, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018; this provision is in addition to the provision for diminution in fair value.

For implementing RBI's directions dated 11.06.2014, Company vide its letter dated 03.07.2014 has communicated its implementation strategy to RBI, which has been further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that:-

- (i) all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R,
- (ii) project loans to generating companies already sanctioned up to 31.03.2015 are to be governed by MoP approved R/R/R Norms and
- (iii) Non Project loans will be governed by RBI norms on R/R/R w.e.f. 01.04.2015. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination. Company has not received any further directions from RBI in the matter and accordingly, Company is implementing the RBI norms in line with RBI directions dated 11.06.2014 read with manner of implementation communicated to RBI as stated above.

As regards R/R/R loans on which restructuring provisioning as per RBI norms is applicable, the Company is required to enhance provision in a phased manner from 2.75% on 31.03.2015 to 3.50%, 4.25% and 5% by 31.03.2016, 31.03.2017 and 31.03.2018 respectively.

Acceleration of this provision to 4.25% made during quarter and nine months ended 31.12.2015 has been further reviewed and the provision has been aligned to the applicable rate of provision as at 31.03.2016, i.e. 3.50% as per RBI directions.

#### 16. Loan Assets, Other assets and provisions thereon:

(₹ in crore)

Sl. No.	Asset Classification	As at 31.03.2016			As at 31.03.2015		
		Principal Outstanding	Provision for the year ended 31.03.2016	Accumulated Provision	Principal Outstanding	Provision for the year ended 31.03.2015	Accumulated Provision
(A) Classification of Loan Assets and provision thereon							
(i)	Standard Assets	199,483.49	111.68	598.48	194,716.30	17.31	486.79
(ii)	Restructured Standard Assets <sup>(1)</sup>	32,262.98	564.77	1,129.20	20,524.91	564.43	564.43
(iii)	Sub-standard Assets	4,877.61	366.83	487.76	1,209.37	110.55	120.93
(iv)	Doubtful Assets	2,393.15	327.48	721.99	1,315.02	150.76	394.52
(v)	Loss Assets <sup>(3)</sup>	248.28	239.36	248.28	8.92	0.00	8.92
(B) Other Assets and provision thereon							
(i)	Other Assets	1.17	0.04	1.01	1.04	0.02	0.97
	Grand Total	2,39,266.68	1,610.16	3,186.72	2,17,775.56	843.07	1,576.56

<sup>(1)</sup> R/R/R loans on which restructuring provisioning as per RBI norms is applicable, outstanding as at 31.03.2016 amount to ₹ 21,479.20 crore in private sector and ₹ 10,783.78 crore in Govt. sector (Previous year ₹ 20,524.91 crore in private sector and Nil in Govt. sector).

17. Details of Restructured Accounts on which restructuring provisioning as per RBI norms is applicable, along-with provisions thereon, are given below:

(₹ in crore)

Sl. No.	Type of Restructuring	Under CDR / SME Mechanism			Others				Total							
		Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Standard	Sub-Standard	Doubtful	Loss	Total		
1.	Restructured accounts as on April 01, 2015	No. of borrowers				14	1	3	-	18	14	1	3	-	18	
		Amount outstanding (Restructured facility)				20524.91	76.63	1145.34	-	21746.88	20524.91	76.63	1145.34	-	21746.88	
		Amount outstanding (Other facility)				-	-	169.78	-	169.78	-	-	169.78	-	169.78	
		Provision Thereon				564.44	7.66	394.53	-	966.63	564.44	7.66	394.53	-	966.63	
2.	Movement of balance in account appearing in opening balance	No. of borrowers				10	-	2	-	12	10	-	2	-	12	
		Amount outstanding (Restructured facility)				2,113.48	-	192.70	-	2,306.18	2,113.48	-	192.70	-	2,306.18	
		Amount outstanding (Other facility)				-	-	62.33	-	62.33	-	-	62.33	-	62.33	
		Provision Thereon				73.97	-	110.7	-	184.67	73.97	-	110.7	-	184.67	
3.	Fresh restructuring during the year	No. of borrowers				5	-	-	-	5	5	-	-	-	5	
		Amount outstanding (Restructured facility)				14,192.68	-	-	-	14,192.68	14,192.68	-	-	-	14,192.68	
		Amount outstanding (Other facility)				-	-	-	-	-	-	-	-	-	-	
		Provision Thereon				496.74	-	-	-	496.74	496.74	-	-	-	496.74	
4.	Up gradations to restructured standard category during the year	No. of borrowers				-	-	-	-	-	-	-	-	-	-	
		Amount outstanding (Restructured facility)				-	-	-	-	-	-	-	-	-	-	
		Amount outstanding (Other facility)				-	-	-	-	-	-	-	-	-	-	
		Provision Thereon				-	-	-	-	-	-	-	-	-	-	
5.	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers				-1	-	-	-	-1	-1	-	-	-	-1	
		Amount outstanding (Restructured facility)				-1,457.04	-	-	-	-1,457.04	-1,457.04	-	-	-	-	-1,457.04
		Amount outstanding (Other facility)				-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon				-40.07	-	-	-	-40.07	-40.07	-	-	-	-	-40.07
6.	Down gradation of restructured accounts during the year	No. of borrowers				-3	2	1	-	-	-3	2	1	-	-	
		Amount outstanding (Restructured facility)				-3111.05	3034.42	76.63	-	-	-3111.05	3034.42	76.63	-	-	
		Amount outstanding (Other facility)				-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon				-85.55	303.44	15.33	-	233.22	-85.55	303.44	15.33	-	233.22	
7.	Write-offs restructured accounts during the year	No. of borrowers				-	-	-	-	-	-	-	-	-	-	
		Amount outstanding (Restructured facility)				-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (Other facility)				-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon				-	-	-	-	-	-	-	-	-	-	-
8.	Restructured accounts as on March 31, 2016	No. of borrowers				15	3	4	-	22	15	3	4	-	22	
		Amount outstanding (Restructured facility)				32262.98	3111.05	1,414.67	-	36788.70	32262.98	3111.05	1,414.67	-	36788.70	
		Amount outstanding (Other facility)				-	-	232.11	-	232.11	-	-	232.11	-	232.11	-
		Provision Thereon				1,129.20	311.11	520.57	-	1,960.88	1,129.20	311.11	520.57	-	1,960.88	

18. In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015. The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset has been re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹ 339.99 crore made in the account during the year has been reversed. The matter is sub-judice and in last hearing held in Jan 2016 matter has again been adjourned and stay stands extended accordingly. Further, based on the subsequent legal opinion sought by the Company in respect of amount which became overdue on 15.10.2015 and 15.01.2016, the Company continues to maintain asset classification as standard.

19. 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 short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

B. Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. The provision for the same has been made on actuarial valuation based on total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh per employee.

C. Pension

The Company has a defined contribution pension scheme which is in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employees of the Company as per the scheme.

D. Post-Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

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 31.03.2016 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	1.55 (1.43)	0.62 (0.52)	2.34 (2.14)
Interest cost on benefit obligation	1.55 (1.53)	1.17 (1.00)	1.87 (1.76)
Expected return on plan assets	-1.72 (-1.54)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-1.11 (-1.21)	2.36 (2.11)	2.18 (1.16)
Expenses recognised in Statement of Profit & Loss Account*	0.27 ( 0.21)	4.15 (3.63)	6.39 (5.06)

\*During the year, the expenses include ₹ 0.03 crore (previous year ₹ 0.02 crore), ₹ 0.55 crore (previous year ₹ 0.42 crore) and ₹ 0.44 crore (previous year ₹ 0.34 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 31.03.2016 (i)	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)
Fair value of plan assets as at 31.03.2016 (ii)	20.47 (19.15)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-0.27 (-0.21)	-17.83 (-14.58)	-26.89 (-23.42)
Net asset / (liability) recognized in the Balance Sheet	-0.27 (-0.21)	-17.83 (-14.58)	-26.89 (-23.42)

iii) Changes in present value of defined benefit obligations

(₹ in crore)

Description	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2015	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)
Interest cost	1.55 (1.53)	1.17 (1.00)	1.87 (1.76)
Current service cost	1.55 (1.43)	0.62 (0.52)	2.34 (2.14)
Benefits paid	-0.63 (-0.47)	-0.90 (-0.80)	-2.93 (-2.30)
Net actuarial (gain)/loss on obligation	-1.09 (-1.11)	2.36 (2.11)	2.18 (1.16)
Present value of the defined benefit obligation as at 31.03.2016	20.74 (19.36)	17.83 (14.58)	26.89 (23.42)

iv) Changes in fair value of plan assets

(₹ in crore)

Description	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2015	19.14 (17.12)	- (-)	- (-)
Expected return on plan assets	1.72 (1.54)	- (-)	- (-)
Contributions by employer	0.21 (0.86)	- (-)	- (-)
Benefit paid	-0.63 (-0.47)	- (-)	- (-)
Actuarial gain / (loss)	0.02 (0.09)	- (-)	- (-)
Fair value of plan assets as at 31.03.2016	20.47 (19.14)	- (-)	- (-)

v) One percent increase / decrease in inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 3.00 crore

Cost decrease by 1% ₹ (2.34) crore

vi) During the year, Company has provided liability of ₹ 0.27 crore, ₹ 4.15 crore, ₹ 6.40 crore and Nil (Previous year ₹ 0.21 crore, ₹ 3.63 crore, ₹ 5.06 crore and Nil) towards contribution to the Gratuity Trust, PRMS, leave and towards Pension respectively. Above amount includes ₹ 0.03 crore, ₹ 0.55 crore and ₹ 0.44 crore (Previous year ₹ 0.02 crore, ₹ 0.42 crore and ₹ 0.34 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

I. Other Employee Benefits:-

During the year, provision of ₹ 0.33 crore (Previous year ₹ 0.01 crore) has been made for Economic Rehabilitation Scheme (ERS) for employees and provision of ₹ 0.48 crore (Previous year ₹ 0.92 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.

J. Details of Plan Asset:- Gratuity

The details of plan assets at cost, as at 31.03.2016 are given below:

(₹ in crore)

Sl.No.	Description	As at 31.03.2016	As at 31.03.2015
i)	Government Securities	11.75	11.01
ii)	Corporate bonds / debentures(1)	8.07	7.64
iii)	Mutual Funds	0.15	-
	<b>Total</b>	<b>19.97</b>	<b>18.65</b>

(1)As at 31.03.2016, Bonds of the Company amounting to ₹ 0.50 crore (previous year ₹ 0.50 crore) are held by PFC Limited Gratuity Trust.

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	8.00%
Expected rate of return on assets – Gratuity	9.00%
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.

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*	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	20.74	19.36	17.98	16.16	14.03
Fair value of plan assets as at	20.47	19.14	17.12	14.67	12.95
Surplus/(Deficit)	(0.27)	(0.21)	(0.86)	(1.48)	(1.08)
Experience adjustment on plan liabilities (loss)/gain	1.09	1.10	0.31	0.31	0.23
Experience adjustment on plan assets (loss)/gain	0.02	0.09	0.26	0.02	0.17

\*The Company's best estimate of contribution towards gratuity for financial year 2016-17 is ₹ 0.74 crore. Actual return on plan assets during the year ended 31.03.2016 is ₹ 1.74 crore (Previous year ₹ 1.64 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	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	17.83	14.58	11.75	9.50	8.33
Experience adjustment on plan liabilities (loss)/gain	(2.36)	(2.11)	(1.54)	(0.16)	(0.78)

(₹ in crore)

Leave	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	26.89	23.42	20.66	20.39	17.74
Experience adjustment on plan liabilities (loss)/gain	(2.18)	(1.18)	(2.63)	(1.50)	(0.58)

(₹ in crore)

LSA	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	4.74	4.49	4.04	3.71	3.33
Experience adjustment on plan liabilities (loss)/gain	1.10	0.67	0.46	0.80	-

(₹ in crore)

ERS	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	1.50	1.24	1.24	1.31	1.24
Experience adjustment on plan liabilities (loss)/gain	0.02	0.38	0.46	0.43	-

(₹ in crore)

Baggage Allowance	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at	0.11	0.10	0.09	0.08	0.07
Experience adjustment on plan liabilities (loss)/gain	0.02	0.02	0.01	0.01	-

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

(₹ in crore)					
Provision for	Opening Balance (1)	Addition during the year (2)	Used during the year (3)	Reversals (4)	Closing Balance 5 = (1+2-3-4)
Post-Retirement Medical Scheme	14.58 (11.75)	4.15 (3.63)	0.90 (0.80)	- (-)	17.83 (14.58)
Gratuity	0.08 (0.88)	0.35 (0.21)	0.22 (1.01)	- (-)	0.21 (0.08)
Provision for superannuation benefit (Pension)	0.07 (0.08)	- (-)	- (0.01)	- (-)	0.07 (0.07)
Leave Encashment	23.56 (20.73)	6.46 (5.20)	2.93 (2.37)	- (-)	27.09 (23.56)
Economic Rehabilitation Scheme for employees	1.24 (1.24)	0.33 (0.01)	0.07 (0.01)	- (-)	1.50 (1.24)
Bonus / Incentives	12.45 (20.19)	10.49 (12.09)	10.91 (19.83)	-0.89 (0.00)	11.14 (12.45)
Baggage Allowances	0.10 (0.09)	0.01 (0.01)	0.00 (0.00)	- (-)	0.11 (0.10)
Service Award	4.49 (4.04)	0.48 (0.92)	0.23 (0.47)	- (-)	4.74 (4.49)
Provision on loan assets etc <sup>(1)</sup>	1,576.56 (733.49)	1,610.16 (843.07)	0.00 (0.00)	- (-)	3,186.72 (1,576.56)
Provision for diminution in value of investment	1.06 (0.00)	96.26 (1.06)	0.00 (0.00)	- (-)	97.32 (1.06)
CSR	114.46 (32.33)	146.81 (118.50)	158.29 (36.37)	- (-)	102.98 (114.46)
Income Tax	6,222.89 (4,639.16)	2,857.89 (2,525.38)	1,550.52 (941.65)	0.49 (-)	7,530.75 (6,222.89)
Proposed Final Dividend	79.20 (26.40)	79.20 (79.20)	79.20 (26.40)	- (-)	79.20 (79.20)
Proposed Corporate Dividend Tax	16.12 (4.49)	16.12 (16.12)	16.12 (4.49)	- (-)	16.12 (16.12)

<sup>(1)</sup>As detailed at Note Part – C 16.

21. (a) Details of gross amount required to be spent by the Company during the year

(₹ in crore)

Particulars	FY 2015-16	FY 2014-15
CSR provision made at the rate of 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years	146.81	118.50
Carry forward from previous year	114.46	32.33
Gross amount required to be spent	261.27	150.83

(b) Amount spent during the year on:

(₹ in crore)

Sl. No.	Particulars	FY 2015-16			FY 2014-15		
		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						
	Sanitation / Waste Management / Drinking water	133.85	-	133.85	2.57	-	2.57
	Education / Vocational Skill development	16.06	-	16.06	15.97	0.40	16.37
	Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)	4.10	0.50	4.60	14.05	-	14.05
	Others	-	-	-	0.71	-	0.71
	Administrative overheads including training, impact assessment, etc. limited to 5% of total amount required to be spent on CSR	3.16	0.26	3.42	1.63	0.19	1.82
(iii)	Amount spent by Subsidiaries / JVs	0.36	-	0.36	0.85	-	0.85
	<b>Total (ii)</b>	<b>157.53</b>	<b>0.76</b>	<b>158.29</b>	<b>35.78</b>	<b>0.59</b>	<b>36.37</b>
	<b>Grand Total (i) and (ii)</b>			<b>158.29</b>			<b>36.37</b>

- c) Details of related party transactions as per Accounting Standard (AS)18, Related Party Disclosures – Nil (Previous year Nil).
- d) Movements in the provision during the year as per AS-29 shown separately at Note no. 20 above.
- e) During the year ended 31.03.2016, an amount of ₹ 192.90 crore (Previous year ₹ 50.75 crore) has been disbursed against CSR activities.



22. During the year ended 31.03.2016, following modifications in Part – B Significant Accounting Policies have been made:

Sl. No.	Significant Accounting Policy		Modifications
	No.	Title	
1.	2.1.1	Recognition of Income	Modified in line with amendments made in accounting policy number 7.
2.	2.5	Income from dividend	Modified to bring in more clarity.
3.	4.1, 4.2 and 4.4	Tangible assets / Depreciation	Term “Fixed assets” replaced with “Tangible assets” to align with the assets dealt under the policy i.e. Tangible Assets.
4.	4.3	Tangible assets / Depreciation	Augmented to disclose the assets where different useful life of assets from those specified in the Act are being used.
5.	5.1	Intangible assets	Augmented to disclose useful life of assets estimated by the Company.
6.	7	Asset Classification and Provisions	The policy related to applicable Asset classification and provisioning requirement has been suitably reworded. Accordingly, heading “Provisions / write off against Loans and Advances” has also been suitably modified.
7.	8	Foreign Currency Transactions	Heading “Foreign Exchange Transactions” has been substituted with “Foreign Currency Transactions” to bring in clarity.
8.	10	Accounting of Govt Schemes	Para 10.2 deleted to remove redundancy.
9.	13.1 and 13.2	Employee Benefits	The word “(Revised)” suffixed to sub-paras has been deleted to remove the redundancy.

There is no financial impact on account of above.

23. A. Depreciation on assets is provided over the useful lives of assets as prescribed in Schedule II to the Companies Act, 2013 or over the shorter useful life as estimated by the Company. Details are given 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. <sup>(1)</sup>	3	5%
3.	Office and other Equipment <sup>(1)</sup>	5	5%
3A	Cell Phone <sup>(2)</sup>	2	5%
4.	Furniture & Fixture <sup>(1)</sup>	10	5%
5.	Vehicle (Car )	8	5%
6.	Intangible Assets	5	0%
7.	ESCO Projects <sup>(3)</sup>	Project Period	-
8.	Leasehold improvements <sup>(3)</sup>	Lease Period	-

<sup>(1)</sup>Useful life taken by the Company and PFCGEL (one of Company's Subsidiary).

<sup>(2)</sup>Useful life has been taken by the Company, PFCGEL and EESL (one of Company's Joint Venture).

<sup>(3)</sup>As disclosed by EESL.

All assets as mentioned above are depreciated using written down value method, while Intangible Assets are amortised using straight-line method. Further, useful life for all the items is in line with Schedule II of the Companies Act, 2013 other than for Intangible Assets and Cell Phone which is as per Company's own estimate.

B. EESL, one of the JVs 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 31.03.2016, proportion of net block of fixed assets pertaining to EESL where different accounting policy is applied, is 73.66% of the consolidated net block of fixed assets (36.36% as on 31.03.2015).

24. The Company, its subsidiaries and Joint ventures (except one of the subsidiary, PFC Consulting Limited) where principal amount due is ₹ 0.001 crore (as on 31.03.2015 ₹ 0.02 crore) have no outstanding liability towards Micro, Small and Medium enterprises.
25. Leasehold land is not amortized, as it is a perpetual lease.
26. The Company got registered with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) in April, 2012 for filing and registering the records of equitable mortgages created in its favour, in the web portal of CERSAI. On facing practical difficulties, the Company has since then continuously taken up the matter with CERSAI and RBI.

The Company vide letter dated 24.12.2014 has also requested Department of Financial Services to exempt the Company from reporting of equitable mortgage transactions contemplated under Section 23 of SARFAESI Act, 2002. The Company vide letter dated 05.01.2015 has also sought RBI's intervention in the matter. Meanwhile, the Company vide letter dated 15.03.2016 has again requested CERSAI to remove the practical difficulties in entering data in the web portal of CERSAI. The response is still awaited.

27. As required under Section 205C of the Companies Act, 1956, ₹ 0.21 crore, (Previous Year ₹ 0.21 crore), became due and was transferred to the Investor Education and Protection Fund (IEPF) during the year ended 31.03.2016. However, an amount of ₹ 0.56 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.
28. During the year, the Company has sent letters seeking confirmation of balances as at 31.12.2015 to the borrowers. Confirmation from all the borrowers has been received except some borrowers.
29. Status of net deferred tax assets / liabilities as per Accounting Standard 22 "Accounting for Taxes on Income" is given below :

(₹ in crore)

Description	As at 31.03.2016	As at 31.03.2015
<b>(A) Deferred Tax Asset (+)</b>		
(i) Provision for expenses not deductible under Income Tax Act	18.84	11.34
(ii) Preliminary expenses	0.16	0.31
(iii) Employee related Provisions	0.13	0.65
<b>(B) Deferred Tax Liabilities (-)</b>		
(i) Depreciation	(0.83)	(0.32)
(ii) Lease income	(68.73)	(72.19)
(iii) Amortization	(0.47)	(0.60)
(iv) Unamortized Exchange Loss (Net)	(251.08)	(127.46)
<b>Net Deferred Tax liabilities (-)/Assets (+)</b>	<b>(301.96)</b>	<b>(188.27)</b>

30. In compliance with Accounting Standard – 20 on Earning Per Share, the calculation of Earning Per Share (basic and diluted) is given below:

Description	During year ended 31.03.2016	During year ended 31.03.2015
Net Profit after tax used as numerator (₹ in crore)	6,184.00	6,004.40
Weighted average number of equity shares used as denominator (basic)	132,00,40,704	132,00,40,704
Diluted effect of outstanding Stock Options	-	153
Weighted average number of equity shares used as denominator (diluted)	132,00,40,704	132,00,40,857
Earning per equity share, face value ₹ 10 each(basic) (₹)	46.85	45.49
Effect of outstanding Stock Options (₹)	-	-
Earning per equity share, face value ₹ 10 each (diluted) (₹)	46.85	45.49

31. A) The status of dividend paid and proposed on equity shares of face value of ₹ 10 each, for the year ended 31.03.2016 is as under:

Particulars	Year ended 31.03.2016			Year ended 31.03.2015		
	% of share capital	Per equity share (₹)	Amount (₹ in crore)	% of share capital	Per equity share (₹)	Amount (₹ in crore)
First Interim dividend	88% <sup>(1)</sup>	8.80	1,161.64	85%	8.50	1,122.04
Second Interim dividend	45% <sup>(2)</sup>	4.50	594.02	-	-	-
Proposed Final Dividend	6%	0.60	79.20	6%	0.60	79.20
<b>Total Dividend</b>	<b>139%</b>	<b>13.90</b>	<b>1,834.86</b>	<b>91%</b>	<b>9.10</b>	<b>1,201.24</b>

<sup>(1)</sup>Declared by Board of Directors in their 341<sup>st</sup> meeting held on 16.12.2015 and paid on 04.01.2016.

<sup>(2)</sup>Declared by Board of Directors in their 343<sup>rd</sup> meeting held on 09.02.2016 and paid on 24.02.2016.

- (B) Dividend payable to Non-Resident Shareholders

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. Particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are given below:

Description	First Interim Dividend		Second Interim Dividend		Final Dividend	
Year to which the dividend relates	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Number of non-resident shareholders	2,075	2,343	2,220	NA	NA	2,521
Number of shares held by them of Face Value of ₹ 10 each	12,23,179	15,39,39,090	14,88,557	NA	NA	17,61,95,776
Gross amount of Dividend (₹ in crore)	1.07	0.61	0.67	NA	NA	0.05

32. Other key financial parameters:

Description	As at 31.03.2016	As at 31.03.2015
Debt Equity Ratio	5.57	5.79
Net worth (₹ in crore)	36,028.30	32,411.35

33. Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of the Company including one of its subsidiaries (PFCGEL) are given below:

Items	As at 31.03.2016	As at 31.03.2015
(i) Capital Fund - a. Tier I (₹ in crore) - b. Tier II (₹ in crore)	33,569.76 6,225.97	30,429.15 6,011.30
(ii) Risk weighted assets along-with adjusted value of off balance sheet items (₹ in crore)	194,945.24	177,656.78
(iii) CRAR	20.41%	20.51%
(iv) CRAR – Tier I Capital	17.22%	17.13%
(v) CRAR – Tier II Capital	3.19%	3.38%
	<b>During the year ended 31.03.2016</b>	<b>During the year ended 31.03.2015</b>
(vi) Amount of subordinated debt raised as Tier-II capital (₹ in crore)	-	-
(vii) Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

34. In the opinion of the management the value of current assets, loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at March 31, 2016.

35. The value of invoices raised pursuant to execution of contract agreement/ issue of letter of award in respect of which no income has been recognised as per accounting policy of the Company and also no amount has been received from client i.e. unaccrued income (liability) amounting to ₹ 3.31 crore (previous year ₹ 4.09 crore) has been set-off from amount Receivable from clients (asset) amounting to ₹ 3.63 crore (previous year ₹ 4.50 crore respectively).

36. The Disclosure requirement in respect of subsidiary companies and joint venture has been disclosed to the extent available from their audited accounts except from unaudited accounts of one of Company's JVs (EESL).

37. **Additional disclosures in accordance with RBI directions on Corporate Governance**

**(A) Reference may be made to Note Part - B for Significant Accounting Policies.**

**(B) Capital**

Reference may be made to Note Part C - 33 for CRAR.

**(C) Investments**

(₹ in crore)

Sl. No.	Description	As at 31.03.2016	As at 31.03.2015
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	2,774.79	852.38

	(b)	Outside India	-	-
(ii)		Provisions for Depreciation		
	(a)	In India	97.32	1.06
	(b)	Outside India	-	-
(iii)		Net Value of Investments		
	(a)	In India	2,677.47	851.32
	(b)	Outside India.	-	-
(2)		Movement of provisions held towards depreciation on investments		
	(i)	Opening balance	1.06	0.00
	(ii)	Add : Provisions made during the year	96.26	1.06
	(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
	(iv)	Closing balance	97.32	1.06

## (D) Derivatives

### I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Description	As at 31.03.2016	As at 31.03.2015
(i)	Notional principal of swap agreements	7,164.60	9,541.10
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	121.72	74.47
(iii)	Collateral required by NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from swaps	-	-
(v)	Fair value of swap book	121.72	42.13

### II. Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

### III. Qualitative disclosures on Risk Exposure in Derivatives:

- Company has put in place Currency Risk Management (CRM) policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes structure and organization for management of associated risks.
- Company enters into derivatives viz. Principal only Swaps, Interest Rate Swaps and Forward Contracts for hedging the interest / exchange rate risk in Rupee and foreign currency liabilities. As per the CRM Policy, a system for reporting and monitoring of risks is in place; wherein Risk Management Committee consisting of senior executives monitors the foreign currency exchange rate and interest rate risks managed through various derivative instruments.
- These derivative transactions are done for hedging purpose and not for trading or speculative purpose. These are accounted for on accrual basis and are not marked to market as per accounting policy. The mark to market positions mentioned are those as informed by the counterparties.
- 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.	Particulars	As at 31.03.2016		As at 31.03.2015	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging <sup>(1)</sup>	939.65	7,164.60	1,595.42	9,541.10
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	6.54	125.42	12.86	86.05
	b) Liability (-MTM)	181.39	3.70	294.66	43.92
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures <sup>(2)</sup>	10,070.22	8,587.86	8,514.73	6,292.68

<sup>(1)</sup> Interest rate derivatives include derivatives on Rupee liabilities of ₹ 7,164.60 crore (Previous year ₹ 7,964.60 crore).

<sup>(2)</sup> Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/JPY) for ₹ 701.09 crore (Previous year ₹ 1,008.96 crore).

(E) **Disclosures related to Securitisation**

- I. Company has not entered into any securitization transaction during the year and there is no exposure on account of securitisation as at 31.03.2016 (Previous year Nil).
- II. Company has not sold any financial assets to Securitisation / Reconstruction Company for asset construction during the year ended 31.03.2016 (Previous Year Nil).
- III. Company has not undertaken any assignment transaction during the year ended 31.03.2016 (Previous Year Nil).
- IV. Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2016 (Previous Year Nil)

(F) **Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:**

(₹ In crore)

Description	Up to 30 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances <sup>(1)</sup>	3,126.76	396.04	1,069.45	20,869.00	8,603.18	36,454.82	41,309.40	127,148.85	<b>238,977.50</b>
Investments <sup>(2)</sup>	-	-	-	-	410.74	-	-	2,266.73	<b>2,677.47</b>
Borrowings <sup>(3)</sup>	9,366.68	9,350.00	3,393.00	4,818.60	7,289.41	55,701.03	36,312.50	63,859.11	<b>190,090.33</b>
Foreign Currency assets	5.14	-	-	12.23	17.37	5.14	144.41	115.31	<b>299.60</b>
Foreign Currency liabilities	4.78	-	5.56	420.24	1,647.69	1,243.22	4,581.83	2,872.27	<b>10,775.59</b>

<sup>(1)</sup>Rupee Loan Assets

<sup>(2)</sup>Net of provision

<sup>(3)</sup>Rupee Liabilities

(G) **Exposures**

- I. Company does not have any exposure to real estate sector.
- II. Exposure to Capital Market:

(₹ In crore)

Sl. No.	Description	Amount as at 31.03.2016	Amount as at 31.03.2015
(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);	869.64	844.70
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	1,076.71
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances (excluding loans where security creation is under process);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	1,744.13	2,097.82
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	6.15	7.68
<b>Total Exposure to Capital Market</b>		<b>2,619.92</b>	<b>4,026.91</b>

- III. Details of financing of parent company products:

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 2015-16 and FY 2014-15.

- 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 31.03.2016 (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 31.03.2016, no penalty has been imposed on the Company by RBI and other regulators (Previous Year Nil). However, the Company has received communication from NSE and BSE imposing penalty for non-appointment of a Woman Director on the Board of Directors, for which the Company has requested the stock exchanges to withdraw the same, considering that the Directors on the Board of the Company are appointed by Gol.

- (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 31.03.2016:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable
3.	Moody's	Baa3	Positive (Outlook revised from Stable to Positive in April 2015)

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

Reference may be made to Part A-18 and C-22 of notes to accounts regarding prior period items and changes in accounting policies respectively.

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

Nil.

(M) Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21 and 27. Reference may be made to Part C – 7 (A) of standalone notes to accounts in this regard.

**(N) Provisions and Contingencies**

Reference may be made to Note Part –C 20 for provisions and contingencies.

**(O) Draw Down from Reserves**

Nil. (Previous year refer note Part A-2)

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

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

b. Concentration of Advances:

(₹ in crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Advances to 20 largest borrowers	149,982.23	134,557.86
Percentage of Advances to 20 largest borrowers to Total Advances of the Company	62.53%	61.75%



c. Concentration of Exposures:

(₹ in crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Exposure to twenty largest borrowers/ customers	2,12,005.09	2,02,894.98
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	56.47%	55.86%

d. Concentration of NPAs:

(₹ in crore)

Description	As at 31.03.2016	As at 31.03.2015
Total Outstanding to top four NPA accounts	4,461.48	2,228.64

e. Sector-wise NPAs

Company is a Government Company engaged in extending financial assistance to power sector. As at 31.03.2016, the percentage of Gross NPAs to total loan assets stands at 3.15% (Previous year 1.16%).

(Q) **Movement of NPAs in respect of Loan Assets**

(₹ in crore)

Sl. No.	Description	Year ended 31.03.2016	Year ended 31.03.2015
(i)	Net NPAs to Net Advances (%)	2.54	0.92
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	2,533.31	1,331.54
	(b) Additions during the year	8,385.58	2,548.77
	(c) Reductions during the year	(3,399.85)*	(1,347.00)
	(d) Closing balance	7,519.04	2,533.31
(iii)	Movement of Net NPAs		
	(a) Opening balance	2,008.96	1,068.48
	(b) Additions during the year	7,111.93	2,265.41
	(c) Reductions during the year	(3,059.87)*	(1,324.93)
	(d) Closing balance	6,061.02	2,008.96
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	524.35	263.06
	(b) Provisions made during the year	1,273.66	283.36
	(c) Write-off / write-back of excess provisions	(339.99)*	(22.07)
	(d) Closing balance	1,458.02	524.35

\*Reference may be made to Note Part –C 18.

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

(S) Reference may be made to Part C-7(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.

(T) **Customer Complaints for FY 2015-16**

Sl. No.	Description	Number of complaints
(a)	No. of complaints pending at the beginning of the year	Nil
(b)	No. of complaints received during the year	Nil
(c)	No. of complaints redressed during the year	Nil
(d)	No. of complaints pending at the end of the year	Nil

38. 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.
39. Figures have been rounded off to the nearest crore of rupees with two decimals.
40. Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.

For and on behalf of the Board of Directors

**Sd\-**  
**(MANOHAR BALWANI)**  
Company Secretary

**Sd\-**  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892

**Sd\-**  
**M.K. GOEL**  
Chairman & Managing Director  
DIN - 00239813

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

**Place : New Delhi**  
**Date : 25.05.2016**

**Sd\-**  
**(ATUL AGGARWAL)**  
PARTNER  
Membership No - 099374

**Sd\-**  
**(SANJEEV CHANDNA)**  
PARTNER  
Membership No - 087354

**POWER FINANCE CORPORATION LIMITED**  
**CIN L65910DL1986GOI024862**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

( ₹ in crore)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>I. Cash Flow from Operating Activities :-</b>		
<b>Net Profit before Tax and Extraordinary items</b>	<b>9,167.10</b>	<b>8,445.87</b>
<b>ADD: Adjustments for</b>		
Loss on Sale of Fixed Assets (net)	0.14	(0.03)
Profit on sale of Investments	(0.49)	(1.31)
Depreciation / Amortization	20.08	7.93
Amortization of Zero Coupon Bonds & Commercial Papers	(11.55)	47.50
Foreign Exchange Translation Loss	306.16	222.64
Provision for decline in value of investments	96.26	1.06
Provisions	1,610.17	843.07
Dividend / Interest on investment	(70.66)	(31.46)
CSR Expenses	145.79	117.49
Interest Subsidy Fund	(3.88)	(12.52)
Provision for interest under IT Act	0.00	4.32
Excess Liabilities written back	(0.30)	(2.45)
Provision for Retirement Benefits/Other Welfare Expenses/Wage revision	20.97	21.99
Interest Received	(15.43)	(14.26)
Interest Paid	3.58	0.12
Deferred Rent expenses	0.05	0.00
<b>Operating profit before working Capital Changes:</b>	<b>11,267.99</b>	<b>9,649.96</b>
<b>Increase / Decrease :</b>		
Loans Assets (Net)	(21,508.66)	(28,634.77)
Other Assets	(615.07)	(706.77)
Foreign Currency Monetary Item Translation Difference A/c	(359.18)	328.65
Liabilities and provisions	972.04	377.16
<b>Cash flow before extraordinary items</b>	<b>(10,242.88)</b>	<b>(18,985.77)</b>
Extraordinary items	0.00	0.00
<b>Cash Inflow/Outflow from operations before Tax</b>	<b>(10,242.88)</b>	<b>(18,985.77)</b>
Income Tax paid	(3,092.64)	(2,475.24)
Income Tax Refund	<u>37.82</u>	<u>5.74</u>
<b>Net Cash flow from Operating Activities</b>	<b>(13,297.70)</b>	<b>(21,455.27)</b>
<b>II. Cash Flow From Investing Activities :</b>		
Sale / adjustment of Tangible / Intangible Assets	0.15	0.19
Purchase of Tangible / Intangible Assets	(111.46)	(40.90)
Increase / decrease in Intangible assets under development & CWIP	(44.23)	(1.60)
Investments in Subsidiaries	(0.33)	(0.20)
Interest Received	15.38	14.25
Dividend on investments	70.66	31.46
Purchase / Sale of Other Investments	(1,900.34)	(493.80)
Capital advances	<u>(3.13)</u>	<u>0.00</u>
<b>Net Cash Used in Investing Activities</b>	<b>(1,973.30)</b>	<b>(490.60)</b>

**III. Cash Flow From Financing Activities :**

Issue of Equity Shares	21.59	0.00
Share Application Money	0.00	0.00
Issue of Bonds (including premium) (Net)	11,711.11	32,857.60
Raising of Long Term Loans (Net)	(3,434.58)	(7,863.06)
Foreign Currency Loans (Net)	732.75	566.33
Interest Paid	(3.58)	(0.12)
Commercial paper (Net)	3,195.00	805.00
Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)	368.62	1,928.17
Unclaimed Bonds (Net)	(0.13)	(0.57)
Unclaimed Dividend (Net)	0.40	(0.13)
Payment of Final Dividend of Previous year	(79.20)	(26.40)
Payment of Interim Dividend of Current year	(1,755.66)	(1,122.04)
Payment of Corporate Dividend Tax	(372.86)	(228.59)

**Net Cash in-flow from Financing Activities**

**10,383.46**

**26,916.19**

**Net Increase / Decrease in Cash & Cash Equivalents**

**(4,887.54)**

**4,970.32**

Add : Cash & Cash Equivalents at beginning of the financial year

5,033.20

62.88

**Cash & Cash Equivalents at the end of the year #**

**145.65**

**5,033.20**

**Details of Cash & Cash Equivalents at the end of the year:**

**i) Balances in current accounts with:**

a) Reserve Bank of India	0.05	0.05	
b) Scheduled Banks	141.87	141.92	138.25

**ii) Cheques in hand**

0.00 0.01

**iii) Imprest with postal authority**

0.00 0.00

**iv) Fixed Deposits with Scheduled Banks (original maturity up to three months)**

3.73 4894.89

**Sub Total (I)**

**145.65**

**5033.20**

**Details of Earmarked Cash and Bank Balances at the end of the year:**

**i) Earmarked Balances :**

**a** Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.

6.41 1.36

**b** IPDS / R-APDRP

Balances in current account with schedule banks 13.01 5.00

Fixed Deposits with Banks (original maturity up to 3 months) 0.00 45.00

**ii) Fixed Deposits with Banks - for Redemption of Debentures (original maturity up to 3 months)**

30.97 50.39 0.00 51.36

**iii) Fixed Deposits with Scheduled Banks (original maturity more than three months but up to twelve months)**

105.51 282.80

**Sub Total (II)**

**155.90**

**334.16**

**Total Cash and Bank Balance at the end of the year. (I+II)**

**301.55**

**5367.36**

# Includes ₹ 113.81 crore (Previous year ₹ 11.03 crore) share of Jointly Controlled Entity.

For and on behalf of the Board of Directors

**Sd/-**  
**(MANOHAR BALWANI)**  
Company Secretary

**Sd/-**  
**R.NAGARAJAN**  
Director (Finance)  
DIN - 00701892

**Sd/-**  
**M.K. GOEL**  
Chairman & Managing Director  
DIN - 00239813

Signed in terms of our report of even date attached

For M.K. Aggarwal & Co.  
Chartered Accountants  
Firm Regn. No - 01411N

For K.B.Chandna & Co.  
Chartered Accountants  
Firm Regn. No.: 00862N

**Place : New Delhi**  
**Date : 25.05.2016**

**Sd/-**  
**(ATUL AGGARWAL)**  
PARTNER  
Membership No - 099374

**Sd/-**  
**(SANJEEV CHANDNA)**  
PARTNER  
Membership No - 087354

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER FINANCE CORPORATION LIMITED

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **Power Finance Corporation Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the holding company and its subsidiary together referred to as "the Group") and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31 March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group and its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of its Jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and of its jointly controlled entities for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### AUDITOR'S RESPONSIBILITY

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group and jointly controlled entities as at 31<sup>st</sup> March, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

## **EMPHASIS OF MATTER**

We draw attention to the following matters in the consolidated notes to the financial statements:

- (a) Note no. 13 (C) of Part-C 'Consolidated Other Notes on Accounts' regarding realignment of provisions made on standard assets as per RBI norms for the period 31.03.2016.
- (b) Note No. 15 of Part-C 'Consolidated Other Notes on Accounts', regarding prudential norms as stipulated by Reserve Bank of India with respect to Restructuring / Reschedulement/ Renegotiation (R/R/R) and realignment of provisions made on restructured standard assets as per RBI norms for the period 31.03.2016.

Our opinion is not modified in respect of above matters.

## **OTHER MATTERS**

- (a) We did not audit the financial statements of four subsidiaries and one jointly controlled entity, whose financial information reflect total assets of ₹566.32 crore as at 31<sup>st</sup> March, 2016, total revenues of ₹116.18 crore and net cash flows amounting to ₹-0.07 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity is based solely on the reports of the other auditors.
- (b) We have also considered the Unaudited Financial Statements of one jointly controlled entity whose financial information reflect total assets of ₹476.50 crore as at 31<sup>st</sup> March, 2016, total revenues of ₹205.87 crore and net cash flows amounting to ₹61.90 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors/management.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors/management of its subsidiary companies and jointly controlled entities incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group & its jointly controlled entities and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities - Refer Note No. 3 (B) & note no. 4 of Part-C 'Consolidated Other Notes on Accounts' to the consolidated financial statements;
  - ii. There are no long-term contracts including derivative contracts existing as on the date of balance sheet for which provision is required to be made under the applicable law or accounting standards for any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entities incorporated in India.

**FOR M.K. AGGARWAL & CO.**  
Chartered Accountants  
Firm's Registration No.: 01411N  
by the hand of

**Sd/-**  
**CA ATUL AGGARWAL**  
Partner  
Membership No. 099374

**Date: 25.05.2016**  
**Place: New Delhi**

**FOR K. B. CHANDNA & CO.**  
Chartered Accountants  
Firm Registration No.: 00862N  
by the hand of

**Sd/-**  
**CA SANJEEV CHANDNA**  
Partner  
Membership No. 087354

## **Annexure - A to the Independent Auditors' Report on the Consolidated Financial Statements**

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

In conjunction with our audit of the consolidated financial statements of Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of **Power Finance Corporation Limited** (hereinafter referred to as "the Holding Company"), its subsidiary companies and jointly controlled entities, which are companies incorporated in India, as of that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITORS' RESPONSIBILITY**

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

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## OPINION

In our opinion, Holding Company, its subsidiary companies and jointly controlled entities, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India and in respect of two jointly controlled entities, we have relied on the explanation provided by the management of holding company in absence of IFC reports of such entities. In our opinion, the same is not considered material for the consolidated financial statement of the group and its jointly controlled entities.

### FOR M.K. AGGARWAL & CO.

*Chartered Accountants*

Firm's Registration No.: 01411N

*by the hand of*

**Sd/-**

**CA ATUL AGGARWAL**

*Partner*

Membership No.099374

### FOR K. B. CHANDNA & CO.

*Chartered Accountants*

Firm Registration No.: 00862N

*by the hand of*

**Sd/-**

**CA SANJEEV CHANDNA**

*Partner*

Membership No.087354

**Date: 25.05.2016**

**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 2016 AND MANAGEMENT REPLIES THEREON**

Comment	Management Reply
<p>The preparation of consolidated financial statements of Power Finance Corporation Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory 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 2016.</p> <p>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 2016. 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 subsidiaries, associate companies and jointly controlled entities listed in Annexure for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.</p> <p>Based on my supplementary audit, I would like to highlight the following significant matter under Section 143(6)(b) read with Section 129(4) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related audit report:</p>	
<p><b>I. General Consolidated Other Notes on Accounts (Part – C) – Note 18</b></p>	

<p>The above note discloses the fact that the Company considered a 'restructured sub-standard asset' as 'restructured standard asset' as per orders of Hon'ble High Court of Madras and as a result, provision amounting to ₹339.99 crore made during the year 2015-16 has been reversed. However, the note does not disclose the financial impact on account of deviation from the declared accounting policy in respect of the said loan account, which includes the following:</p> <p>(i) Had the asset been treated as 'restructured sub-standard, interest income amounting to ₹328.78 crore (i.e., interest not received in cash of ₹201.26 crore and interest accrued but not due of ₹127.52 crore) would not have been recognised during the year; and</p> <p>(ii) Had the asset been treated as 'restructured sub-standard in terms of accounting policy for asset classification and provisions adopted by the Company, a provision of ₹276.37 crore would have been necessitated in addition to the provision of ₹148.82 crore made in the accounts treating the loan asset as 'restructured standard'.</p>	<p>The Company has classified the loan as a standard asset subsequent to the order of the Hon'ble High Court followed by legal opinions obtained by the Company.</p> <p>The Company's accounting of interest of ₹328.78 crore on accrual basis is in accordance with the applicable prudential norms related to income recognition on standard assets. Norm of recognition of interest income on cash basis applies to a Non- Performing Asset (NPA), whereas the loan account under reference was a standard asset as on 31.03.2016. Hence, the Company's accounting of interest of ₹328.78 crore on accrual basis is in accordance with the consolidated significant accounting policy no. C-2.1 of the Company.</p> <p>The Company's accounting of provisioning @ 3.5% amounting to ₹148.82 crore, based on asset classification as restructured standard asset, is in accordance with the consolidated significant accounting policy no. C-7.3.2(b) of the Company. Norm of provision @ 10% applies to a sub-standard asset. The loan asset under reference being a standard asset in the restructured category, provisioning @ 10% is not applicable and thus, additional provision of ₹276.37 crore (based on 10% minus 3.5%) is not necessitated.</p> <p>Thus, the Company has recognized the income and made the provisioning in accordance with the declared consolidated significant accounting policies and hence, no deviation has been made.</p> <p>There being no deviation of any declared accounting policy, any consequential financial impact requiring disclosure also does not arise. Therefore, the income recognition, provisioning and disclosure are in order.</p>
<p><b>For and on behalf of the Comptroller and Auditor General of India</b></p> <p><b>Sd/- (Ritika Bhatia)</b></p> <p><b>Principal Director of Commercial Audit &amp; Ex-officio Member, Audit Board – III,</b></p> <p><b>Place: New Delhi Dated : July 26, 2016</b></p>	<p><b>For and on behalf of the Board of Directors</b></p> <p><b>Sd/- (Sh. M.K. Goel)</b></p> <p><b>Chairman and Managing Director Power Finance Corporation Limited</b></p> <p><b>Place: New Delhi Dated : July 26, 2016</b></p>

**ANNEXURE**

**List of Subsidiaries, Associate Companies and Jointly Controlled Entities whose financial statements are not audited by the Comptroller and Auditor General of India**

**A. Subsidiaries incorporated in India:**

1. PFC Consulting Limited
2. PFC Green Energy Limited
3. PFC Capital Advisory Services Limited
4. Power Equity Capital Advisors Private Limited

**B. Joint Ventures incorporated in India:**

1. National Power Exchange Limited
2. Energy Efficiency Services Limited



**POWER FINANCE CORPORATION LIMITED**  
**CIN: 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 **30<sup>th</sup> Annual General Meeting** of the Company being held on Friday, the August 19, 2016 at 11:00 AM at Weightlifting Auditorium, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-110003

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.





**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 30<sup>th</sup> Annual General Meeting of the Company being held on Friday, the August 19, 2016 at 11:00 AM at Weightlifting Auditorium, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

SL. No.	Resolution	For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the audited financial statements including consolidated financial statements of the Company for the financial year ended March 31, 2016, the Reports of the Board of Directors and Auditors thereon.		
2.	To confirm interim dividends and declare final dividend for the financial year 2015-16.		
3.	To appoint a Director in place of Shri R. Nagarajan (DIN:00701892), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To fix the remuneration of the Statutory Auditors		
<b>Special Business</b>			
5.	To appoint Shri D. Ravi (DIN: 00038452), as Director of the Company		
6.	Modification in existing borrowing limit approved under section 180(1)(c) of Companies Act, 2013		
7.	Raise funds upto ₹55,000 crore through issue of bonds/Debentures/notes/debt securities on Private Placement basis		
8.	To increase the Authorised Share Capital to ₹10,000 crore (Rupees Ten Thousand crores only) and to alter the Memorandum of Association of the Company		
9.	To approve issuance of Bonus Shares by capitalizing the 'Securities Premium Account'		

Signed this..... day of..... 20.....

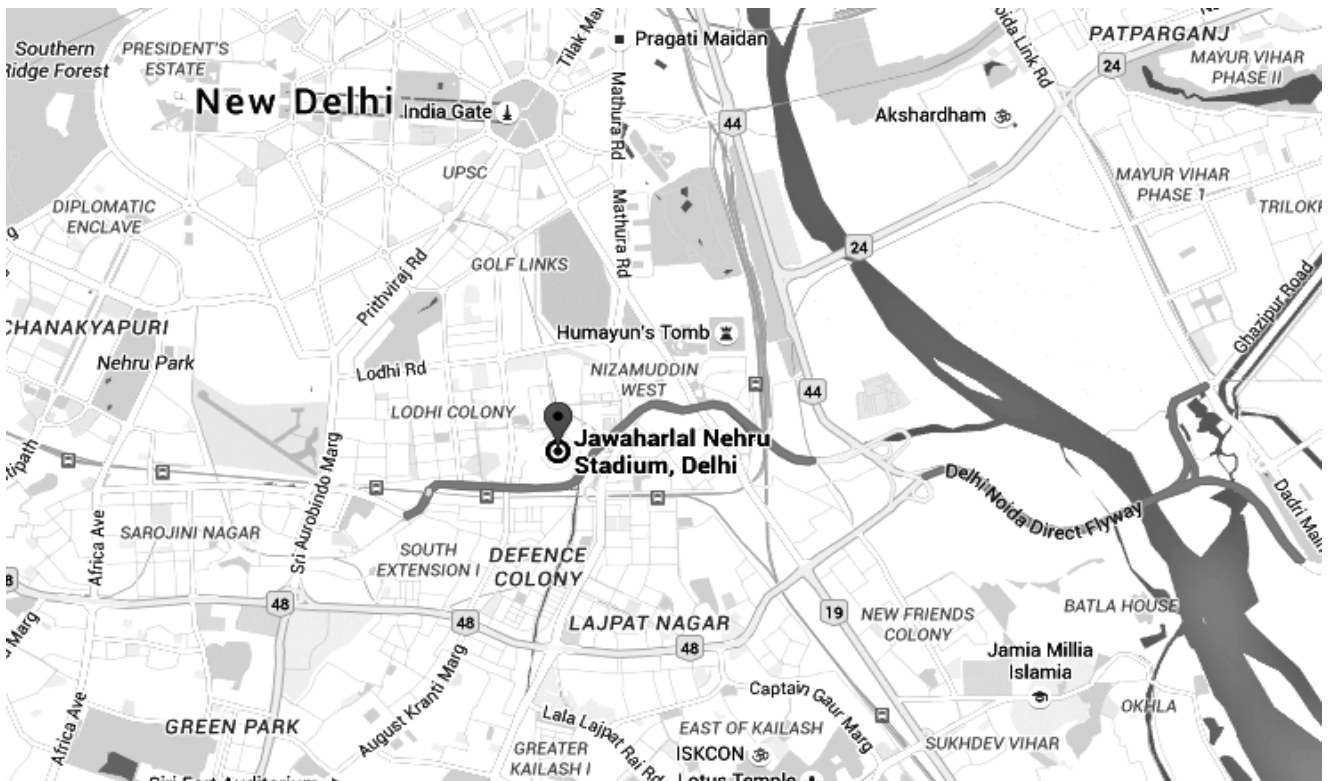
Signature of shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_ (Affix Revenue Stamp of appropriate value)

**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.

**The Route Map for**  
**Weightlifting Auditorium, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-110003**





## NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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**Regd. Office :** "Urjanidhi", 1, Barakhamba Lane,  
Connaught Place, New Delhi-110001, Phones : 23456000 Fax : 011-23412545