FORM A

1.	Name of the Company	Power Finance Corporation Limited
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	**Matter of Emphasis** The Statutory Auditors of the Company have audited the financial statements for the FY 2014-15 and have issued audit report without any qualification. However, they have drawn attention in their audit report as given below:- "We draw attention to the following in the notes to the financial statements: Note no.18 of Note Part-C of other notes to accounts, regarding application of Prudential Norms stipulated by Reserve Bank of India in respect of Restructuring/Reschedulement/Renegotiation (R/R/R) for the financial year 2014-15 for reasons indicated therein." The note no. 18 of Note Part-C of other notes to accounts as being referred in the matter of emphasis is as given below:- "The Company being a Government owned Non-Banking Financial Company is exempt from the RBI directions relating to Prudential Norms. 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. Further, RBI vide its letter dated 03.04.2014 has allowed exemption from credit concentration norms in respect of exposure to Central/State Government entities till 31.03.2016. The Company follows its own prudential norms approved by the Ministry of Power (MoP), Govt. of India (GoI) (including revisions approved by BoD in its meeting held on 09.03.2015 subject to the approval of MoP) which inter-alia includes norms for Restructuring/Reschedulement/ Renegotiation (R/R/R) of loans which allows (i) two times restructuring before COD, (ii) exemption to the loans having central/state government guarantee and loans to government department, and (iii) dispensation not to consider extension of repayment schedule without sacrifice as restructuring for government sector borrowers. For R/R/R norms, RBI has advised the Company to follow the instructions contained in RBI circular DNBS.CO.PD.No.367/03.10.01/2013-14 dated 23.01.2014, vide its letter dated 03.04.2014 inter-alia allowing maximum period of delay in DCCO for which a loan can be restructured. The matter regarding applicability of RBI's R/R/R norms was taken up with RBI. In this regard, RBI vide its letter dated 11.06.2014 has allowed exemption 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. Further, 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, the 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. The Company vide its letter dated 03.07.2014 has communicated the manner of its implementation to RBI, further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination. In view of the facts stated above, the Company does not fully apply R/R/R norms prescribed by RBI for NBFCs.

		Accordingly, the Accounting Policy related to Prudential Norms on R/R/R has been amended during the year ended 31.03.2015 which inter-alia requires provision @ 2.75% on restructured standard assets. Thus, during the year ended 31.03.2015 a provision has been made amounting to ₹564.44 crore, on qualifying loans. As on 31.03.2015, these loans comprise of private sector loan ₹20,524.91 crore and Govt. Sector loan Nil. Consequently, profit for the year ended 31.03.2015 has been reduced by ₹513.12 crore, after considering the existing provision on standard loan assets on these restructured loans.
4.	Frequency of observation	Appeared first time in FY 2014-15

Sd/-
(R. Nagarajan)
Director (Finance)
DIN No.:00701892

Sd/-
(J. N. Prasanna Kumar)
Audit Committee Chairman
DIN No.:00200233

Sd/-
(M K Goel)
Chairman & Managing Director
DIN No.:00239813

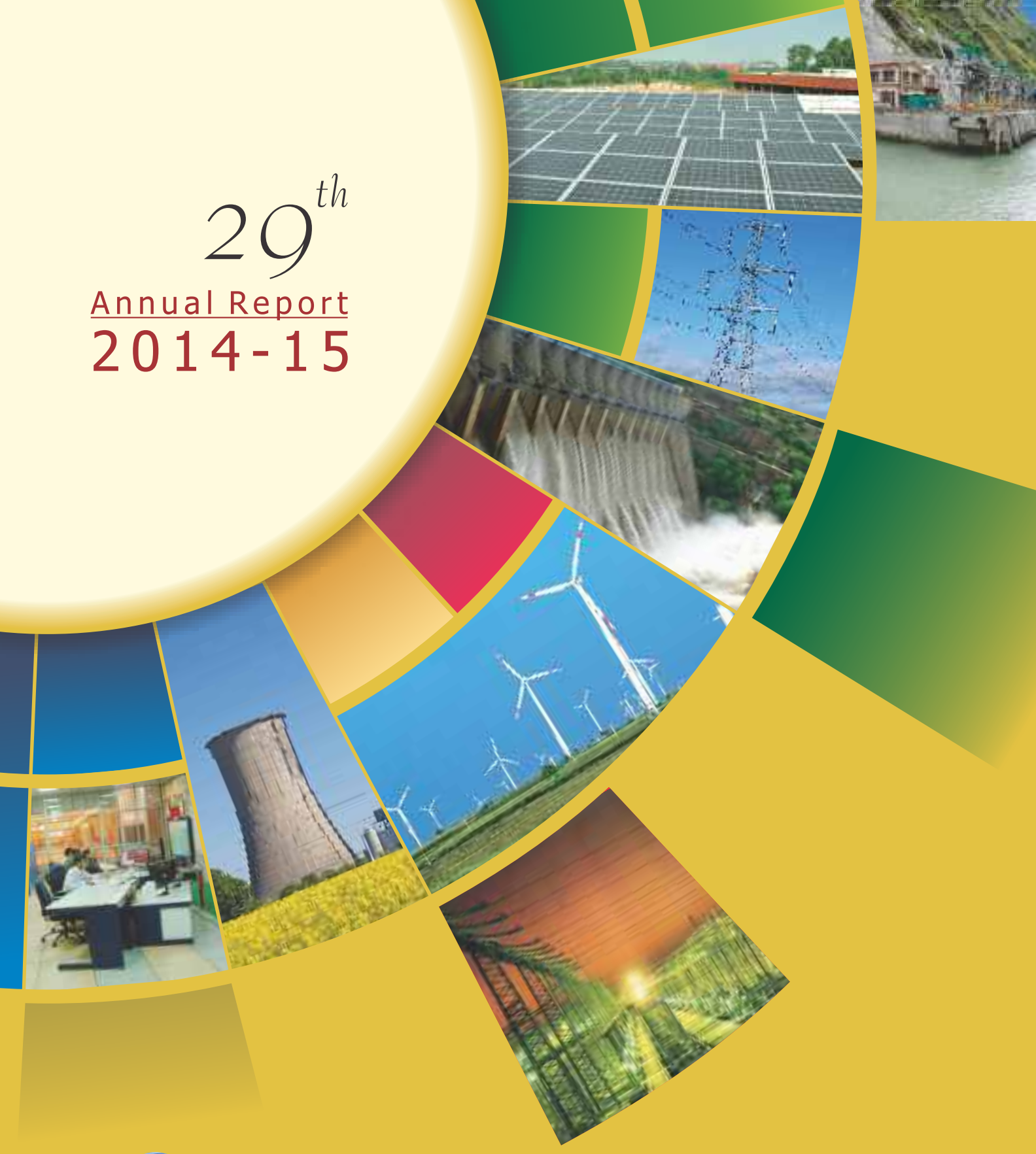
For N. K. Bhargava & Co.,
Chartered Accountants
Firm Regd. No. 000429N

Sd/-
(N. K. Bhargava)
Partner
Membership No. 080624

For K. B. Chandna & Co.,
Chartered Accountants
Firm Regd. No. 000862N

Sd/-
(V. K. Gureja)
Partner
Membership No.016521

29th Annual Report 2014-15



पी एफ सी
PFC

POWER FINANCE CORPORATION LTD.
(A Govt. of India Undertaking)

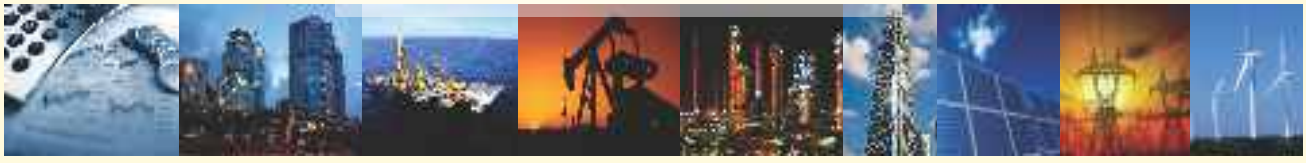
VISION

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.



Contents

Letter to Shareholders 6

Notice 12

Directors' Profile 18

Directors' Report 20

Management Discussion and Analysis Report 63

Report on Corporate Governance 66

Certificate on Corporate Governance 77

Business Responsibility Report 78

Secretarial Audit Report 89

Balance Sheet 96

Profit & Loss Account 97

Cash Flow Statement 153

Auditor's Report 155

Non Banking-Financial Companies Auditors Report 171

Comments of the C&AG 172

Consolidated Balance Sheet 173

Consolidated Profit & Loss Account 174

Consolidated Cash Flow Statement 232

Auditor's Report on the Consolidated Financial Statements 234

Comment of the C&AG on Consolidated Financial Statements 239

REFERENCE INFORMATION

Registered Office

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

Subsidiaries

PFC Consulting Limited

PFC Green Energy Limited

PFC Capital Advisory Services Limited

Power Equity Capital Advisors Private Limited

Chhattisgarh Surguja Power Ltd.
(previously known as Akaltara Power Ltd.)

Coastal Karnataka Power Limited

Coastal Maharashtra Mega Power Limited

Coastal Tamil Nadu Power Limited

Orissa Integrated Power Limited

Sakhigopal Integrated Power Company Limited

Ghogarpalli Integrated Power Company Limited

Tatiya Andhra Mega Power Limited

Deoghar Mega Power Limited

Cheyyur Infra Limited

Odisha Infrapower Limited

Deoghar Infra Limited

Bihar Infrapower Limited

Bihar Mega Power Limited

Tanda Transmission Company Limited*

Ballabhgarh-GN Transmission Company Limited*

Sipat Transmission Limited*

Raipur-Rajnandgaon-Warora Transmission Limited*

Mohindergarh-Bhiwani Transmission Limited*

Chhattisgarh-WR Transmission Limited*

South-Central East Delhi Power Transmission Limited*

Odisha Generation Phase – II Transmission Limited*

Warora-Kurnool 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 N. K. Bhargava & Co.,
Chartered Accountants

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

Registrar & Share Transfer Agent
Karvy Computershare Private Limited
Karvy Selenium Tower B,
Plot No. 31 & 32 Gachibowli
Financial District, Nanakramguda,
Hyderabad : 500 032
Tel.: +91 40 67162222
Fax: +91 40 23001153
Email: einward.ris@karvy.com
Website: 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	2010-11	2011-12	2012-13	2013-14	2014-15
I	**RESOURCES** (At the end of the Year) (₹in Crore)					
	Equity Capital	1148	1320	1320	1320	**1320**
	Interest Subsidy Fund from GoI	452	376	146	124	**111**
	Reserves and Surplus	14035	19388	22734	26055	**30899**
	Borrowings:					
	(i) Foreign Currency Loans (incl. Foreign Currency Notes)	4963	5590	8424	8926	**9731**
	(ii) Bonds	56137	83920	105334	126505	**159393**
	(iii) Long Term Rupee Loans	18208	16545	17005	22470	**14585**
	(iv) Short Term Rupee Loans	6291	4071	8820	1314	**4064**
II	**FINANCING OPERATIONS** (During the Year) (₹in Crore)					
	Loans and Grants Sanctioned	61532	59429	75147	60729	**60784**
	Loans and Grants Disbursed	31865	39818	45151	47162	**44691**
	Repayment by Borrowers to PFC	12119	9257	14929	18822	**16284**
	Repayment by PFC to Lenders	10394	14296	11304	22231	**34188**
III	**WORKING RESULTS** (For the Year) (₹in Crore)					
	Total Income	10161	13037	17273	21538	**24907**
	Total Expenses	6616	8933	11306	13979	**16529**
	Profit Before Tax	3544	4104	5967	7558	**8378**
	Tax Expense	925	1073	1547	2141	**2419**
	Profit After Tax	2620	3032	4420	5418	**5959**
IV	**NO. OF EMPLOYEES**	365	379	427	446	**450**

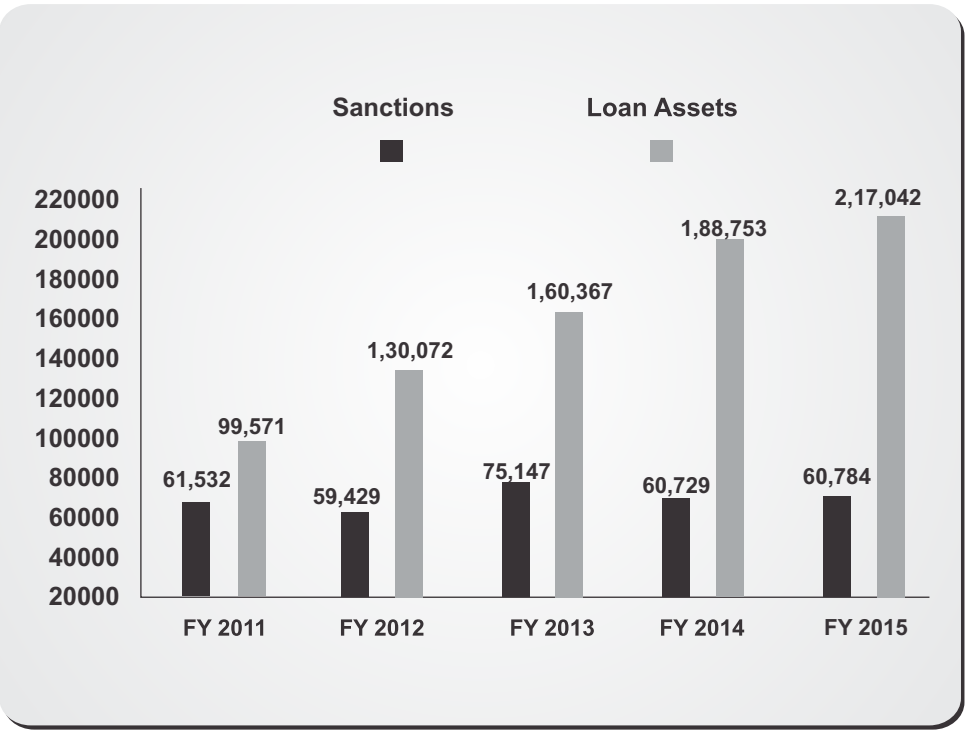
FINANCIAL HIGHLIGHTS

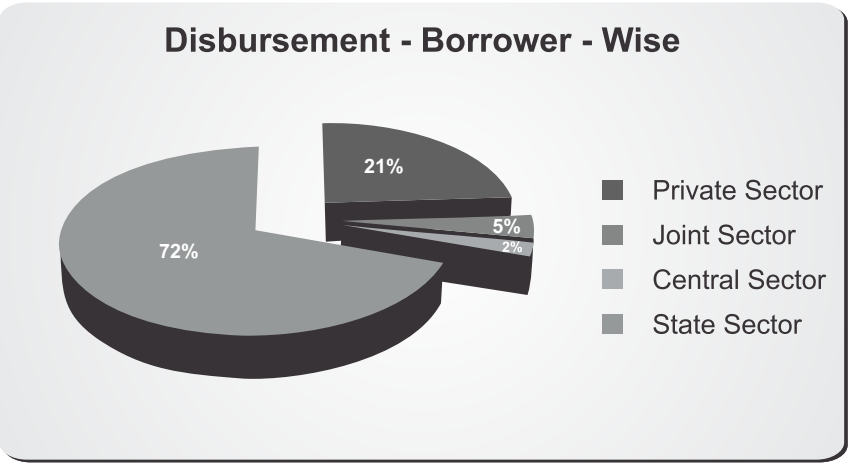
₹ IN CROREAs on 31.03.2015

10%
₹ **5959** Cr.
NET PROFIT

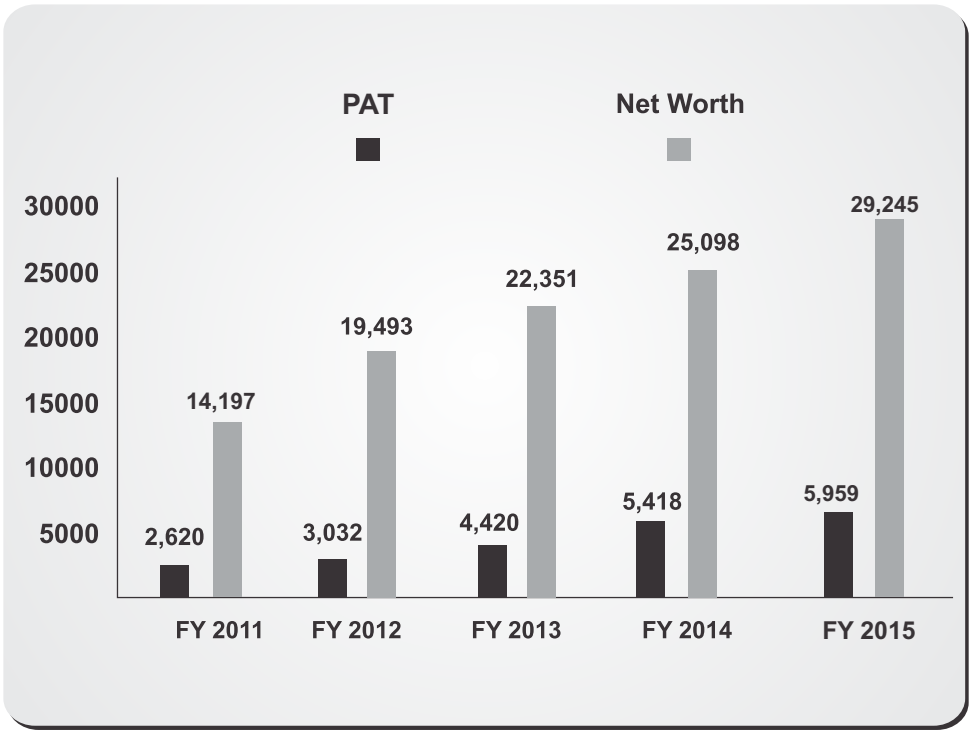
16%
₹ **9872** Cr.
NET INTEREST INCOME

17%
₹ **24,907** Cr.
TOTAL INCOME





₹ IN CRORE



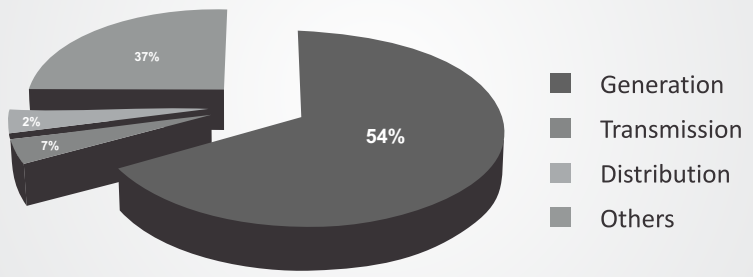
As on 31.03.2015

10%
₹ 45.15
EARNING PER SHARE

17%
₹ 29,245 Cr.
NET WORTH

15%
₹ 2,17,042 Cr.
LOAN ASSETS

Disbursement - Discipline - Wise



LETTER TO SHAREHOLDERS

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to the 29th Annual General Meeting of your Company. Your Company continues to deliver healthy financial and operational performance despite challenging times in Indian power sector. It is my privilege to share some of our achievements with you today.

Your Company crossed significant mile stones during fiscal 2015. Your Company became the largest NBFC operating in the country based on networth (all reserves) as on 31.03.2015. As per DPE Survey, 2015, your Company is 6th highest profit making PSU among 290 PSUs. Despite the structural challenges in power sector, your Company, consecutively for the 2nd time, achieved all the MoU targets set by Govt. of India, which entitles it to highest MoU Score. Your Company presently crossed ₹ 5 trillion figure in term loan sanctions to Indian power sector reflecting its dominant leadership position in the sector, yet it maintains low level of NPAs. Your Company continues to remain one of the leanest and most agile companies among industry peers, which is reflected in the fact that each employee generates ₹ 13.24 Crore of average profit per year. Govt. of India in July, 2015 disinvested 5% of its holding in your Company through Offer for Sale (OFS) route. The OFS issue saw tremendous success despite volatile market conditions with over subscription upto 2.34 times reflecting investors' confidence in the fundamentals of your Company.

The Economy

Indian economy has shown signs of recovery in last couple of years with stronger growth, significantly narrowed current account deficit, fiscal deficit moving towards a consolidation path and inflation trending downwards. However, Indian economy is certainly capable of achieving higher growth than the current levels. In order to achieve and sustain such higher economic growth it is imperative that there should be an enabling atmosphere that fosters competition and improves ease of doing business. The challenge, therefore, is to initiate structural reforms for sustainable higher economic growth.

The Government of India has already initiated various structural reforms to improve the ease of doing business. The recent structural reform initiatives include labour reforms, measures to increase FDI into India, 'Make in India', 'Digital India', reforms to promote energy, coal and mining, push for national Goods and Services Tax (GST) and land reforms, some of which are underway.

Govt. of India in its Union Budget in Feb, 2015 emphasized on infrastructure creation as central to its road map for economic growth. The government promised in the budget to boost infrastructure spending by ₹ 70,000 Crore in fiscal 2016. Accordingly, the fiscal 2016 consolidation target has been relaxed to allow for increased infrastructure investment. Further, Govt. announced formation of an investment and infrastructure fund and tax-free bonds for raising funds to facilitate investment in infrastructure. The above clearly underlines Government's commitment to revive the investment cycle to spur economic growth.

Outlook on Power Sector

The fiscal 2015 was a good year for Indian power sector with (i) highest capacity addition in a single year, of 22,566 MW (ii) power generation growth of 8.4%, the highest in 20 years (iii) power deficit reduced to 3.6%, the lowest ever (iv) highest ever increase in transmission lines to 22,100 ckm (v) highest ever increase in sub-station capacity to 65,554 MVA (vi) highest coal production growth of 8.3% in last 23 years (vii) first time ever exceeded renewable capacity addition targets.

Indian power sector, however, is still grappling with structural challenges like fuel supply issues, weak financial health of State distribution utilities, stressed projects & balance sheets of power developers. Govt. of India has already introduced several reform initiatives and measures to address the issues of power sector, which includes (i) the uncertainty, post cancellation of 204 coal blocks in 2014, was adequately addressed by Govt. through quick reallocation of coal blocks through a transparent e-auction process (ii) to operationalize the stranded gas based power projects, Govt. introduced new gas pooling mechanism whereby Govt. would provide subsidy in fiscal 2016 and fiscal 2017 to kick start the stranded gas projects (iii) Two new schemes aimed at distribution reforms have been formulated, got approved & are being implemented by Govt., namely Integrated Power Development Scheme (IPDS) for Urban areas and Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) for Rural areas. Additionally, Restructured Accelerated Power Development and Reform Programme (R-APDRP) scheme was subsumed into IPDS. (iv) Govt. has finalized a loss reduction trajectory for bringing down national AT&C losses from current level of 25% to 15% by 2020 through various state specific measures best suited to respective states (v) to promote efficiency, competition, renewable energy and to improve quality and reliability of power, Govt. has approved amendments in Electricity Act and introduced the same in parliament. The amendments envisage ensuring grid stability, competition in distribution sector, operationalisation of open access, strengthening regulatory commissions, tariff rationalization etc.

On the renewable energy front, Solar capacity increased by 42% in fiscal 2015. Out of planned 25 solar parks with capacity of 1000 MW, already 17 solar parks in 14 states have been approved. Renewable energy global meet held in Feb, 2015 attracted commitments of 273 GW. Green energy corridors are being rolled out with investment of ₹ 38,000 Crore to ensure power evacuation from renewable energy plants.

On the power transmission front, Govt. approved National Smart Grid Mission to bring efficiency in power supply network and reduce losses & outages. The activities under the same include development of smart grid, micro grids, consumer engagement and training & capacity building. Further, about ₹ 1,00,000 Crore of transmission projects are to be bid out in next one year. To have a comprehensive transmission infrastructure, a 20 year transmission plan has been formulated by CEA (Central Electricity Authority) being considered for implementation.

To achieve sustainable development of power sector, Govt. of India set long term targets of 24x7 power for all by 2019, doubling Coal India's production to 100 Crore tonne by 2020, increase power generation by 50% by 2020, increase renewable capacity by more than 5 times to 175 GW by 2022 and energy saving to increase to 10% of current consumption. Given all the above initiatives and targets, the outlook of power sector going forward looks optimistic.

Performance Highlights

Your Company sanctioned loans amounting to ₹ 60,784 Crore during fiscal 2015 to State, Central, Private and Joint Sector entities. An amount of ₹ 44,691 Crore was disbursed during the same period. With this, as on March 31, 2015, the cumulative sanctions amount to ₹ 4,90,875 Crore and cumulative disbursements amount to ₹ 3,45,969 Crore. The loan assets as at 31.03.2015 stand at ₹ 2,17,042 Crore registering a 15% loan growth over previous year. The loan sanctions that are yet to be disbursed are ₹ 1,44,906 Crore.

In addition to above, projects worth ₹ 4,407 Crore were sanctioned under IPDS scheme (with R-APDRP subsumed under it) during fiscal 2015. An amount of ₹ 1,571 Crore was disbursed under IPDS during the same period. With this, cumulative sanctions amount to ₹ 42,496 Crore and cumulative disbursements amount to ₹ 8,931 Crore under IPDS scheme.

The total income achieved by your Company during the fiscal 2015 was ₹ 24,907 Crore registering growth of about 17% over the total income of ₹ 21,338 Crore earned during fiscal 2014.Your Company earned net profit of ₹ 5,959 Crore during fiscal 2015 as against ₹ 5,418 Crore during fiscal 2014 registering an increase of 10%.

Your Company gives utmost priority to the realization of its dues towards principal, interest etc. The overall recovery rate has been consistently maintained at 96-99% for over past decade. The level of net Non-Performing Assets (NPAs) has been recorded at ₹ 1,890 Crore which is 0.87% to the Loan Assets as on 31.03.2015.

Other Business Highlights

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

PFC Consulting Limited (PFCCL) was incorporated on March 25, 2008 to provide exclusive focus towards offering consultancy services to power sector. Till date, consultancy services have been rendered for 93 assignments to 51 clients spread across 23 States/UTs by PFCCL. PFCCL is also undertaking the work related to the development of UMPPs (Ultra Mega Power Projects) and ITPs (Independent Transmission Projects).

Further, during fiscal 2015, the total income of PFCCL was ₹ 49.40 Crore vis-à-vis ₹ 55.19 Crore in the previous fiscal 2014 and the net profit earned by PFCCL during fiscal 2015 was ₹ 21.70 Crore as against the corresponding net profit of ₹ 26.96 Crore last fiscal.

2. PFC Green Energy Limited (PFCGEL) – A wholly owned subsidiary of PFC

PFC Green Energy Limited (PFCGEL) was incorporated on March 30, 2011 to extend finance and financial services to promote green (renewable and non-conventional) sources of energy.

PFC GEL during fiscal 2015 supported 173 MW renewable capacity with loan sanctions of ₹ 554.78 Crore and disbursed ₹ 71.67 Crore. With this, cumulatively, the sanctions and disbursements till 31.03.2015 stand at ₹ 806.85 Crore and ₹ 97.13 Crore respectively. PFC GEL got the highest credit rating of SMERAAAA (IR) from SMERA Ratings Private Limited.

PFC GEL has taken steps to increase its business in the Renewable energy sector and has signed MoU with Indian Renewable Energy Development Agency Ltd. (IREDA) on May 21, 2014 to jointly finance renewable energy projects.

3. PFC Capital Advisory Services Limited (PFCCAS) – A wholly owned subsidiary of PFC

PFC Capital Advisory Services Limited (PFCCAS) was incorporated on July 18, 2011 to focus on sectoral requirements for financial advisory services, including syndication services. PFCCAS is active in debt syndication services and is carrying out down selling of project loans underwritten by your Company.

During fiscal 2015, PFCCAS has arranged sanction of loans of ₹ 1,266 Crore out of loans underwritten by your Company, while the new assignments for debt syndication services were ₹ 8,435 Crore. During fiscal 2015, total income of PFCCAS was ₹ 4.85 Crore with net profit of ₹ 1.85 Crore from syndication services.

PFCCAS was registered with SEBI to act as a Debenture Trustee and also received SEBI certificate to act as Investment Advisor, which will enable PFCCAS look at equity funding opportunities in power sector going forward. Further, Board of Directors of your Company in May, 2015 approved merger of PFCCAS with PFCCL subject to regulatory and other compliances, given the synergy in operations of these subsidiaries.

PFC's Support for Ministry of Power, Government of India Schemes

1. Integrated Power Development Scheme (R-APDRP subsumed into IPDS)

Ministry of Power, Government of India has launched a reform programme, IPDS in December, 2014 aiming at:

(i) 24x7 power supply for consumers

(ii) Reduction of AT&C losses &

(iii) Providing access to all urban households

Erstwhile R-APDRP scheme has been subsumed into this newly launched IPDS scheme. The objective of IPDS is to strengthen Sub-T&D and achieve 100% metering in semi-urban & urban areas thereby reducing AT&C losses and improving collection efficiency. The outlay of this scheme is ₹ 32,612 Crore.

R-APDRP Scheme (subsumed into IPDS) is progressing well with an objective to reduce AT&C losses to below 15% in eligible

towns. R-APDRP envisages outlay of ₹ 44,011 Crore and budgetary support of ₹ 22,727 Crore. Entire sanctions against eligible projects under part A & part B have been sanctioned worth ₹ 39,244 Crore, out of which about ₹ 8,881 Crore has already been disbursed to Utilities. PFC is the 'Nodal agency' for this scheme.

2. Integrated Rating Framework for State Distribution Utilities

Ministry of Power, Govt. of India has formulated an Integrated Rating Methodology to evaluate performance of power distribution utilities on an annual basis. The main objective of the integrated rating is to develop a mechanism for incentivizing/ dis-incentivizing the distribution entities to improve their operational and financial performance and to facilitate realistic assessment by Banks/FIs and enable funding.

The 3rd Integrated Rating exercise covering all the 40 state distribution utilities was carried out by ICRA and CARE and the same was declared in August, 2015.

3. Ultra Mega Power Projects (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 at various locations across the country.

Till March 31, 2015, 15 Special Purpose Vehicles (SPVs) were established by your Company for UMPPs, out of these, 13 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. Two additional SPVs were incorporated by PFC for holding the land for Cheyyur UMPP and for holding the land and coal blocks for Odisha UMPP. These SPVs would be transferred to the respective procurers of power from these projects. Out of these 13 SPVs, 4 have been transferred to successful bidders.

4. Independent Transmission Projects (ITPs)

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

Till March 31, 2015, 18 Special Purpose Vehicles (SPVs) were established as wholly owned subsidiaries for ITPs. Out of these,9 SPVs were transferred to the successful bidders. Further, Ministry of Power appointed PFCCL as Bid Process Coordinator (BPC) for six new ITPs to be implemented through Tariff Based Competitive Bidding Process.

Other Initiatives

Corporate Social Responsibility (CSR)

Your Company, as a responsible corporate citizen, believes quite strongly in fulfilling its responsibility and commitment to society at large. To oversee the activities of CSR, the company has in place a Board level CSR Committee of Directors headed by an Independent Director. From setting up toilets in schools as part of the Hon'ble Prime Minister's Swachh Bharat Abhiyaan, to funding LED Lamps in remote, off-grid villages, PFC remains dedicated to its CSR commitment. During fiscal 2015, your Company sanctioned CSR projects worth ₹ 304 Crore.

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

Your Company will continue to play a significant role in the overall development of Indian power sector. PFC prides itself on being at the forefront of the Government of India's plans for the Power Sector. We are the key implementation partner for three of the Government's flagship programmes – The Ultra Mega Power Projects (UMPPs), Integrated Power Development Scheme (IPDS) and the Independent Transmission Projects (ITPs).

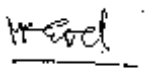
Your Company continues to play the role of preferred financier for power sector funding requirements. Your Company also intends to play a larger role by offering State power utilities comprehensive package for funding their existing and future power projects with attractive terms. Your Company has already entered into such arrangements with States like Telangana and Andhra Pradesh. With renewable energy gaining momentum, your Company will leverage its leadership position in power sector to expand renewable energy financing portfolio. Your Company has committed to Govt. of India to offer financial assistance of ₹ 15,000 Crore over next 5 years to renewable energy projects.

Subsidiaries of your Company have grown by leaps and bounds in the years since their inception. PFC Consulting Ltd. (PFCCL) remains the key agency for UMPP and ITP schemes. PFC Green Energy Ltd is positioned well to take the benefit of the likely upswing in renewable energy going forward. PFCCAS has made a significant headway in loan syndication and down selling activities. With power projects increasingly coming from private sector, syndication business of PFCCAS, to be merged with PFCCL, is likely to see expansion. Further, with the Debenture Trustee and Investment Advisor certificates obtained by PFCCAS from SEBI, going forward the business opportunities in these areas are also likely to see expansion.

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 for Coal, Power and New and Renewable Energy (I/C), 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, The World Bank, The Asian Development Bank, USAID, KfW of Germany, EDC of Canada, various Commercial Banks, Financial Institutions, and other concerned Government Departments/Agencies at the Central and State level for their continuous support. I also convey my gratitude to our partners in the Print and Electronic Media. You have stood by us and reported our achievements to the masses, and 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

Hon'ble President of India, Shri Pranab Mukherjee presenting the 'SCOPE Gold Trophy for Best Managed Bank, Financial Institution or Insurance Company for 2012-13' to Shri M.K.Goel, CMD, PFC in presence of Shri Anant Geete, Hon'ble Union Minister of Heavy Industries & Public Enterprises and Shri P. Radhakrishnan, Minister of State for Heavy Industries & Public Enterprises.

Hon'ble President of India, Shri Pranab Mukherjee presenting the 'Indira Gandhi Rajbhasha Puraskar' for the year 2013-14 (first Prize in Public Sector Category) to Shri M.K.Goel, CMD, PFC in presence of Hon'ble Union Home Minister, Shri Rajnath Singh and Hon'ble Union Minister of State for Home Affairs, Shri Kiren Rijiju.

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of Power Finance Corporation Ltd. will be held on **Thursday, the September 24, 2015 at 10:00 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, 2015, the Reports of the Board of Directors and Auditors thereon.
2. To confirm interim dividend and declare final dividend for the Financial Year 2014-15.
3. To appoint a Director in place of Shri B. N. Sharma (DIN:01221452), 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 raise funds upto ₹60,000 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 ₹60,000 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 ₹60,000 crore during the period of one year from the date of current AGM and to do all such acts, deeds and things as may be deemed necessary in respect of issue of bonds including but not limited to the face value, issue price, issue size, timing, amount, security, coupon / interest rate, yield, listing, allotment and other terms and conditions of issue bonds as they may, in their absolute discretion deem necessary."

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

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: August 21, 2015

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 person or 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 Clause 35B of the Listing Agreement 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/ 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.

EVEN (E-Voting Event Number	USER ID	PASSWORD
	For Members holding shares in Demat Form:- Event no. followed by: For NSDL :- 8 Character DP ID followed by 8 Digits Client ID For CDSL :- 16 digits beneficiary ID **For Members holding shares in Physical Form:-** Event no. followed by Folio Number registered with the Company	Your Unique password is printed on the Attendance Slip/ 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) Select the EVENT of Power Finance Corporation Limited and click on - Submit.

(vi) Now you are ready for e-voting as 'Cast Vote' page opens.

(vii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.

(viii) Upon confirmation, the message 'Vote cast successfully' will be displayed.

(ix) Once you have voted on the resolution, you will not be allowed to modify your vote.

(x) 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.pfcltd@gmail.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 September 17, 2015. 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 September 20, 2015 and will end at 5.00 p.m. on September 23, 2015. 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 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

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) 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, members are requested to contact, Ms. Rajitha Cholleti, Karvy Computershare Pvt. Ltd., Phone No. 91 040 67162222.

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 clause 49 of Listing Agreement, a brief profile of Shri B. N. Sharma, Director retiring by rotation and seeking re-appointment under item no. 3 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 February 27, 2015 had declared an interim dividend @ 85% (₹8.50 per share) on the paid-up equity share capital of the company, which was paid on March 13, 2015. 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 September 18, 2015 to September 24, 2015 (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 October 8, 2015 to the Members or their mandates whose names appear on the Company's Register of Members on September 24, 2015 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 September 17, 2015.

11. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. Therefore, Members are advised to encash their Dividend warrants immediately on receipt. The details of investors' (whose payment is due) are available on MCA website (Form 5 INV) as well as company's website so as to enable the investors to claim the same.

12. The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including annual report can be sent by e-mail to the members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their email id, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold the shares in physical form are requested to get their e-mail id registered with Karvy Computershare Private Limited, Registrar & Share Transfer Agent (RTA) of the Company.

13. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may obtain and send the ECS Mandate Form to Karvy 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.

14. The shareholders holding shares in physical form and do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. It has also made mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of transfers and for securities market transactions and off-market/ private transactions involving transfer of shares of listed companies in physical form. Accordingly, members holding shares in physical form can submit their PAN to the Company / Karvy.

16. 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.

17. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and/or change in address and bank account, to Company's Registrar & Share Transfer Agent.

18. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or reappointed by the Comptroller and Auditor General of India (C&AG) and in pursuant to Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. Further, the Statutory Auditors of the Company for the FY 2015-16 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 2015-16 as may be deemed fit by the Board.

19. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to Karvy 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.

20. Member who holds 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.

21. Members desirous of getting any information on financial statements and any other business of this Meeting are requested to address their queries to Company Secretary of the Company at the registered office of the Company at least fifteen days prior to the date of the meeting, so that the information required can be made readily available at the meeting.

22. All relevant documents referred to in the accompanying notice and Statutory Registers are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.

23. The entire Annual Report is also available on the Company's website www.pfcindia.com.

24. The Route Map to 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.

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

Item No. 5

The Company is a notified public financial institution under Section 2(72) 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 26, 2014 for raising of funds through non-convertible debentures to the extent of ₹55,000 crore during the period of one year from the date of AGM (i.e. September 26, 2014 to September 25, 2015).

The Board of Directors in their Meeting held on July 20, 2015 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 ₹60,000 crore during the period of one year from the date of current AGM.

The Board of Director 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 ₹60,000 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 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.

This resolution does not relate to or affects any other company.

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 DIRECTOR SEEKING RE-APPOINTMENT AT 29th AGM UNDER ITEM NO. 3

Name	Shri B. N. Sharma
Date of Birth and Age	31.07.1959/56years
Qualification	Bachelor's degree and a Master's degree in financial management, an IAS officer of the Rajasthan cadre
Date of Appointment	28.08.2012
Terms and Conditions of Appointment	Appointed as Government Nominee Director by President of India through Ministry of Power.
Remuneration	NIL
Expertise in Functional Areas	He is an IAS officer of the Rajasthan cadre and has experience in the civil services for about 30 years. Prior to joining MoP, he has served as the Principal Secretary in medical, health and family welfare department in Rajasthan. Shri Sharma has also served as the Commissioner of the commercial taxes department at Rajasthan, Managing Director of Rajasthan State Industrial and Investment Corporation Limited, Chairman and Managing Director of Rajasthan Financial Corporation and as the Secretary of the finance department and elementary, secondary and Sanskrit education department in Rajasthan. Prior to that he has worked as collector and district magistrate of Jaipur, Alwar and Tonk districts in Rajasthan, as Chairman and Managing Director of Jaipur Vidhyut Vitran Nigam Limited, Jaipur, and as Secretary, Rajasthan State Electricity Board, Jaipur. Shri Sharma has also served as a Director on the boards of various companies including Rajasthan Drugs and Pharmaceuticals Limited, Rajasthan Medical Services Corporation Limited, Rajasthan Small Industries Corporation Limited, Rajasthan Asset Management Company Private Limited, Rajasthan Trustee Company Private Limited and Rajasthan Electronics and Instruments Limited.
Number of Meetings of the Board held during the year and number of Board Meetings attended	13/11
Relationship with any other Director, Manager and other KMP of the Company	Not Applicable
Number of shares held in the company	Nil
Directorship in other companies	Rural Electrification Corporation Limited
Chairman/Membership of committees* across all public companies	Rural Electrification Corporation Limited - Member, Audit Committee

* 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 &
Additional Charge of Director (Commercial)
DIN No. 00239813

Shri Mukesh Kumar Goel, 58 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. He also holds the additional charge of Director (Commercial), overseeing the operations of the Commercial Division.

Shri Goel holds a Bachelor's degree in Technology specializing in Electrical Engineering from Kanpur University. He has about 36 years of varied power sector experience in premier Central PSUs. He has more than 26 years experience of financing power sector with over 8 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 networth (all reserves) as on March 31, 2015 and 6th highest profit making PSU as per DPE survey, 2015. 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 highest MoU score consecutively for the 2nd year. He also spearheaded road shows for 5% disinvestment by Govt. of India in PFC through Offer for Sale (OFS), which saw tremendous success despite volatile market conditions with an over subscription upto 2.34 times.

He has been playing 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 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, 2015.

Shri R. Nagarajan
Director (Finance)
DIN No. 00701892

Shri Radhakrishnan Nagarajan, 58 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, 2015.

Shri A. K. Agarwal
Director (Projects)
DIN No. 01987101

Shri Anil Kumar Agarwal, 58 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, which include generation, transmission, distribution and renewable energy projects of the utilities and increasing focus on consortium lending & expanding PFC's business through funding of backward & forward linkages i.e. coal gas, oil & 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 assisting utilities in procurement of goods under ADB/WB financing, thermal appraisal, entity appraisal of private sector projects, renewable energy, fixing of sanction and disbursement targets and their achievement, coordinating activities of Projects Division. He is also on the Board of PTC as Nominee Director.

Shri Anil Kumar Agarwal, was holding 25859 equity shares in the Company as on March 31, 2015.

Shri B.N. Sharma
Govt. Nominee Director
DIN No. 01221452

Shri B. N. Sharma, 56 years, is presently Additional Secretary to the Ministry of Power, Government of India. He holds a bachelor's degree and a master's degree in financial management. He is an IAS

officer of the Rajasthan cadre and has experience in the civil services for about 30 years. Prior to joining MoP, he has served as the Principal Secretary in medical, health and family welfare department in Rajasthan. Shri Sharma has also served as the Commissioner of the commercial taxes department at Rajasthan, Managing Director of Rajasthan State Industrial and Investment Corporation Limited, Chairman and Managing Director of Rajasthan Financial Corporation and as the Secretary of the finance department and elementary, secondary and Sanskrit education department in Rajasthan. Prior to that he has worked as collector and district magistrate of Jaipur, Alwar and Tonk districts in Rajasthan, as Chairman and Managing Director of Jaipur Vidhyut Vitran Nigam Limited, Jaipur, and as Secretary, Rajasthan State Electricity Board, Jaipur. Shri Sharma has also served as a Director on the boards of various companies including Rajasthan Drugs and Pharmaceuticals Limited, Rajasthan Medical Services Corporation Limited, Rajasthan Small Industries Corporation Limited, Rajasthan Asset Management Company Private Limited, Rajasthan Trustee Company Private Limited and Rajasthan Electronics and Instruments Limited.

Shri B.N.Sharma was holding nil equity shares in the Company as on March 31, 2015.

Shri J. N. Prasanna Kumar
Independent Director
DIN No. 00200233

Shri J. N. Prasanna Kumar, 65 years, holds a bachelor's degree in commerce and is a Fellow member of the Institute of Chartered Accountants of India. He retired as Director (Finance) in Neyveli Lignite Corporation Limited (NLC) and held additional charge as Chairman and MD in NLC. He was also Chairman of NLC-Tamil Nadu Power Company Ltd. for a period of six months during his tenure.

He has 39 years of professional experience in the fields of finance and tax management. He was a member of the Board in several companies promoted by State Government. He had played a vital role in restructuring and rehabilitating companies which eventually turned the corner. He is presently a Partner in M/s. G. P. Ramchandran and Associates, Chartered Accountants, Bangalore.

Shri J.N. Prasanna Kumar was holding nil equity shares in the Company as on March 31, 2015.

Shri Vijay Mohan Kaul
Independent Director
DIN No. 00015245

Shri Vijay Mohan Kaul, 63 years, holds a Bachelor's degree in Mechanical Engineering from IIT, Delhi and a MBA Degree. Shri Kaul has over 40 years of experience in multidisciplinary functions like management of power and transmission projects, joint ventures, contract management, quality assurance, human resource management etc. in premier organisations like Power Grid Corporation of India Limited, NTPC Limited, Engineers India Ltd etc. He superannuated as Director (Personnel), Power Grid Corporation of India Limited in March, 2012.

Shri Vijay Mohan Kaul was holding nil equity shares in the Company as on March 31, 2015.

Shri Yogesh Chand Garg
Independent Director
DIN No. 01768635

Shri Yogesh Chand Garg, 51 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 28 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 Corporate Social Responsibility Committee of the Board and member of Audit Committee, Nomination and Remuneration Committee and Ethics Committee of the Board .

Shri Yogesh Chand Garg was holding nil equity shares in the Company as on March 31, 2015.

DIRECTORS' REPORT 2014-2015

To

The Members,

Power Finance Corporation Limited

Your Directors are pleased to present the 29th Annual Report on the performance of your company for the financial year ended March 31, 2015 along with Audited Financial Statements including Consolidated Financial Statements, Auditor's Report, Secretarial Auditor's Report & Report of Comptroller and Auditor General of India.

1.0 FINANCIAL HIGHLIGHTS

(a) PROFITABILITY

(₹ in crore)

Particulars	2014-15	2013-14
Profit Before Tax	8378.23	7558.31
Less: Provision for Income Tax (current year)	(-) 2502.42	(-) 2075.81
Less: Provision for Income Tax (earlier years)	(-) 0.46	(-) 10.32
Less: Deferred Tax Liability	83.98	(-) 54.43
Profit After Tax	**5959.33**	**5417.75**
Transfer towards provision for Bad & Doubtful Debts u/s 36(1) (viia) (c) of Income Tax Act, 1961	387.49	321.43
Transfer to Special Reserve created and maintained u/s 36(1) (viii) of Income Tax Act, 1961	1850.10	1464.74
Debenture Redemption Reserve	310.20	271.23
Interim Dividend	1122.04	1161.64
Proposed Final Dividend	79.20	26.40
Corporate Dividend Tax paid on Interim Dividend	224.10	197.41
Corporate Dividend Tax on Proposed Final Dividend	16.12	4.49
Transfer to General Reserve	596.00	542.00
Balance carried to Balance Sheet	1374.08	1428.41

(b) LENDING OPERATIONS (excluding RAPDRP/IPDS)

(₹ in crore)

Particulars	2014-15	2013-14
Sanction	60784	60729
Disbursement	44691	47162

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

(₹ in crore)

Particulars	2014-15	2013-14
Sanctioned project cost	4407 (including 3252 of IPDS)	4331
Disbursement (Claims processed/released)	1571 (including 50 of IPDS)	640

2.0 FINANCIAL PERFORMANCE

2.1 REVENUE

The total income achieved by your Company during the FY 2014-15 was ₹24,906.80 crore registering growth of 16.73% over the total income of ₹21,337.60 crore earned during FY 2013-14. Operating income for the year increased from ₹21,322.56 crore to ₹24,861.32 crore registering a growth of 16.60%.

2.2 EXPENSES

The total expenditure during FY 2014-15 amounted to ₹16,528.57 crore as against total expenditure of ₹13,779.29 crore in FY 2013-14. Finance cost including bond issue expenses incurred during FY 2014-15 amounted to ₹15,469.58 crore as against the corresponding expenses of ₹13,078.82 crore in FY 2013-14. This constituted 93.59% of total expenses in FY 2014-15 as compared to 94.92% during last fiscal. Employee Benefit expenses and Administrative expenses were 0.55% and 0.29% respectively of Finance Cost and 0.52% and 0.27% respectively of total expenses.

2.3 PROFIT

During the FY 2014-15, your Company earned a net profit of ₹5,959.33 crore viz-a-viz ₹5,417.75 crore for the FY 2013-14 registering an increase of 10%.

2.4 SHARE CAPITAL

As on March 31, 2015, 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 72.80% of the paid-up capital.

2.5 DIVIDEND

Your Directors have recommended a final dividend of ₹0.60 per equity share in addition to an interim dividend of ₹8.50 per equity share on paid up equity share capital of ₹1,320.04 crore, which was paid in March 2015. The total dividend for the FY 2014-15 thus aggregates to ₹9.10 per equity share as against ₹9.00 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 2014-15 will thus amount to ₹1,201.24 crore representing 20.16% of the profit after tax as against a dividend pay-out of ₹1188.04 crore representing 21.93% of the profit after tax in the previous year.

3.0 LENDING OPERATIONS

Your Company sanctioned loans amounting to ₹60,784 crore during the FY 2014-15 to State, Central, Private and Joint Sector entities. An amount of ₹44,691 crore was disbursed during the same period. With this as on March 31, 2015, the cumulative sanctions amount to ₹4,87,716 crore and cumulative disbursements amount to ₹3,45,969 crore.

In addition to above, projects worth ₹4,407 crore were sanctioned under IPDS scheme (with R-APDRP subsumed under it) during FY 2014-15. An amount of ₹1,571 crore were disbursed during the same period. With this, cumulative sanctions amount to ₹42,496 crore and cumulative disbursements amount to ₹8,931 crore under IPDS scheme (with R-APDRP subsumed under it).

3.1 Financial Assistance (Excluding R-APDRP/IPDS)

3.1.1 Sector-wise

(₹ in crore)

	2014-15		Cumulative upto March, 2015	
Category	**Sanctions**	**Disbursements**	**Sanctions**	**Disbursements**
State Sector	35105	31964	340971	249705
Central Sector	3577	1084	36928	32734
Private Sector	17016	9496	86444	46565
Joint Sector	5086	2147	23373	16965
Total	**60784**	**44691**	**487716**	**345969**

3.1.2 Discipline-wise

(₹ in crore)

	2014-15		Cumulative upto March, 2015	
Category	**Sanctions**	**Disbursements**	**Sanctions**	**Disbursements**
Thermal Generation	22842	20954	258897	179389
Hydro Generation	5751	1637	49892	31022
Wind, Solar, Bagasse and Biomass	989	607	3914	2663
Renovation, Modernization and Uprating of Thermal & Hydro Power Stations	1735	968	12329	8919
Transmission	3821	3063	44101	26248
Distribution	325	695	17777	13919
Counterpart Funding for R-APDRP Part B	717	299	5629	1024
Short Term Loans	4234	4292	44536	44060
Transitional Finance	12289	11339	34857	31497
Funding of Regulatory Assets	6805	500	7905	1600
Buyers Line of Credit	1221	232	2261	1176
Others*	55	105	5618	4452
Total	**60784**	**44691**	**487716**	**345969**

** Others include Decentralized Distribution Management, Project Settlement, Pre Investment Fund, Technical Assistance Project, Medium Term Loan, Equipment Manufacturing Loan, Loan for Redemption of bond, Loan for Asset Acquisition, Bill Discounting, Studies, Purchase of power through PXI, Computerization, Loan Against Receivables etc.*

3.2 Financial Assistance under IPDS

(₹ in crore)

	2014-15		Cumulative upto March, 2015	
Category	**Sanctioned project cost**	**Disbursements (Claims processed)**	**Sanctioned project cost**	**Disbursements (Claims processed)**
R-APDRP				
Part A (IT)	124	356	5472	2826
Part A (SCADA)	(-)45	40	1556	455
Part B	1076	1125	32216	5600
Total	**1155**	**1521**	**39244**	**8881**
IPDS				
IPDS	3252	50	3252	50
Total	**4407**	**1571**	**42496**	**8931**

4.0 REALISATION

Your Company gives utmost priority to the realisation of its dues towards principal, interest etc. Out of ₹41,343.53 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 ₹39,747.61 crore was actually realised representing an overall recovery rate of 96.14% (previous year 97.68%). This overall recovery rate has been consistently maintained at 96-99% for over past decade.

In terms of Prudential Norms, as applicable, the provisioning on Non Performing Loan Assets has been increased by an amount of ₹231.16 crore during the year. The Company has made a total provision of ₹473.46 crore towards Non-Performing Assets (NPA) against Loan Assets in its Annual Accounts upto the year 2014-15. After making provision on NPA, the level of net Non-Performing Assets (NPA) has been recorded at ₹1890.17 crore which is 0.87% to the Total Loan Assets as on March 31, 2015.

In addition to above, your company has also made a provision of ₹486.57 crore and ₹564.44 crore on Standard Assets and Restructured Standard Assets respectively as on March 31, 2015, 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 2014-15 are as follows:

(₹ in crore)

Particular		FY 2014-15	FY 2013-14
Standard Loans Restructured	No. of Borrowers	6	5
	Amount Outstanding	7082.71	3955.36
Sub-Standard Loans Restructured	No. of Borrowers	1	1
	Amount Outstanding	386.23	27.20
Doubtful Loans Restructured	No. of Borrowers	-	1
	Amount Outstanding	-	414.97
Total	**No. of Borrowers**	**7**	**7**
	Amount Outstanding	**7468.94**	**4397.53**

6.0 BORROWINGS

Your Company is a non-deposit taking NBFC, and thus has not accepted any public deposits during the FY 2014-15.

6.1 BORROWINGS FROM DOMESTIC MARKET

Your Company mobilized funds amounting to ₹55,928.29 crore from the domestic market during FY 2014-15 as against ₹45,220.06 crore mobilized during FY 2013-14 comprising of ₹46,920 crore through issue of unsecured taxable bonds in the nature of debentures and ₹9,008.29 crore by issue of Commercial Paper.

6.2 EXTERNAL BORROWINGS

During the FY 2014-15, your company raised External Commercial Borrowing (ECB) of USD 700 million through Syndicated Loan as per the following details:

S.No	Particulars	Amount (₹ crore)	Date of drawl	Period	Date of Maturity	Fixed/ Floating
1	Syndicated Loan USD 250 million (SLN 16)	1549.24	December 4, 2014	5 years	December 4, 2019	Floating
2	Syndicated Loan USD 150 million (SLN 17)	932.89	March 26, 2015	66 months	September 26, 2020	Floating
3	Syndicated Loan USD 150 million (SLN 17)	932.89	March 26, 2015	72 months	March 26, 2021	Floating
4	Syndicated Loan USD 150 million (SLN 17)	932.89	March 26, 2015	78 months	September 26, 2021	Floating
	Total	**4347.92**				

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 ₹9,555 crore were sanctioned as on March 31, 2015 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

The Foreign exchange outgo aggregating ₹326.17 crore was made on account of debt servicing, financial & other charges and training expenses.

The Foreign exchange earnings for the FY 2014-15 were nil.

8.0 CREDIT RATING

International

During the FY 2014-15, the international credit rating agencies Moody's, Fitch and Standard and Poor's have given to your company, long term currency issuer ratings of Baa3, BBB- and BBB- respectively, which are at par with sovereign rating for India.

Domestic

Ratings assigned by domestic rating agencies during FY 2014-15, for your Company's long term domestic borrowing programme (including bank loans) were the highest rating of CRISIL AAA, ICRA AAA and CARE AAA by CRISIL, ICRA and CARE respectively. The Company's short term domestic borrowing programme (including bank loans) was awarded the highest rating of CRISIL A1+, ICRA A1+ and CARE A1+ by CRISIL, ICRA and CARE respectively.

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 is 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, 2015 is set out below:

(₹ in crore)

Maturity pattern of certain items of Assets and Liabilities based on Audited Balance Sheet as on March 31, 2015							
Particulars	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**Beyond 2019-20**	**Total**
Rupee Loan Assets	15,794	17,589	19,088	19,544	20,616	1,24,571	**2,17,202**
Foreign Currency Assets	39	33	5	0	92	144	**313**
Investments	504	0	0	0	0	347	**851**
Foreign Currency Liabilities	2,051	1,930	1,154	19	1,596	2,981	**9,731**
Rupee Liabilities (Bonds + RTL + STL)	23,565	20,380	21,324	20,491	20,224	72,417	**1,78,401**

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, 2015, the total foreign currency liabilities are USD 1272.70 million, JPY 24,208.80 million and Euro 18.96 million. On an overall basis, the currency exchange rate risk is covered to the extent of 10% 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, the Risk Management Committee of Directors constitutes Risk Management Compliance Committee and a separate unit for monitoring of the identified risks. The unit continuously monitors the risks from time to time and ensures that the risks are being mitigated on time.

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, Uttar Pradesh, 2 Additional UMPPs in Odisha and 2nd UMPP in Tamil Nadu, Gujarat and Jharkhand (Deoghar).

UMPP is the initiative of Government of India with Ministry of Power as the 'facilitator' for the development of these UMPPs while Central Electricity Authority (CEA) is the 'Technical Partner'. Till March 31, 2015, 15 Special Purpose Vehicles (SPVs) were established by the Company for UMPPs, out of these, 13 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. Two additional SPVs were incorporated by PFC for holding the land for Cheyyur UMPP and for holding the land and coal blocks for Odisha UMPP. These SPVs would be transferred to the respective procurers of power from these projects.

Out of these 13 SPVs, 4 SPVs have been transferred to the successful bidders as indicated below:

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

During the year, the bidding process for Odisha and Cheyyur UMPPs was suspended to be initiated after Standard Bidding Documents (SBDs) are revised by MoP.

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 31, 2015, 18 Special Purpose Vehicles (SPVs), 2 by PFC and other 16 by PFC Consulting Limited were established as wholly owned subsidiaries for ITPs. Out of these 18 SPVs, Bokaro-Kodarma Maithon Transmission Company Limited was liquidated in December 2010 and 8 SPVs were transferred to the successful bidders till last fiscal. During the FY 2014-15, PFCCL has transferred DGEN Transmission Company Limited to the successful bidder Instalaciones Inabensa, S.A., Spain.

During the year, the bidding process for Tanda Transmission Company Limited (TTCL) for the transmission project “ATS for Tanda Expansion TPS (2X660 MW)” was re-initiated in October 2014.

During the year, Ministry of Power appointed PFC Consulting Limited as Bid Process Coordinator (BPC) for six new Independent Transmission Projects to be implemented through Tariff Based Competitive Bidding Process. PFC Consulting Limited incorporated following SPVs as its wholly owned subsidiaries for these projects and initiated bidding process as per following details and SPVs for the remaining 2 projects are being incorporated:

S.No.	Project Name	SPV	Date of Incorporation
1.	Northern Region System Strengthening Scheme – XXXV	Mohindergarh-Bhiwani Transmission Limited	December 23, 2014
2.	System strengthening for IPPs in Chhattisgarh and other generation projects in Western Region	Chhattisgarh-WR Transmission Limited	December 24, 2014
3.	Additional System Strengthening For Sipat STPS	Sipat Transmission Limited	December 23, 2014
4.	Additional System Strengthening Scheme for Chhattisgarh IPPs	Raipur-Rajnandgaon-Warora Transmission Limited	December 23, 2014
5.	Additional Inter-Regional AC link for import into Southern Region i.e. Warora-Warangal and Chilakaluripeta-Hyderabad-Kurnool 765 kV link	Warora-Kurnool Transmission Limited	April 20, 2015
6.	Common Transmission System for Phase-II Generation Projects in Odisha and immediate Evacuation System for OPGC (1320 MW) Project in Odisha	Odisha Generation Phase – II Transmission Limited	April 17, 2015

Bidding process is underway for the above projects and is likely to be completed in FY 2015-16.

The bidding process for the Ballabhgarh-GN Transmission Company Limited (BGNTCL), SPV for the transmission project "Northern Region System Strengthening Scheme – XXXIII" is kept in abeyance on the advise of CEA due to issues related to dispute in the PPA between NPCL and Essar Power (Jharkhand) in case of BGNTCL.

11.0 INTEGRATED POWER DEVELOPMENT SCHEME (with RESTRUCTURED ACCELERATED POWER DEVELOPMENT AND REFORM PROGRAMME (R-APDRP) subsumed in)

Ministry of Power, Government of India has launched a reforms programme namely, Integrated Power Development Scheme (IPDS) in December, 2014 aiming at:

(i) 24x7 power supply for consumers

(ii) Reduction of AT&C losses &

(iii) Providing access to all urban households

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

As a part of R-APDRP, for the first time, Information Technology (IT) is being deployed in identified 1,412 towns of the country for establishment of accurate, reliable & sustainable baseline data, business process automation, carrying out energy audit for identifying AT&C losses and better consumer services etc. in the power distribution sector.

Also under Part-A, projects for Supervisory Control and Data Acquisition (SCADA) System/ Distribution Management System (DMS) is being established in big towns in the country (72 towns) for real time operation and control of Distribution Network for improvement of efficiency, quality and reliability of power supply.

Further, under Part-B, projects for Distribution Strengthening and Improvement are being implemented in over 1,259 towns of the country. The main focus of the scheme is reduction of AT&C losses to 15% or below.

Your Company, as nodal agency, has contributed significantly in implementation of RAPDRP programme during the FY 2014-15. The company cumulatively upto FY 2014-15 sanctioned, Part-A (IT) schemes of all eligible 1,412 towns, Part-A (SCADA) schemes for 72 towns and Part-B schemes for 1259 towns. During the year, your company sanctioned ₹1,155 crore of projects. The cumulative sanction under R-APDRP is ₹39,244 crore as on March 31, 2015.

Your company has also disbursed an amount of ₹1,521 crore (claims processed) upto March 31, 2015 to the state utilities. The cumulative disbursement under R-APDRP is ₹8,881 crore (claims processed) as on March 31, 2015.

With the measures taken so far, as on March 31, 2015, Data Centers in cumulatively 19 States have been commissioned. Further, 861 towns have gone live in 23 states in which 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 ₹873 crore. With this, cumulative counterpart funding tied up amounts to ₹15,727 crore of which ₹4,497 crore is from PFC. Implementation work has commenced cumulatively in 1108 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 12 states for implementation of projects in 47 towns. Overall, SCADA Implementing Agencies have been appointed in 18 states for 69 towns.

For capacity building and to recognize the need and to keep pace with technology, contemporary knowledge and skill, your company imparted training on various themes to personnel of Power Utilities for 8,550 man days against MoU target of 6,000 man days.

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

Your Company has been assisting the State Power Utilities in their sustainable reform and restructuring program. During the year, your company has disbursed an amount of ₹50 lakh towards grant for reform related studies to Bihar State Power Holding Company Limited (BSPHCL).

PFC has also been encouraging its clients to take IT initiatives for overall operational and managerial improvement. During the year, an amount of ₹3.58 crore has been sanctioned and ₹3.84 crore disbursed for computerization schemes of State Power Utilities (other than computerization schemes covered under R-APDRP).

CATEGORISATION OF UTILITIES

For purposes of funding, your company classifies State Power Utilities into A+, A, B and C categories. The categorization (biannually) of State Power Generation and Transmission utilities is arrived based on the evaluation of utility's performance against specific parameters covering operational & financial performance including regulatory environment, generation of audited accounts, etc. With regards to State Power Distribution utilities (including SEBs / utilities with integrated operations), your company's categorization policy provides for adoption of MoP's Integrated Ratings. The categorization enables your company to determine credit exposure limits and pricing of loans to the state power utilities. In April, 2015, 105 utilities were categorized, 28 as "A+", 47 as "A", 23 as "B" and 7 as "C".

Quarterly and Annual Report of State Power Utilities

Your company is releasing one page research 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 and areas of concern. The report is forwarded to the stakeholders in the power sector. The Report is a useful tool 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 2014-15, your company has issued performance reports for the quarter January-March 2014, April-June 2014, July-September 2014 & October-December 2014 covering 41, 41, 43 and 40 utilities respectively.

During FY 2014-15, your company also submitted to MoP, the 11th edition of the 'Report on the Performance of State Power Utilities (SPUs)' for the years 2010-11 to 2012-13 covering 96 utilities. The Report is a comprehensive study of the performance of the SPUs on

key financial and operational parameters like 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. The 12th edition of the Report for the years 2011-12 to 2013-14 is under finalization.

During the year, your company also prepared the Strategic Analysis Report for State Distribution Utilities to present the overall picture of the Distribution sector in each state.

13.0 POLICY INITIATIVES

Your company constantly reviews and revises its lending policies/guidelines/products to suitably align these with market conditions as also with its corporate objectives. Your company also introduces new lending policies/guidelines/products to meet the dynamic business requirement.

During the year, your company introduced various new policies/guidelines/products like Takeout Financing to enable the participation of other lenders with no appetite for long tenure loans and to facilitate down selling of your company's underwritten loan portfolio. In addition a scheme for newly formed Gencos / Transco / Discoms incorporated out of bifurcation/reorganization of State was introduced for meeting the temporary liquidity crunch being faced by the Gencos/Transco/Discoms during its initial years.

In order to increase your company's loan portfolio and to address the problem of power sector, the company also reviewed its policies/guidelines/products with respect to cost overrun funding to private sector projects; Buyer's Line of Credit and Repayment period of project loans.

The interest rates in respect of term loan and short term loan were reviewed and revised periodically during the financial year. Further, in order to address the ALM problem, differential interest rates have been introduced for 5 year reset and 10 year reset option.

The financial charges/fees were also reviewed and modified from time to time. Further, fees for few products have been introduced.

14.0 FACILITATION SERVICES

The Facilitation Group (FG) has been set up to expand PFC's financing business beyond its traditional products into new areas of Forward & Backward linkages to the Power sector. The Facilitation Group (FG) is also mandated to explore the opportunities of expanding PFC's business in new geographies.

As a pro-active step for facilitating the availability of finance for projects, your company has evolved a scheme for financing of projects in the area of Fuel Sources Development & Distribution (FSD&D).

Your Company has entered into Memorandums of Understandings (MoUs) with leading PSUs for providing assistance in appraising projects by utilising their expertise and experience.

- Central Mine Planning and Design Institute Ltd. (CMPDIL) for the appraisal of projects related to development of coal block/ mines associated with power projects.
- National Institute of Technology (NIOT) for the appraisal of marine terminal for handling the fuel associated with power sector

MoU with RITES Ltd. for appraisal of projects related to transportation of fuel for power projects is in advance stage of finalization. Your company has also received applications for financing of projects related to coal block allocated through e-auction by Ministry of Coal, Govt. of India.

Also, financial assistance for setting up/ expansion of equipment manufacturing capacity for power sector etc. is extended by your company under the 'Equipment Manufacturing (EM) Scheme for Power Sector'.

15.0 RENEWABLE ENERGY AND CLEAN DEVELOPMENT MECHANISM (RE&CDM)

Your 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.

During the FY 2014-15, loans amounting to ₹1,065 crore with total capacity of 346 MW were sanctioned for State and Private sectors. Your company has also disbursed around ₹607 crore during the financial year. In addition, a loan of ₹24.40 crore has also been sanctioned to APSPDCL under energy saving project for setting up of 3000 solar pumps in AP.

As on March 31, 2015, your company has cumulatively supported a total generation capacity of 1672 MW, extending financial assistance of ₹5,265 crore and disbursed ₹3,681 crore to all kinds of renewable energy projects with an aggregate project cost of ₹11,065 crore.

16.0 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.

Your company has contributed ₹3.22 crore (being 6.64% of paid up equity upto March 31, 2015) towards equity contribution in Power Exchange India Ltd., promoted by NSE and NCDEX.

17.0 EQUITY FINANCING

Equity investment business is generally considered as a logical extension of debt business. Your Company is endeavoring to make a mark in the area of equity investment to capitalize on its vast domain knowledge & experience. Your company 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, your company 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. Presently, "Equity Policy", paving way for PFC to take equity stakes in power projects, is being revisited to make it more flexible and customer friendly before evaluating equity proposals.

18.0 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 is exempt from the relevant provisions of Sec.186 of the Companies Act, 2013.

19.0 SUBSIDIARIES

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

(i) PFC Consulting Limited

(ii) PFC Green Energy Limited

(iii) PFC Capital Advisory Services Limited

(iv) Power Equity Capital Advisors Private Limited

The Board of Directors of the Company in its meeting held on May 28, 2015 approved the Merger of PFC Capital Advisory Services Ltd. (PFCCAS) with PFC Consulting Ltd. (PFCCL). It is envisaged that the area of operations of PFCCAS (Debt Syndication, Debenture Trustee, Strategy/ Financial Advisory) can complement the area of operations of PFCCL (Reform Advisory, Tariff Bid Process Advisory, Communication Services etc.) providing synergy in the merger of PFCCL and PFCCAS. The process to seek regulatory approvals for the merger has been initiated.

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

(i) Chhattisgarh Surguja Power Limited *(Previously known as Akaltara Power Ltd.)*

(ii) Coastal Karnataka Power Limited

(iii) Coastal Maharashtra Mega Power Limited

(iv) Coastal Tamil Nadu Power Limited

(v) Orissa Integrated Power Limited

(vi) Sakhigopal Integrated Power Company Limited

(vii) Ghogarpalli Integrated Power Company Limited

(viii) Tatiya Andhra Mega Power Limited

(ix) Deoghar Mega Power Limited

(x) Cheyyur Infra Limited

(xi) Odisha Infrapower Limited

(xii) Deoghar Infra Limited - Incorporated on June 30, 2015

(xiii) Bihar Infrapower Limited - Incorporated on June 30, 2015

(xiv) Bihar Mega Power Limited - Incorporated on July 9, 2015

(xv) Tanda Transmission Company Limited *(a wholly owned subsidiary of PFC Consulting Limited)*

(xvi) Ballabhgarh-GN Transmission Company Limited *(a wholly owned subsidiary of PFC Consulting Limited)*

(xvii) Sipat Transmission Limited *(a wholly owned subsidiary of PFC Consulting Limited)* - Incorporated on December 23, 2014

(xviii) Raipur-Rajnandgaon-Warora Transmission Limited *(a wholly owned subsidiary of PFC Consulting Limited)* - Incorporated on December 23, 2014

(xix) Mohindergarh-Bhiwani Transmission Limited *(a wholly owned subsidiary of PFC Consulting Limited)* - Incorporated on December 23, 2014

(xx) Chhattisgarh-WR Transmission Limited *(a wholly owned subsidiary of PFC Consulting Limited)* - Incorporated on December 24, 2014

(xxi) South-Central East Delhi Power Transmission Limited *(a wholly owned subsidiary of PFC Consulting Limited)* - Incorporated on February 18, 2015

(xxii) Odisha Generation Phase – II Transmission Limited *(a wholly owned subsidiary of PFC Consulting Limited)* - Incorporated on April 17, 2015

(xxiii) Warora-Kurnool Transmission Limited *(a wholly owned subsidiary of PFC Consulting Limited)* - Incorporated on April 20, 2015

Further, during the FY 2014-15, DGEN Transmission Company Limited, a wholly owned subsidiary of PFC Consulting Limited was transferred and thus ceased to be a subsidiary.

19.1 PFC CONSULTING LIMITED

Your Company had been offering consultancy support to the Power Sector through its Consultancy Services Group (CSG) since October 1999. Leveraging the experience of the CSG Unit and appreciating the growth in the services offered by the Group and recognizing the potential of such services in reforming Power Sector, your Company decided to organize these services 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.
- 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
- Communication, information dissemination and feedback
- Preparation of organization performance improvement plans
- Contract related services for power sector
- Financial management, resource mobilization, accounting systems etc.
- Coal block development
- Renewable and non-conventional energy project development
- Distribution system strengthening, IPDS and DDUGJY etc.

Till date, consultancy services have been rendered to 51 clients spread across 23 States/UTs by PFCCL. The total number of assignments undertaken as on date is 93.

Further, during the FY 2014-15, the total income of PFCCL was ₹49.40 crore vis-à-vis ₹55.19 crore in the previous FY 2013-14 and the net profit earned by PFCCL during FY 2014-15 was ₹21.70 crore as against the corresponding net profit of ₹26.96 crore last fiscal

19.2 PFC GREEN ENERGY LIMITED

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 March 31, 2015, PFC GEL had an authorized share capital of ₹1200 crore and paid-up share capital of ₹300 crore comprising of 10 crore Equity Shares of ₹10/- each and 20 crore Fully Convertible Preference Shares of ₹10/- each.

The financial assistance sanctioned by PFC GEL during the FY 2014-15 would help capacity creation of about 173 MW from renewable energy sources. During FY 2014-15, the Company made sanction and disbursement of ₹554.78 crore and ₹71.67 crore respectively. Out of the total sanction of ₹554.78 crore, 44% (₹246.11 crore) was sanctioned towards the state sector project and 56% (₹308.67 crore) was sanctioned towards private sector projects. Cumulatively, the sanctions and disbursements by the Company till March 31, 2015 is ₹806.85 crore and ₹97.13 crore respectively. The Company continues to diversify its portfolio across the renewable energy technologies and has a healthy composition across wind, solar & small hydro sectors.

The total income achieved by the Company during the FY 2014-15 is ₹33.65 crore and earned a net profit of ₹18.91 crore.

PFC GEL has taken steps to increase its business in the Renewable energy sector and it has signed a MoU with IREDA (Indian Renewable Energy Development Agency Ltd.) and with PFS (PTC Financial Services Limited) on May 21, 2014 and September 10, 2014 respectively to jointly finance renewable energy projects.

For the FY 2015-16, PFC GEL has signed a Memorandum of Undertaking with PFC with sanction and disbursement targets of ₹800 crore and ₹275 crore respectively after deliberations with MoU Task Force constituted under the auspices of Department of Public Enterprises.

During the FY 2014-15, PFC GEL has been conferred with 'Sourya Urja Puraskar 2014' of 'Innovative Sourya Urja Financier of the Year' for the year 2013-14.

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

19.3 PFC CAPITAL ADVISORY SERVICES LIMITED

PFC Capital Advisory Services Limited (PFCCAS) was incorporated as a wholly owned subsidiary of your company on July 18, 2011 to focus on sectoral requirements for financial advisory services, including syndication services. The Company is also involved with the activities related to Power Lenders' Club, an exclusive set of Banks & FIs financing power projects under a consortium arrangement under the aegis of PFC. The authorised capital of the Company is ₹1 crore and the paid up share capital of the Company is ₹0.10 crore.

Presently PFCCAS is active in debt syndication services and is carrying out down selling of project loans underwritten by your company and is handling business proposals across various domains in power sector i.e. thermal, hydro and wind etc.

During FY 2014-15, PFCCAS has arranged sanction of loans of ₹1,266 crore out of loans underwritten by PFC while the new assignments for debt syndication services were ₹8,435 crore. During the year, PFCCAS was registered with SEBI to act as a Debenture Trustee (Registration Number IND000000551) and has issued special edition on Newsletter covering insights on power sector in March 2015.

During the year, total income of PFCCAS was ₹4.85 crore with net profit of the company is ₹1.85 crore from syndication services.

PFCCAS has initiated steps to diversify its portfolio of services and is looking at business opportunities in equity funding advisory services in power sector. The company had also filed application for grant of Certificate of Registration as Investment Advisor from SEBI and the same has been granted in August 2015.

Further, Board of Directors of PFC in its meeting held on May 28, 2015 approved the merger of PFC Capital Advisory Services Ltd. (PFCCAS) with PFC Consulting Ltd. (PFCCL) subject to regulatory and other compliances.

19.4 POWER EQUITY CAPITAL ADVISORS PRIVATE LIMITED

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

20.0 JOINT VENTURES, ASSOCIATE COMPANIES AND OTHER MAJOR INVESTMENTS

20.1 NATIONAL POWER EXCHANGE LIMITED (NPEX)

In order to promote short term trading through power exchange, your company had promoted National Power Exchange Ltd (NPEX), jointly with NTPC, NHPC and TCS during 2008-09. Your company has contributed ₹2.19 crore (being 16.66% of paid up equity upto March 31, 2015) towards equity contribution. 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 has decided for voluntary winding up of NPEX. The process of winding up of NPEX is in process.

20.2 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). During the FY 2015-16, PFC has contributed ₹25 crore as additional equity contribution in EESL. EESL has reported profit after tax of ₹9.06 crore for the year.

20.3 PTC INDIA LIMITED

PTC India Limited (PTC) was jointly promoted by Power Grid, NTPC, NHPC and PFC. Your Company 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 year, PTC maintained its leadership position with trading volumes at 37137 MUs. PTC has reported profit after tax of ₹203.10 crore for the year.

20.4 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. Your Company 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, 2015).

21.0 MEMORANDUM OF UNDERSTANDING WITH GOVT. OF INDIA

Your Company has been consistently accorded 'Excellent' Rating by Government of India since FY 1993-94 except for FY 2004-05. For the FY 2014-15, your company has achieved all the MoU targets and has obtained maximum MoU score of '1.00' for the second consecutive year.

22.0 PRESIDENTIAL DIRECTIVES

The Company has not received any Presidential directives during FY 2014-15.

23.0 CORPORATE SOCIAL RESPONSIBILITY

Your Company has implemented its CSR and Sustainability Policy with all its earnest and zeal. The aim of the CSR & Sustainability Policy is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large. To oversee the activities of CSR, the company has in place a Board level CSR&SD Committee of Directors headed by an Independent Director.

For the FY 2014-15, the Board had approved the CSR budget of ₹117.49 crore based on 2% of the average stand-alone PBT 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. During the FY 2014-15, projects worth ₹304.10 crore (inclusive of ₹1.78 crore on account of CSR administrative expenses incurred in FY 2014-15) were sanctioned and your company implemented wide range of activities in the field of Solar energy, Sanitation, Skill Development etc. in various states.

Due to the gestation period involved in the sanctioned projects, the Company has disbursed ₹51.68 crore (inclusive of ₹1.78 crore on account of CSR administrative expenses incurred in FY 2014-15) out of the available sanctions and the remaining budget will be utilized/disbursed based on the progress achieved for completion of the projects. Further it is not out of place to mention that as per the DPE guidelines, the CSR Budget is non-lapsable and carried forward to the next year. So the entire budget will be utilized for CSR activities.

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

24.0 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 ongoing 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 2014-15, your company organized 26 in-house programs. A total of 1691 mandays were achieved during the period under review of which 1053 were through in-house programs and 638 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. Your company is one of the very few organizations in forming Contributory Post Retirement Medical Fund Trust to address the needs of retired employees. Besides this, your company also organized various health camps during the year for the welfare of the employees. Your company also organized sports 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 2014-15, total 22 new employees were recruited out of which 18.18% are SC(4) and 27.27% are OBC(6).

REPRESENTATION OF WOMEN EMPLOYEES

Your Company provides equal growth opportunities for its women employees and the Company can take pride in saying that certain critical functions are headed by women employees. There is no discrimination of employees on the basis of gender. Women employees represent 19.78 % of the total work force.

During the FY 2014-15, no case has been filed under the "Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013".

25.0 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.

26.0 STATUTORY AUDITORS

M/s. N.K. Bhargava & Co., Chartered Accountants and M/s K. B. Chandna & Co., Chartered Accountants were appointed as Joint Statutory Auditors of the Company for the FY 2014-15 by the Comptroller & Auditor General of India.

The Joint Statutory Auditors have audited the accounts of the Company for the FY 2014-15 and have given their report without any qualification. The copy of the audit report is annexed herewith.

SECRETARIAL AUDITOR

M/s. Agarwal S. & Associates, Company Secretaries was appointed as the Secretarial Auditor of the Company for the FY 2014-15 by the Board of Directors of the Company.

The observations of the Secretarial Auditor and reply of the management for the FY 2014-15 along with copy of the audit report is annexed herewith.

27.0 COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

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

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

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

Further, the statutory auditors of the Company i.e. M/s. N.K. Bhargava & Co., Chartered Accountants and M/s K. B. Chandna & Co., Chartered Accountants in their Report have also opinioned that there is adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of fixed assets and services rendered by the company.

29.0 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

Pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement of the particulars of remuneration is annexed herewith.

30.0 DEBENTURE TRUSTEES

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

31.0 REDEMPTION AND STATUS OF UNCLAIMED AMOUNTS

Bonds

The unclaimed/unpaid balance amount of bonds (principal and interest) as on March 31, 2015 was ₹6.39 crore. Further, an amount of ₹1.26 crore is lying with 'Payee Banks' and hence not shown as liability in the Books of Accounts.

Equity

The unclaimed balance amount of dividend (equity) and application money received and due for refund (FPO) as on March 31, 2015 was ₹1.32 crore and ₹0.038 crore respectively. The unclaimed amount of ₹4,97,903 and ₹10,90,197 under "Unclaimed & Unpaid Dividend of the Company" has been transferred to Investor Education and Protection Fund (IEPF) in the month of November, 2014 and April, 2015 respectively. The detail of investors' (whose refund is due) is available on PFC's website and IEPF website of Ministry of Corporate Affairs.

32.0 EMPLOYEES STOCK OPTIONS PLAN (ESOP)

Stock Options have been recognized world over as an effective instrument to attract and retain the talent in the organization and to align the interest of employees with those of the organization. Stock Options provide an opportunity to employees to share the growth of the Company and create long term wealth. They also promote the culture of employee ownership in the company.

The Department of Public Enterprises (DPE), Ministry of Heavy Industries & Public Enterprises, Govt. of India, through its directions on pay revision had also 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 24thAnnual 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 issued by DPE, the Company started giving an option to the employees to receive full PRP amount in cash or to receive part of PRP amount in cash and part of PRP in the form of grant of ESOPs.

The disclosure in respect of the ESOP scheme pursuant to Clause 12 of SEBI (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999 is annexed herewith.

33.0 VIGILANCE

During the FY 2014-15, the Vigilance Unit functioned as an effective tool of positive management in your company with the thrust being on "Preventive Vigilance". This aspect was emphasized by conducting periodic and surprise inspections of various units and by issuing effective guidelines to streamline systems with the aim of eliminating loopholes and ensuring transparency in day-to-day operations, minimizing scope for misuse. Vigilance Unit undertook the review of Operational Manuals of various activities of the Company. The Review of Coordinator's Manual of PFCCL is in process of finalization. The publication of a Quarterly Newsletter on Vigilance activities 'Prahari' was launched to appraise employees about the ongoing Vigilance activities. An updated "Vigilance Handbook" of the Company was also published. The Vigilance

Unit's working was computerized through the development of in-house software, the Vigilance Monitoring System. In addition, detailed investigations were carried out in several cases of registered complaints.

The performance of Vigilance Unit was reviewed by the Central Vigilance Commission (CVC), Ministry of Power, Board of Directors and CMD of PFC in addition to regular reviews undertaken by the CVO, PFC as per the prescribed norms.

In accordance with the directives of Central Vigilance Commission the Vigilance Awareness Week was observed from October 27, 2014 to November 1, 2014 in the Head Office and Regional offices of the Company. During the Vigilance Awareness Week, a one day workshop on "Leveraging Technology to Combat Corruption" was organized for the employees of the Company. Interactive sessions were organized with prominent faculty members on varied subjects like personal values and ethics and dealing with day to day situations involving ethical dilemmas faced while working in the organization.

A Slogan Writing Competition, an Essay Writing Competition as well as a Pictorial Theme Representation Competition were organized on themes relating to "Technology and Citizen: Improving Accountability", "Role of Technology in Combating Corruption" and "Combating Corruption-Technology as an Enabler" respectively with the aim of involving employees and encouraging them to come forward with innovative ideas on combating corruption.

34.0 OFFICIAL LANGUAGE

Your company was awarded the first prize in Public Sector Category of the 'Indira Gandhi Rajbhasha Puraskar' for the FY 2013-14 by Rajbhasha Vibhag, Grih Mantralay for its concerted efforts made in implementation of official language policy. CMD, PFC received the prestigious award from President of India, Sh. Pranab Mukherjee. Your company also won the first prize of 'Best Hindi Promotion In-House Journal" from Sh. Oomen Chandy, Hon'ble Chief Minister of Kerala.

During the year, Drafting and Evidence Sub-Committee of the Committee of Parliament on Official Language held discussion with the Chairmen of Town Official Language Implementation Committee (TOLIC) including PFC. Second Sub-Committee of Parliament on Official Language Committee held the inspection of Regional Offices and appreciated the work being done in Hindi. Officials from Ministry of Power and Department of Official Language under Ministry of Home Affairs conducted the inspection of PFC Head Office. To ensure the effective implementation of Official Language Policy in the Company, internal inspections in the form of personal contact programme were conducted. Meetings of the Official Language Implementation Committee were organised in each quarter to review and find out solutions for better implementation of Official Language Policy under the chairmanship of CMD, PFC. Departmental Hindi meetings were also organized at Unit level.

During the year, a Rajbhasha Sammelan was organized at Chennai wherein 50 officials of various PSUs of TOLIC, Chennai participated. Further, Hindi Day and Month were celebrated on September 14 and from September 14 to October 13, 2014 respectively. During the Hindi Month, various competitions, like Vartani Shodhan, Mook Prahelika (Dumb Charades), Shabd Vyuh Bhedan, Chitrabhivyakti, Navras Abhivyakti, Hindi Bhasha Gyan Pratiyogita (for senior level officers) were organized. In all, 207 employees participated in these competitions. During the year, six Hindi workshops were organized for 140 executives (including senior executives) and non-executives of the Company with a view to improve their efficiency in doing their day to day official work in Hindi. Three Hindi Sangoshthi on different topics related to Rajbhasha Hindi were organized wherein 93 employees participated.

35.0 RIGHT TO INFORMATION ACT

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 2014-15, all 102 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 2014-2015.

SUOMOTO DISCLOSURES UNDER SECTION 4 OF THE RTI ACT 2005

During FY 2014-15, 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) Suomoto 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 2014-15.

38.0 DETAILS OF PROCUREMENT FROM MSEs

The details of the procurements made from Micro and Small Enterprises (MSEs) during the FY 2014-15 and the targets for FY 2015-16 as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 is as under:

S.No.	Particulars	FY 2014-15	Target for FY 2015-16
I	Total annual procurement (in value)	₹4,99,64,348	₹6,00,00,000
II	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)*	₹77,73,890	₹1,20,00,000
III	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs**	-	₹24,00,000**
IV	%age of procurement from MSEs (including MSEs owned by SC/ ST entrepreneurs) out of total procurement	15.56%	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	3 vendors half yearly	3 Vendor development half yearly
VII	Confirmation of uploading annual MSE procurement profile on your website by hyperlink of same	Annual Procurement Plan uploaded at http://www.pfcindia.com/WhatsNewDetail.aspx?wtsid=290	

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

*** Subject to availability 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, Listing Agreement with Stock exchanges, DPE's Guidelines on Corporate Governance for CPSEs etc. is annexed to this report as follows:

Particulars	Annexure
Particulars of employees u/s 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	A
Details of Debenture Trustees	B
Extract of Annual Return (MGT-9)	C
Annual Report on CSR Activities	D
ESOP details	E
Disclosure of particulars of contracts/arrangements entered into by the company with related parties (AOC-2)	F
Management Discussion and Analysis Report	G
Report on Corporate Governance	H
Business Responsibility Report	I
Secretarial Audit Report	J

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 and the Statutory Auditors 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 No. 00239813

Place : New Delhi
Dated : August 21, 2015

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

A. i) Ratio of the remuneration of Whole Time Director's to the median employee's remuneration for the FY 2014-15.

S. No.	Name of Director	Designation	Remuneration (₹)	Median Employee's Remuneration (₹)	Ratio
1.	M. K. Goel	CMD	73,06,267	17,68,576	4.13
2.	R. Nagarajan	Director (Finance)	83,47,064		4.72
3.	A. K. Agarwal	Director (Projects)	65,93,455		3.73

ii) Percentage increase in remuneration of KMPs in FY 2014-15.

S. No.	Name of KMPs	Designation	Remuneration for FY 2013-14 (₹)	Remuneration for FY 2014-15 (₹)	Percentage increase
1.	M. K. Goel	CMD	59,99,928	73,06,267	21.77
2.	R. Nagarajan	Director (Finance)	50,56,753	83,47,064	65.07
3.	A. K. Agarwal	Director (Projects)	44,78,328	65,93,455	47.23
4.	Manohar Balwani	Company Secretary	19,81,430	27,38,378	38.20

iii) Percentage increase in the median remuneration of employees in FY 2014-15.

Median Employee's Remuneration for FY 2013-14 (₹)	Median Employee's Remuneration for FY 2014-15 (₹)	Percentage increase
15,16,156	17,68,576	16.65

iv) Number of Permanent Employees as on March 31, 2015.

450 (Including CMD, Directors and Deputationists)

v) Explanation on the relationship between average increase in remuneration and company performance.

Your Company has achieved MoU rating as 'Excellent' and it is the higest grade as per the DPE MoU standards and payment of Performance related pay is linked with MoU rating.

Further, as regards other payments, the same are dealt as per the guidelines provided by DPE.

vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.

Your Company has achieved MoU rating as 'Excellent' and it is the higest grade as per the DPE MoU standards and payment of Performance related pay is linked with MoU rating.

Further, as regards other payments, the same are dealt as per the guidelines provided by DPE.

vii) Details of variations in the market capitalisation of the company, price earnings ratio as on March 31, 2015 and March 31, 2014 and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.

S.No.	Particulars as on	March 31, 2015	March 31, 2014
a.	Market Capitalisation (₹ crore)		
	NSE	36043.71	25503.19
	BSE	36004.11	25529.59
b.	Price Earnings Ratio		
	NSE	6.05	4.71
	BSE	6.04	4.71
c.	% increase in the market quotations of the shares of the company as on March 31, 2015		
	NSE – 34.52%		
	BSE – 34.36%		

viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 37.04% whereas the increase in the managerial remuneration for the same financial year was 44.69% (employees drawing remuneration in last FY and current FY have been considered for computation of average percentage increase).

ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.

Your Company has achieved MoU rating as 'Excellent' and it is the highest grade as per the DPE MoU standards and payment of Performance related pay is linked with MoU rating.

Further, as regards other payments are concerned the same are dealt as per the guidelines provided by DPE.

x) The key parameters for any variable component of remuneration availed by the Directors.

The only variable component of remuneration for Directors is Performance Related Pay. This is linked with the MoU.

xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year.

Not Applicable

xii) Affirmation that the remuneration is as per the remuneration policy of the company.

Yes, PFC guidelines are being followed as regard to remuneration.

B. Statement showing the name of every employee of the company, who-

(i) If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;

(ii) If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;

(iii) If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Name	Designation	Remuneration (in ₹)	Qualification	Date of Commencement of Employment	Exp. (Yrs.)	Age as on March 31, 2015 (Yrs.)	Last Employment held	Remarks
Employed for whole of the Year								
M. K. Goel	CMD	73,06,267	B.Tech. (Electrical)	November 22, 1988	35	58	NHPC	-
R. Nagarajan	Director (Finance)	83,47,064	CA, ICWA, CAIIB	February 6, 1995	34	57	Andhra Bank	-
A. K. Agarwal	Director (Projects)	65,93,455	B.E.(Electrical) with Hons.	October 26, 1990	37	58	BHEL	-
Employed for part of the Year								
S. K. Bhan	General Manager	33,80,876	B.Sc. Engg. (Electrical), MBA	September 1, 2005	35	60	PFC	Superannuated on April, 3, 2014
Narain Das	Driver Gr. II	52,94,101	VIII Class	May 15, 1989	30	-	PFC	Passed away on 31.12.2014

Notes:

1. *All the employees listed above are permanent employees.*
2. *None of the employees listed above is related to any director of the company.*
3. *None of the employees (i) was paid remuneration in the year which was in excess of that drawn by the managing director or whole-time director or manager and (ii) holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.*
4. *The number of PFC employees considered for computation are as follows:*
   Employed during the year 2014-15 (on rolls & posted in PFC): 405
   Not employed during the year 2014-15 (retired medical & arrear PRP etc, if any): 39
5. *Remuneration other than income tax perquisites have been considered on paid basis. Value of perquisites has been computed as per Income Tax act.*
6. *In addition, employees are entitled to post-retirement benefits such as Gratuity, PRMS, Leave Encashment, Long service award, economic rehabilitation scheme and baggage allowance in accordance with company's rules. Actuarial valuation of Post–retirement benefits is done for the Company as a whole. Post–retirement Actuarial expenses, Group Insurance, other welfare expenses etc. can't be quantified employee-wise for median computation.*
7. *Remuneration for FY 2014-15 includes PRP payment pertaining to FY 2012-13 & FY 2013-14 whereas remuneration for FY 2013-14 includes PRP payment pertaining to FY 2011-12 only.*

DEBENTURE TRUSTEES APPOINTED BY THE COMPANY FOR THE DIFFERENT SERIES OF BONDS

Sl. No.	Name & Address of Trustee	Bond Series
1.	**IL&FS Trust Company Limited** The IL&FS Financial Centre, Plot C-22, G-Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051	9.60% TAXU PFC Bonds (2017)-XIII Series 8.21% TAXU PFC Bonds (2017)-XVII Series 7.87% TAXU PFC Bonds (2017)-XVIII Series Zero Coupon Bonds-(2022) XIX Series 8.35% PFC Bonds Series 104-A 8.30% PFC Bonds Series 104-B 8.19% PFC Subordinated Tier II- Debt Bond Series 105 8.29% PFC Bonds Series 106-A 8.27% PFC Bonds 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 9.58% TAXABLE SECURED BOND SERIES 110 9.65% PFC Subordinated Tier II- Debt Bond Series 111 9.70% TAXABLE SECURED BOND SERIES 112A 9.70% TAXABLE SECURED BOND SERIES 112B 9.70% TAXABLE SECURED BOND SERIES 112C 9.69% TAXABLE SECURED BOND SERIES 113 9.70% PFC Subordinated Tier II- Debt Bond Series 114 7.19% 10YRS TAX FREE BONDS 12-13 TR -I SERIES 1 7.69% 10YRS TAX FREE BONDS 2012-13 TR-I SERIES-1 7.36% 15YRS TAX FREE BONDS 2012-13 TR-I SERIES-2 7.86% 15YRS TAX FREE BONDS 2012-13 TR-I SERIES-2 6.88% TR-2 TAX FREE BONDS 12-13 7.38% TR-2 TAX FREE BONDS 12-13 7.04% TR-2 TAX FREE BONDS 12-13 7.54% TR 2 TAX FREE BONDS 12-13 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
2.	**IDBI Trusteeship Services Ltd** Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai- 400 001	7.6% TAXABLE BOND SERIES XXV 7.95% XXVI BOND SERIES 8.20% TAXABLE BOND XXVII-A 8.85% TAXU BOND SERIES XXVIII 8.80% TAXU BONDS SERIES XXIX-A 8.78% TAXU BONDS-XXXI-A SERIES 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 10.70% TAXU BONDS-L-C 11.00% TAXU BOND -LI-C 11.30% TAXU BOND SERIES LII-B 11.25% TAXU BOND SERIES LII-C 8.60% TAX BOND SERIES-57 B 8.60% TAX BOND SERIES-57 C 8.80% TAXU BOND SERIES-59B INCMTBMK+179BSP TAXU BOND SERIES-60B 8.50% TAXU BOND SERIES-61 8.50% TAXU BOND SERIES-61 8.70% TAXU BOND SERIES-62A 8.80% TAXU BOND SERIES-62B 8.90% TAXU BOND SERIES-63 8.90% TAXU BOND SERIES-63 8.95% TAXU BOND SERIES-64 8.95% TAXU BOND SERIES-64

3.	**PNB Investment Services Ltd.** 10, Rakesh Deep Building, Yusuf Sarai Commercial Complex, Gulmohar Enclave, New Delhi-110049	8.70% TAXU PFC Bonds-65-Series 8.70% TAXU PFC Bonds-65-Series 8.70% 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 8.25% TAXU PFC Bonds-68 A-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 Bonds – Series 73 9.70% TAXU PFC Bonds – Series 74 9.62% TAXU PFC Bonds – Series 75-B 9.61% TAXU PFC Bonds – Series 75-C 9.36% TAXU PFC Bonds – Series 76-A 9.46% TAXU PFC Bonds – Series 76-B 9.41% TAXU PFC Bonds – Series 77-A 9.45% TAXU PFC Bonds – Series 77-B 9.44% TAXU PFC Bonds – Series 78-B 7.51% SEC TAX FREE PFC Bonds – Series 79-A 7.75% SEC TAX FREE PFC Bonds – Series 79-B 8.09% SEC TAX FREE PFC Bonds – Series 80-A 8.16% SEC TAX FREE PFC Bonds – Series 80-B 9.64% TAXU PFC Bonds – Series 82-B 9.70% TAXU PFC Bonds – Series 82-C 9.33% TAXU PFC Bonds – Series 84 9.51% TAXU PFC Bonds – Series 85-A 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 9.66% TAXU PFC Bonds – Series 88-B 9.48% TAXU PFC Bonds– Series 88-C
4.	**GDA Trusteeship Ltd.** “GDA HOUSE”, Plot No.85, Survey No. 94/95 Paud Road, Pune-411038	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 PFC Bonds – Series 94-A 7.38% TAX FREE PFC Bonds – Series 94-B 7.22% TAX FREE PFC Bonds – Series 95-A 7.38% TAX FREE PFC Bonds – Series 95-B 9.52% PFC BONDS – SERIES 89-A 9.46% PFC BONDS – SERIES 89-B 9.61% PFC BONDS – SERIES 90-A 9.41% PFC BONDS – SERIES 90-B BOND SERIES 91-A BOND SERIES 91-B 9.01% PFC Bonds Series 92-A 9.27% PFC Bonds Series 92-B 9.29% PFC Bonds Series 92-C PFC Bonds Series 93-B 8.72% TAXABLE BONDS SERIES 98-I

		8.72% TAXABLE BONDS SERIES 98-I 8.72% TAXABLE BONDS SERIES 98-II 8.72% TAXABLE BONDS SERIES 98-III 8.77% PFC Bonds Series 99-A 8.82% PFC Bonds Series 99-B 8.86% PFC Bonds Series 100-A 8.84% PFC Bonds Series 100-B 8.95% PFC Bonds Series 101-A 9.00% PFC Bonds Series 101-B 8.90% PFC Bonds Series102-A (I) 8.90% PFC Bonds Series 102-A (II) 8.90% PFC Bonds Series 102-A (III) 8.87% PFC BOND SERIES 102-B 8.94% PFC Bonds Series 103 9.11% PFC Bonds Series 115-I 9.15% PFC Bonds Series 115-II 9.20% PFC Bonds Series 115- III 9.16% PFC Bonds Series 116 9.32% PFC Bonds Series 117-A 9.37% PFC Bonds Series 117-B 9.30% PFC Bonds Series 118-A 9.39% PFC Bonds Series 118-B-I 9.39% PFC Bonds Series 118-B-II 9.39% PFC Bonds Series 118-B-III 8.95% PFC Bonds Series 119-A 9.32% PFC Bonds Series 119-B 8.98% PFC Bonds Series120-A 8.98% PFC Bonds Series 120-B 8.90% PFC Bonds Series 121-A 8.96% PFC Bonds Series 121-B 8.76% PFC Bonds Series 122 8.50% PFC Bonds Series 123-A 8.65% PFC Bonds Series 123-B 8.66% PFC Bonds Series 123-C 8.52% PFC Bonds Series 124-A 8.55% PFC Bonds Series 124-B 8.48% PFC Bonds Series 124-C 8.65% PFC Bonds Series 125 8.65% PFC Bonds Series 126 8.36% PFC Bonds Series 127 8.20% PFC Bonds Series 128 8.29% PFC Bonds Series 129-A 8.29% PFC Bonds Series 129-B\ 8.40% PFC Bonds Series 130-A 8.42% PFC Bonds Series 130-B 8.39% PFC Bonds Series 130-C 8.34% PFC Bonds Series 131-A 8.38% PFC Bonds Series 131-B 8.41% PFC Bonds Series 131-C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

[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	16th 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	**Registered Office:** 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi- 110001 **Company Secretary** Shri Manohar Balwani Tel: +91 11 23456020 Fax: +91 11 23456786 e-mail: investorsgrievance@pfcindia.com
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	**Registered Office:** 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 **Communication Address:** Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31 & 32 Gachibowli Financial District, Nanakramguda, Hyderabad : 500 032 Tel.: +91 40 67162222 Fax: +91 40 23001153 Email: einward.ris@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	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	
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	Section 2(87) of the Companies Act, 2013
8	Coastal Tamil Nadu Power Limited	U40102DL2007GOI157615	Subsidiary	100	
9	Orissa Integrated Power Limited	U40102DL2006GOI152423	Subsidiary	100	
10	Sakhigopal Integrated Power Company Limited	U40108DL2008GOI178409	Subsidiary	100	
11	Ghogarpalli Integrated Power Company Limited	U45207DL2008GOI178456	Subsidiary	100	
12	Tatiya Andhra Mega Power Limited	U40200DL2009GOI189476	Subsidiary	100	
13	Deoghar Mega Power Limited	U40300DL2012GOI234839	Subsidiary	100	
14	Cheyyur Infra Limited	U93000DL2014GOI263819	Subsidiary	100	
15	Odisha Infrapower Limited	U93000DL2014GOI263902	Subsidiary	100	
16	Tanda Transmission Company Limited	U74999DL2013GOI257471	Subsidiary	Wholly owned subsidiaries of PFC Consulting Limited	
17	Ballabhgarh-GN Transmission Company Limited	U74999DL2013GOI257470	Subsidiary		
18	Sipat Transmission Limited	U40300DL2014GOI274541	Subsidiary		
19	Raipur-Rajnandgaon-Warora Transmission Limited	U40300DL2014GOI274544	Subsidiary		
20	Mohindergarh-Bhiwani Transmission Limited	U40106DL2014GOI274558	Subsidiary		
21	Chhattisgarh-WR Transmission Limited	U40105DL2014GOI274570	Subsidiary		
22	South-Central East Delhi Power Transmission Limited	U40109DL2015GOI276863	Subsidiary		
23	National Power Exchange Limited	U40100DL2008PLC185689	JV	16.66	Section 2(6) of the Companies Act, 2013
24	Energy Efficiency Services Limited	U40200DL2009PLC196789	JV	25	

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	Physi-cal	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	960955589	0	960955589	72.80	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
f) Any Other….	0	0	0	0.00	0	0	0	0	0.00
Sub-total (A) (1)	**960955589**	**0**	**960955589**	**72.80**	**960955589**	**0**	**960955589**	**72.80**	**0.00**
(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 share-holding of Promoter (A) = (A)(1)+(A)(2)	**960955589**	**0**	**960955589**	**72.80**	**960955589**	**0**	**960955589**	**72.80**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	36472372	0	36472372	2.76	23528012	0	23528012	1.78	0.98
b) Banks / FI	41900986	0	41900986	3.17	25403394	0	25403394	1.92	1.25
c) Central Govt	0	0	0	0.00	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
f) Insurance Companies	62675200	0	62675200	4.75	67874670	0	67874670	5.14	-0.39
g) FIIs	147507931	0	147507931	11.17	173108474	0	173108474	13.11	-1.94
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0	0.00
Sub-total (B) (1)	**288556489**	**0**	**288556489**	**21.86**	**289914550**	**0**	**289914550**	**21.96**	**-0.10**

2. Non-Institutions

a) Bodies Corp.									
i) Indian	29431567	0	29431567	2.23	35896125	0	35896125	2.72	-0.49
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	31113922	14073	31127995	2.36	26892038	13436	26905474	2.04	0.32
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	5724627	0	5724627	0.43	3786473	0	3786473	0.29	0.15
c) Others (specify)									
Clearing Members	3274768	0	3274768	0.25	391937	0	391937	0.03	0.22
Foreign Nationals	740	0	740	0.00	800	0	800	0.00	0.00
Non Resident Indians	849264	0	849264	0.06	737387	0	737387	0.06	0.01
Trusts	119665	0	119665	0.01	1452369	0	1452369	0.11	-0.10
Sub-total (B) (2)	**70514553**	**14073**	**70528626**	**5.34**	**69157129**	**13436**	**69170565**	**5.24**	**0.10**
Total Public Shareholding (B)=(B)(1)+ (B) (2)	**359071042**	**14073**	**359085115**	**27.20**	**359071679**	**13436**	**359085115**	**27.20**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**1320026631**	**14073**	**1320040704**	**100.00**	**1320027268**	**13436**	**1320040704**	**100.00**	

(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	960955589	72.80	0.00	0.00
	Total	**960955589**	**72.80**	**0.00**	**960955589**	**72.80**	**0.00**	**0.00**

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	President of India				
	At the beginning of the year – Opening balance	960955589	72.80	960955589	72.80
	Increase / Decrease in Promoters Shareholding during the year	No change	No change	No change	No change
	At the End of the year – Closing balance	960955589	72.80	960955589	72.80

(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		57741601	4.37	57741601	4.37
	Date	Type of Transaction				
	08/08/2014	Purchase	189253	0.01	57930854	4.39
	15/08/2014	Purchase	2173078	0.16	60103932	4.55
	22/08/2014	Purchase	2039350	0.15	62143282	4.71
	29/08/2014	Purchase	752858	0.06	62896140	4.76
	05/09/2014	Purchase	1342430	0.10	64238570	4.87
	12/09/2014	Purchase	504912	0.04	64743482	4.90
	10/10/2014	Purchase	415735	0.03	65159217	4.94
	17/10/2014	Purchase	1357339	0.10	66516556	5.04
	24/10/2014	Purchase	1064735	0.08	67581291	5.12
	05/12/2014	Sale	323095	0.02	67258196	5.10
	12/12/2014	Sale	59599	0.00	67198597	5.09
	09/01/2015	Sale	651909	0.05	66546688	5.04
	16/01/2015	Sale	1060275	0.08	65486413	4.96
	23/01/2015	Sale	1002389	0.08	64484024	4.89
	30/01/2015	Sale	646989	0.05	63837035	4.84
	06/02/2015	Sale	341699	0.03	63495336	4.81
	At the End of the year – Closing balance				63495336	4.81
2.	**Life Insurance Corporation of India P & GS Fund**					
	At the beginning of the year – Opening balance		24160828	1.83	24160828	1.83
	Date	Type of Transaction				
	04/07/2014	Sale	921662	0.07	23239166	1.76
	11/07/2014	Sale	505582	0.04	22733584	1.72
	18/07/2014	Sale	400000	0.03	22333584	1.69
	05/12/2014	Sale	1239109	0.09	21094475	1.60
	12/12/2014	Sale	322938	0.02	20771537	1.57
	31/12/2014	Sale	700000	0.05	20071537	1.52
	23/01/2015	Sale	535940	0.04	19535597	1.48
	30/01/2015	Sale	340285	0.03	19195312	1.45
	06/02/2015	Sale	784285	0.06	18411027	1.39
	13/03/2015	Sale	459859	0.03	17951168	1.36
	20/03/2015	Sale	188913	0.01	17762255	1.35
	27/03/2015	Sale	293659	0.02	17468596	1.32
	At the End of the year – Closing balance				17468596	1.32

3.	HDFC Standard Life Insurance Company Limited					
	At the beginning of the year – Opening balance		13334940	1.01	13334940	1.01
	Date	Type of Transaction				
	04/04/2014	Sale	318624	0.02	13016316	0.99
	11/04/2014	Sale	479283	0.04	12537033	0.95
	18/04/2014	Purchase	12453	0.00	12549486	0.95
	02/05/2014	Purchase	314520	0.02	12864006	0.97
	09/05/2014	Purchase	168940	0.01	13032946	0.99
	16/05/2014	Sale	45524	0.00	12987422	0.98
	23/05/2014	Purchase	40000	0.00	13027422	0.99
	20/06/2014	Sale	8117	0.00	13019305	0.99
	30/06/2014	Purchase	1386	0.00	13020691	0.99
	04/07/2014	Purchase	213561	0.02	13234252	1.00
	11/07/2014	Sale	512649	0.04	12721603	0.96
	18/07/2014	Purchase	1946	0.00	12723549	0.96
	25/07/2014	Purchase	998749	0.08	13722298	1.04
	01/08/2014	Purchase	304849	0.02	14027147	1.06
	15/08/2014	Purchase	261974	0.02	14289121	1.08
	22/08/2014	Purchase	464163	0.04	14753284	1.12
	29/08/2014	Purchase	239	0.00	14753523	1.12
	12/09/2014	Purchase	126854	0.01	14880377	1.13
	19/09/2014	Purchase	106822	0.01	14987199	1.14
	30/09/2014	Purchase	276583	0.02	15263782	1.16
	03/10/2014	Purchase	100000	0.01	15363782	1.16
	10/10/2014	Purchase	106565	0.01	15470347	1.17
	17/10/2014	Purchase	49000	0.00	15519347	1.18
	24/10/2014	Purchase	24954	0.00	15544301	1.18
	31/10/2014	Sale	274834	0.02	15269467	1.16
	07/11/2014	Sale	41811	0.00	15227656	1.15
	14/11/2014	Purchase	99845	0.01	15327501	1.16
	21/11/2014	Sale	15774	0.00	15311727	1.16
	28/11/2014	Purchase	26	0.00	15311753	1.16
	05/12/2014	Purchase	34092	0.00	15345845	1.16
	12/12/2014	Purchase	43	0.00	15345888	1.16
	19/12/2014	Sale	27101	0.00	15318787	1.16
	31/12/2014	Purchase	13316	0.00	15332103	1.16

	02/01/2015	Purchase	4395	0.00	15336498	1.16
	09/01/2015	Purchase	11384	0.00	15347882	1.16
	16/01/2015	Purchase	77	0.00	15347959	1.16
	23/01/2015	Purchase	82436	0.01	15430395	1.17
	30/01/2015	Sale	57520	0.00	15372875	1.16
	06/02/2015	Purchase	226647	0.02	15599522	1.18
	13/02/2015	Purchase	34114	0.00	15633636	1.18
	20/02/2015	Purchase	105672	0.01	15739308	1.19
	27/02/2015	Purchase	1673	0.00	15740981	1.19
	06/03/2015	Purchase	264590	0.02	16005571	1.21
	13/03/2015	Sale	91111	0.01	15914460	1.21
	27/03/2015	Purchase	101217	0.01	16015677	1.21
	31/03/2015	Purchase	65069	0.00	16080746	1.22
	At the End of the year – Closing balance				16080746	1.22
4.	**CPSE ETF**					
	At the beginning of the year – Opening balance		12106076	0.92	12106076	0.92
	Date	Type of Transaction				
	04/04/2014	Purchase	24975	0.00	12131051	0.92
	11/04/2014	Sale	3733874	0.28	8397177	0.64
	18/04/2014	Sale	605042	0.05	7792135	0.59
	25/04/2014	Sale	583815	0.04	7208320	0.55
	02/05/2014	Sale	316994	0.02	6891326	0.52
	09/05/2014	Sale	168734	0.01	6722592	0.51
	16/05/2014	Sale	243761	0.02	6478831	0.49
	23/05/2014	Purchase	95626	0.01	6574457	0.50
	30/05/2014	Purchase	105398	0.01	6679855	0.51
	06/06/2014	Purchase	48860	0.00	6728715	0.51
	13/06/2014	Sale	18846	0.00	6709869	0.51
	20/06/2014	Purchase	8376	0.00	6718245	0.51
	30/06/2014	Purchase	14658	0.00	6732903	0.51
	04/07/2014	Purchase	11168	0.00	6744071	0.51
	11/07/2014	Sale	3490	0.00	6740581	0.51
	18/07/2014	Purchase	6560	0.00	6747141	0.51
	25/07/2014	Purchase	9074	0.00	6756215	0.51
	01/08/2014	Purchase	6282	0.00	6762497	0.51
	08/08/2014	Purchase	2094	0.00	6764591	0.51

	15/08/2014	Sale	698	0.00	6763893	0.51
	22/08/2014	Sale	46341	0.00	6717552	0.51
	29/08/2014	Sale	16632	0.00	6700920	0.51
	05/09/2014	Sale	8251	0.00	6692669	0.51
	12/09/2014	Sale	36140	0.00	6656529	0.50
	19/09/2014	Sale	21545	0.00	6634984	0.50
	30/09/2014	Purchase	29885	0.00	6664869	0.50
	03/10/2014	Sale	2780	0.00	6662089	0.50
	10/10/2014	Sale	695	0.00	6661394	0.50
	17/10/2014	Purchase	28495	0.00	6689889	0.51
	24/10/2014	Purchase	23630	0.00	6713519	0.51
	31/10/2014	Sale	13205	0.00	6700314	0.51
	07/11/2014	Purchase	37530	0.00	6737844	0.51
	14/11/2014	Sale	113886	0.01	6623958	0.50
	21/11/2014	Sale	296856	0.02	6327102	0.48
	28/11/2014	Sale	22572	0.00	6304530	0.48
	05/12/2014	Sale	14364	0.00	6290166	0.48
	12/12/2014	Sale	10260	0.00	6279906	0.48
	19/12/2014	Sale	14364	0.00	6265542	0.47
	31/12/2014	Purchase	62384	0.00	6327926	0.48
	02/01/2015	Sale	25382	0.00	6302544	0.48
	09/01/2015	Purchase	34300	0.00	6336844	0.48
	16/01/2015	Sale	19208	0.00	6317636	0.48
	23/01/2015	Sale	35092	0.00	6282544	0.48
	30/01/2015	Sale	61556	0.00	6220988	0.47
	06/02/2015	Sale	24406	0.00	6196582	0.47
	13/02/2015	Sale	1372	0.00	6195210	0.47
	20/02/2015	Sale	931416	0.07	5263794	0.40
	27/02/2015	Sale	5319	0.00	5258475	0.40
	06/03/2015	Purchase	48667	0.00	5307142	0.40
	13/03/2015	Purchase	77544	0.01	5384686	0.41
	20/03/2015	Purchase	4776	0.00	5389462	0.41
	27/03/2015	Purchase	36120	0.00	5425582	0.41
	31/03/2015	Sale	1204	0.00	5424378	0.41
	At the End of the year – Closing balance				5424378	0.41

5	**LIC of India Market Plus 1 Growth Fund**					
	At the beginning of the year – Opening balance		9405863	0.71	9405863	0.71
	Date	Type of Transaction				
	11/04/2014	Sale	800000	0.06	8605863	0.65
	25/04/2014	Sale	559835	0.04	8046028	0.61
	02/05/2014	Sale	194634	0.01	7851394	0.59
	09/05/2014	Sale	1189683	0.09	6661711	0.50
	06/06/2014	Sale	300000	0.02	6361711	0.48
	13/06/2014	Sale	537828	0.04	5823883	0.44
	20/06/2014	Sale	432000	0.03	5391883	0.41
	30/06/2014	Sale	862003	0.07	4529880	0.34
	04/07/2014	Sale	665641	0.05	3864239	0.29
	11/07/2014	Sale	657175	0.05	3207064	0.24
	01/08/2014	Sale	250000	0.02	2957064	0.22
	31/10/2014	Sale	285336	0.02	2671728	0.20
	07/11/2014	Sale	400000	0.03	2271728	0.17
	14/11/2014	Sale	671914	0.05	1599814	0.12
	21/11/2014	Sale	728141	0.06	871673	0.07
	28/11/2014	Sale	442333	0.03	429340	0.03
	05/12/2014	Sale	250000	0.02	179340	0.01
	09/01/2015	Sale	60000	0.00	119340	0.01
	23/01/2015	Sale	77440	0.01	41900	0.00
	At the End of the year – Closing balance				41900	0.00
6.	**Government Pension Fund Global**					
	At the beginning of the year – Opening balance		8795700	0.67	8795700	0.67
	Date	Type of Transaction				
	04/04/2014	Sale	50000	0.00	8745700	0.66
	23/05/2014	Sale	30000	0.00	8715700	0.66
	30/05/2014	Sale	188572	0.01	8527128	0.65
	06/06/2014	Sale	501519	0.04	8025609	0.61
	13/06/2014	Sale	439692	0.03	7585917	0.57
	20/06/2014	Sale	476201	0.04	7109716	0.54
	30/06/2014	Sale	471328	0.04	6638388	0.50
	12/09/2014	Sale	100000	0.01	6538388	0.50
	19/09/2014	Sale	130000	0.01	6408388	0.49
	21/11/2014	Sale	6408388	0.49	0	0.00
	At the End of the year – Closing balance				0.00	0

7.	**Vanguard Emerging Markets Stock Index Fund, Aserie**					
	At the beginning of the year – Opening balance		5789904	0.44	5789904	0.44
	Date	Type of Transaction				
	04/04/2014	Purchase	28000	0.00	5817904	0.44
	11/04/2014	Purchase	34300	0.00	5852204	0.44
	18/04/2014	Purchase	4900	0.00	5857104	0.44
	23/05/2014	Purchase	12600	0.00	5869704	0.44
	11/07/2014	Purchase	24500	0.00	5894204	0.45
	25/07/2014	Purchase	28000	0.00	5922204	0.45
	01/08/2014	Purchase	44800	0.00	5967004	0.45
	22/08/2014	Purchase	17500	0.00	5984504	0.45
	12/09/2014	Purchase	19600	0.00	6004104	0.45
	28/11/2014	Purchase	19600	0.00	6023704	0.46
	05/12/2014	Purchase	17500	0.00	6041204	0.46
	09/01/2015	Sale	28700	0.00	6012504	0.46
	16/01/2015	Sale	12600	0.00	5999904	0.45
	23/01/2015	Sale	11900	0.00	5988004	0.45
	06/02/2015	Sale	3500	0.00	5984504	0.45
	13/02/2015	Sale	14000	0.00	5970504	0.45
	31/03/2015	Sale	10500	0.00	5960004	0.45
	At the End of the year – Closing balance				5960004	0.45
8.	**Robeco Capital Growth Funds**					
	At the beginning of the year – Opening balance		5327252	0.40	5327252	0.40
	Date	Type of Transaction				
	18/04/2014	Sale	42706	0.00	5284546	0.40
	30/05/2014	Sale	720000	0.05	4564546	0.35
	20/06/2014	Sale	200000	0.02	4364546	0.33
	30/06/2014	Sale	512115	0.04	3852431	0.29
	14/11/2014	Sale	27244	0.00	3825187	0.29
	12/12/2014	Purchase	4778	0.00	3829965	0.29
	16/01/2015	Sale	2267	0.00	3827698	0.29
	At the End of the year – Closing balance				3827698	0.29

9.	**Morgan Stanley Asia (Singapore) Pte.**					
	At the beginning of the year – Opening balance		5171302	0.39	5171302	0.39
	Date	Type of Transaction				
	04/04/2014	Sale	730284	0.06	4441018	0.34
	11/04/2014	Purchase	95292	0.01	4536310	0.34
	18/04/2014	Purchase	521797	0.04	5058107	0.38
	25/04/2014	Purchase	214740	0.02	5272847	0.40
	02/05/2014	Purchase	69872	0.01	5342719	0.40
	09/05/2014	Purchase	157352	0.01	5500071	0.42
	16/05/2014	Sale	637514	0.05	4862557	0.37
	23/05/2014	Sale	261521	0.02	4601036	0.35
	30/05/2014	Sale	557415	0.04	4043621	0.31
	06/06/2014	Sale	41428	0.00	4002193	0.30
	13/06/2014	Purchase	189814	0.01	4192007	0.32
	20/06/2014	Sale	5529	0.00	4186478	0.32
	30/06/2014	Sale	79943	0.01	4106535	0.31
	04/07/2014	Purchase	208181	0.02	4314716	0.33
	11/07/2014	Sale	1425243	0.11	2889473	0.22
	18/07/2014	Purchase	1275108	0.10	4164581	0.32
	25/07/2014	Sale	425013	0.03	3739568	0.28
	01/08/2014	Purchase	543320	0.04	4282888	0.32
	08/08/2014	Purchase	1160140	0.09	5443028	0.41
	15/08/2014	Sale	539592	0.04	4903436	0.37
	22/08/2014	Sale	579090	0.04	4324346	0.33
	29/08/2014	Sale	1008757	0.08	3315589	0.25
	05/09/2014	Sale	582800	0.04	2732789	0.21
	12/09/2014	Sale	157944	0.01	2574845	0.20
	19/09/2014	Sale	196000	0.01	2378845	0.18
	30/09/2014	Sale	106373	0.01	2272472	0.17
	03/10/2014	Sale	100322	0.01	2172150	0.16
	10/10/2014	Sale	184869	0.01	1987281	0.15
	17/10/2014	Purchase	35400	0.00	2022681	0.15
	24/10/2014	Sale	320000	0.02	1702681	0.13
	31/10/2014	Sale	116477	0.01	1586204	0.12
	14/11/2014	Sale	608801	0.05	977403	0.07
	21/11/2014	Purchase	224261	0.02	1201664	0.09

	28/11/2014	Purchase	604543	0.05	1806207	0.14
	05/12/2014	Sale	83077	0.01	1723130	0.13
	12/12/2014	Purchase	390511	0.03	2113641	0.16
	19/12/2014	Sale	2113641	0.16	0	0.00
	At the End of the year – Closing balance				0.00	0
10.	**Credit Suisse (Singapore) Limited**					
	At the beginning of the year – Opening balance		4826752	0.37	4826752	0.37
	Date	Type of Transaction				
	04/04/2014	Sale	319195	0.02	4507557	0.34
	11/04/2014	Sale	3441	0.00	4504116	0.34
	18/04/2014	Sale	209274	0.02	4294842	0.33
	25/04/2014	Sale	23142	0.00	4271700	0.32
	02/05/2014	Purchase	533101	0.04	4804801	0.36
	09/05/2014	Purchase	2000000	0.15	6804801	0.52
	16/05/2014	Sale	300991	0.02	6503810	0.49
	23/05/2014	Sale	696828	0.05	5806982	0.44
	30/05/2014	Sale	933812	0.07	4873170	0.37
	06/06/2014	Sale	336310	0.03	4536860	0.34
	13/06/2014	Purchase	420031	0.03	4956891	0.38
	20/06/2014	Purchase	54734	0.00	5011625	0.38
	30/06/2014	Sale	658379	0.05	4353246	0.33
	04/07/2014	Purchase	434059	0.03	4787305	0.36
	11/07/2014	Sale	875908	0.07	3911397	0.30
	18/07/2014	Purchase	593763	0.04	4505160	0.34
	25/07/2014	Sale	30572	0.00	4474588	0.34
	01/08/2014	Sale	376627	0.03	4097961	0.31
	08/08/2014	Sale	2077444	0.16	2020517	0.15
	05/09/2014	Sale	91402	0.01	1929115	0.15
	30/09/2014	Sale	226415	0.02	1702700	0.13
	17/10/2014	Purchase	368000	0.03	2070700	0.16
	21/11/2014	Purchase	75000	0.01	2145700	0.16
	05/12/2014	Purchase	315000	0.02	2460700	0.19
	12/12/2014	Purchase	123000	0.01	2583700	0.20
	19/12/2014	Purchase	51940	0.00	2635640	0.20
	31/12/2014	Purchase	137678	0.01	2773318	0.21
	02/01/2015	Purchase	52500	0.00	2825818	0.21

	09/01/2015	Purchase	50484	0.00	2876302	0.22
	16/01/2015	Purchase	19992	0.00	2896294	0.22
	23/01/2015	Purchase	272000	0.02	3168294	0.24
	30/01/2015	Purchase	44482	0.00	3212776	0.24
	06/02/2015	Purchase	131967	0.01	3344743	0.25
	13/02/2015	Sale	1000	0.00	3343743	0.25
	20/02/2015	Purchase	8895	0.00	3352638	0.25
	27/02/2015	Purchase	424352	0.03	3776990	0.29
	06/03/2015	Purchase	371098	0.03	4148088	0.31
	13/03/2015	Purchase	616496	0.05	4764584	0.36
	20/03/2015	Purchase	7951	0.00	4772535	0.36
	27/03/2015	Purchase	544010	0.04	5316545	0.40
	At the End of the year – Closing balance				5316545	0.40

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**M. K. Goel**				
	At the beginning of the year	12389	0.000939%	12389	0.000939%
	Increase / Decrease in Shareholding during the year	No change	No change	No change	No change
	At the End of the year	12389	0.000939%	12389	0.000939%
2.	**R. Nagarajan**				
	At the beginning of the year	26869	0.002035%	26869	0.002035%
	Increase / Decrease in Shareholding during the year	No change	No change	No change	No change
	At the End of the year	26869	0.002035%	26869	0.002035%
3.	**A. K. Agarwal**				
	At the beginning of the year	25859	0.001959%	25859	0.001959%
	Increase / Decrease in Shareholding during the year	No change	No change	No change	No change
	At the End of the year	25859	0.001959%	25859	0.001959%
4.	**B. N. Sharma**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	No change	No change	No change
	At the End of the year	Nil	0.00	Nil	0.00
5.	**J. N. Prasanna Kumar**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	No change	No change	No change
	At the End of the year	Nil	0.00	Nil	0.00
6.	**Vijay Mohan Kaul**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	No change	No change	No change
	At the End of the year	Nil	0.00	Nil	0.00
7.	**Yogesh Chand Garg**				
	At the beginning of the year	Nil	0.00		0.00
	Increase / Decrease in Shareholding during the year	No change	No change	No change	No change
	At the End of the year	Nil	0.00	Nil	0.00
8.	**Manohar Balwani**				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Increase / Decrease in Shareholding during the year	No change	No change	No change	No change
	At the End of the year	Nil	0.00	Nil	0.00

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** 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**	**Vijay Mohan Kaul**	**Yogesh Chand Garg**	
	Fee for attending board / committee meetings	6,00,000	5,00,000	6,20,000	17,20,000
	Commission	0	0	0	0
	Others	0	0	0	0
	Total (1)	6,00,000	5,00,000	6,20,000	17,20,000
2.	**Other Non-Executive Directors #**	**B. N. Sharma**	-	-	
	Fee for attending board / committee meetings	0	-	-	0
	Commission	0	-	-	0
	Others	0	-	-	0
	Total (2)	0	-	-	0
	Total (B)=(1+2)				**17,20,000**
	Total Managerial Remuneration (A+B)				**2,39,66,786**
	Overall Ceiling as per the Act*				

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

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

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

(In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Manohar Balwani, CS	**Total Amount**
1.	**Gross salary**		
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	21,92,300	21,92,300
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961	1,82,547	1,82,547
(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)	3,63,531	3,63,531
Total		**27,38,378**	**27,38,378**

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					

Annexure D

Annual Report on CSR Activities for the FY 2014-15

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

S.No.	Particulars	Details
1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	After the notification of Companies Act 2013, your company'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 & 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 onFebruary 27, 2015 and the CSR Policy was renamed as CSR and Sustainability Policy. Your Company has implemented its CSR and Sustainability Policy with all its earnest and zeal. The aim of the CSR & Sustainability Policy is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large. To oversee the activities of CSR, the company has in place a Board level CSR Committee of Directors headed by an Independent Director. During the year, your company had implemented wide range of activities in the field of Solar energy, Sanitation, Skill Development etc. in various states. The details of the Company's CSR policy and projects/programs is available at the following link: http://www.pfcindia.com/Content/CSR%20POLICY.aspx and http://www.pfcindia.com/writereaddata/userfiles/file/CSR/CSRSD_Project_31032015.pdf
2	Composition of the CSR Committee	The Company has in place a CSR & SD Committee 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, 2015 the Committee comprised of the following: 1. Shri Yogesh Chand Garg — Chairman 2. Shri Vijay Mohan Kaul — Member 3. Shri A. K. Agarwal — Member
3	Average net profit of the company for last three financial years	₹5874.47 crore
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	For the FY 2014-15, the Board had approved the CSR budget of ₹117.49 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;	₹117.49 crore
b	Amount unspent, if any	₹65.81 crore
c	Manner in which the amount spent during the financial year is detailed below.	Projects worth ₹304.10 crore (inclusive of ₹1.78 crore on account of CSR administrative expenses incurred in FY 2014-15) were sanctioned during the FY 2014-15, out of which ₹41.51 crore were disbursed. In addition, ₹10.17 crore were disbursed from projects that were sanctioned in earlier Financial Years. Therefore, ₹51.68 crore (inclusive of ₹1.78 crore on account of CSR administrative expenses incurred in FY 2014-15) in total were disbursed during FY 2014-15.

Sl.No.	CSR Project or activity identified in FY 2014-15	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) State and district	Amount outlay (budget/ sanctioned) project or programs wise (Rs. Crore)	Amount disbursed (Rs. Crore) in FY 14-15 on the projects or programs Sub heads: (1) Direct expenditure (2) Overheads:	Cumulative expenditure upto the reporting period (Rs. Crore)	Amount spent: Direct or through Implementing agency
1	Skill Development Training Programmes for youth belonging to Scheduled Castes through National Scheduled Castes Finance and Development Corporation (NSFDC) (4750 persons)	Skill development	Andhra Pradesh, Assam, Bihar, Chhattisgarh, Haryana, Karnataka, MP, Maharashtra, Punjab, Rajasthan, Tamil Nadu, UP & West Bengal	4.750	0.998	0.998	National Scheduled Castes Finance and Development Corporation (NSFDC)
2	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, 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	1.238	1.238	L&T Construction
3	Employment Oriented Training and Skill Development Programme for SC/ST/ OBC/Women & EWS of society for 1500 persons through Construction Industry Development Council (CIDC)	Skill development	Uttar Pradesh, Bihar, Odisha & Jharkhand	5.919	4.836	4.836	Construction Industry Development Council (CIDC)
4	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	3.578	3.578	Gramin Vikas Trust (GVT)
5	Project for extending Clean Energy Solutions to 25,000 No. of Households across backward districts of Bihar through TERI	Solar applications	Bihar	8.998	0.900	0.900	The Energy & Resources Institute (TERI)

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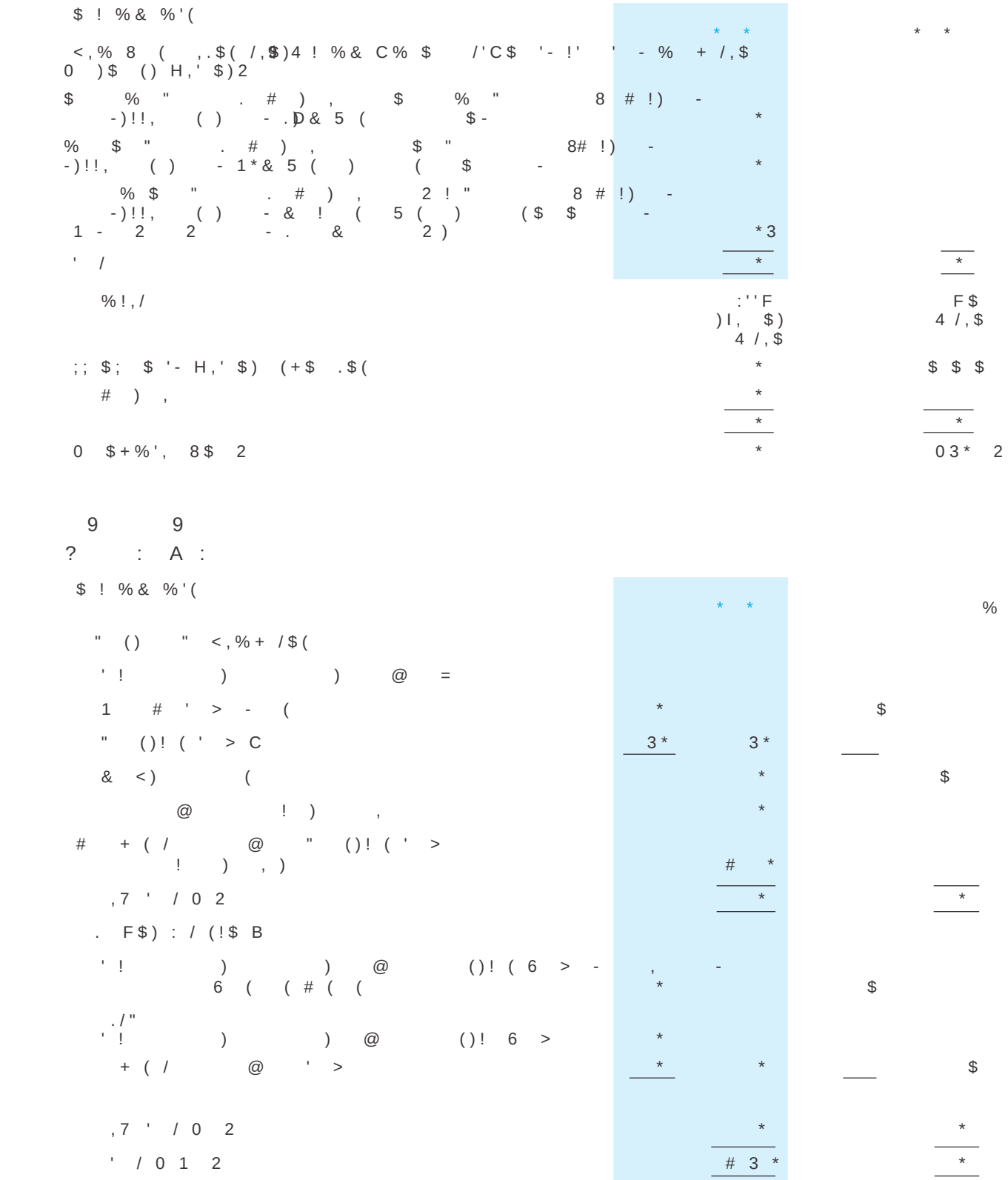
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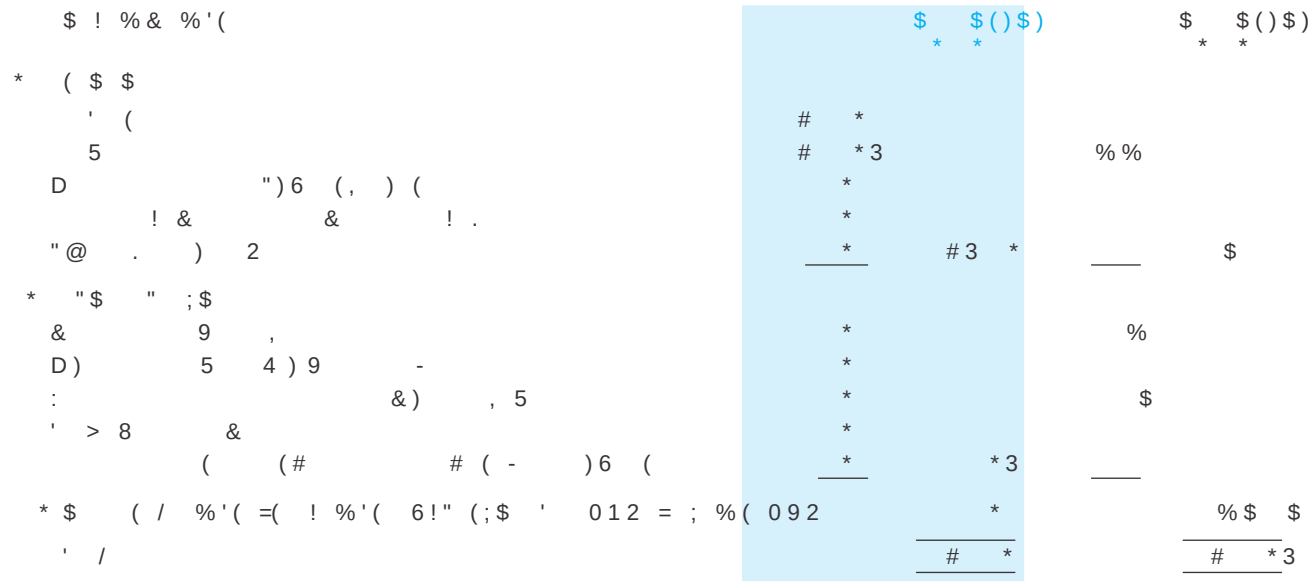

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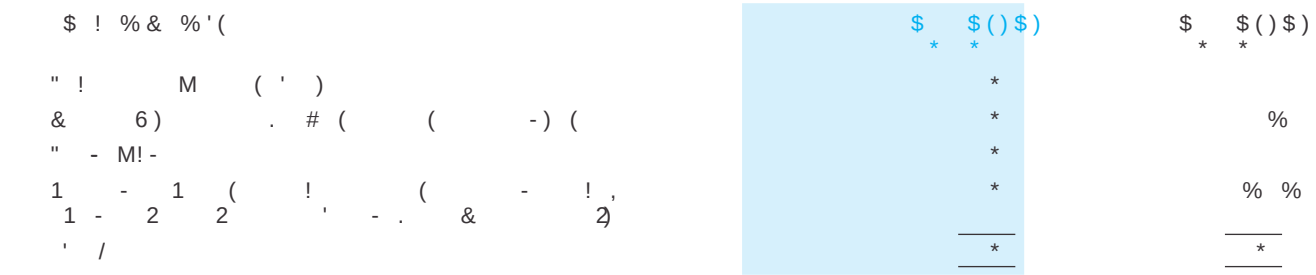

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AOC-1 (Subsidiaries - SPVs)

Form AOC 1

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

PART "A" : Subsidiaries - SPVs

(₹ in crore)

S. 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.	1.04.14 - 31.03.15	0.0500	(0.0024)	74.8912	74.8436	-	-	-	-	-	-	100
2	Coastal Karnataka Power Limited	1.04.14 -31.03.15	0.0500	(0.0021)	3.8696	3.8217	-	-	-	-	-	-	100
3	Coastal Maharashtra Mega Power Limited	1.04.14 -31.03.15	0.0500	(0.0038)	59.1321	59.0859	-	-	-	-	-	-	100
4	Orissa Integrated Power Limited	1.04.14 - 31.03.15	0.0500	(0.2158)	969.4638	969.6296	-	-	-	-	-	-	100
5	Coastal Tamil Nadu Power Limited	1.04.14 -31.03.15	0.0500	0.0321	162.0182	161.9361	-	0.0228	0.0228	0.0071	0.0158	-	100
6	Sakhigopal Integrated Power Limited	1.04.14 -31.03.15	0.0500	(0.0045)	23.2026	23.1571	-	0.0012	0.0012	0.0004	0.0008	-	100
7	Ghogarpalli Integrated Power Company Limited	1.04.14 - 31.03.15	0.0500	(0.0047)	22.0286	21.9833	-	0.0011	0.0011	0.0003	0.0008	-	100
8	Tatiya Andhra Mega Power Limited*	1.04.14 - 31.03.15	0.0500	(0.0022)	20.5394	20.4916	-	0.9278	0.0011	0.0003	0.0008	-	100
9	Deoghar Mega Power Limited	1.04.14 -31.03.15	0.0500	(0.0039)	6.1619	6.1158	-	-	-	-	-	-	100
10	Cheyyur Infra Limited	1.04.14 -31.03.15	0.0500	(0.0037)	0.0552	0.0088	-	-	-	-	-	-	100
11	Odisha Infrapower Limited	1.04.14 - 31.03.15	0.0500	(0.0046)	0.1613	0.1159	-	-	-	-	-	-	100
12	Ballabhgarh-GN Transmission Company Limited	1.04.14 - 31.03.15	0.0500	(0.0029)	0.6239	0.5768	-	-	-	-	-	-	100
13	Tanda Transmission Company Limited	1.04.14-31.03.15	0.0500	(0.0029)	1.1086	1.0615	-	-	-	-	-	-	100
14	Sipat Transmission Limited	23.12.14- 31.03.15	0.0500	(0.0035)	0.5061	0.4596	-	-	(0.0035)	-	(0.0035)	-	100
15	Raipur-Rajnandgaon-Warora Transmission Limited	23.12.14- 31.03.15	0.0500	(0.0035)	0.3820	0.3355	-	-	(0.0035)	-	(0.0035)	-	100
16	Mohindergarh-Bhiwani Transmission Limited	23.12.14- 31.03.15	0.0500	(0.0036)	0.4373	0.3909	-	-	(0.0036)	-	(0.0036)	-	100
17	Chhattisgarh-WR Transmission Limited	24.12.14- 31.03.15	0.0500	(0.0035)	0.5146	0.4681	-	-	(0.0035)	-	(0.0035)	-	100
18	South-Central East Delhi Power Transmission Limited	18.02.15 -31.03.15	0.0500	(0.0034)	0.0977	0.0511	-	-	(0.0034)	-	(0.0034)	-	100

Note:-

1. The Company does not have any foreign subsidiary.
2. Turnover is considered as Income from Operations.
3. All the SPVs are under pre-operative stage and yet to commence operations.
4. DGEN Transmission Company Ltd. (wholly owned subsidiary company of PFCC Limited) has 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 N.K. Bhargava & Co.
Chartered Accountants
Firm Regn. No. 000429N

Sd/-
(N.K. BHARGAVA)
PARTNER
Membership No - 080624

For K.B.Chandna & Co.
Chartered Accountants
Firm Regn. No. 000862N

Sd/-
(V.K. GUREJA)
PARTNER
Membership No - 016521

Place : New Delhi
Date : 28.05.2015

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	PFC Green Energy Limited	PFC Capital Advisory Services Limited	Power Equity Capital Advisors Private Limited
1	Information for the year ended as on[1]	31-03-2015	31-03-2015	31-03-2015	31-03-2015
2	Share Capital	0.05	300.00	0.10	0.05
3	Reserves & Surplus	151.03	30.15	5.78	0.00
4	Total Assets	156.42	331.61	6.20	0.05
5	Total Liabilities	5.34	1.46	0.32	0.00
6	Investments	0.35	0.00	0.00	0.00
7	Turnover[2]	37.31	33.65	4.44	0.00
8	Profit before Taxation	33.33	28.30	2.78	0.00
9	Provision for Taxation	11.63	9.39	0.93	0.00
10	Profit after taxation	21.70	18.91	1.85	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. Power Equity Capital Advisors Private Limited 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	31-03-2015	31-03-2014
2	Shares of Joint Ventures held by the company on the year end		
	No. of shares	2,187,015	22,500,000
	Amount of Investments in Joint Venture	2.19	22.50
	Extent of Holding %	16.66%	25.00%
3	Description of how there is Significant Influence	Business Decisions under agreement	Being Promoter[3]
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	26.14
6	Profit / Loss for the year		
	i) Considered in Consolidation	0.02	0.26
	ii) Not considered in Consolidation	0.10	0.77

Note:
1. Turnover is considered as Income from Operations.
2. Voluntary winding up of National Power Exchange Limited is under process.
3. EESL has been jointly promoted by PFC, NTPC, PGCIL and RECL.

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**
(MANOHAR BALWANI)	**R. NAGARAJAN**	**M.K. GOEL**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN - 00701892	DIN - 00239813

Signed in terms of our report of even date attached

For N.K. Bhargava & Co.	For K.B.Chandna & Co.
Chartered Accountants	Chartered Accountants
Firm Regn. No. 000429N	Firm Regn. No. 000862N
Sd/-	**Sd/-**
(N.K. BHARGAVA)	**(V.K. GUREJA)**
PARTNER	PARTNER
Membership No - 080624	**Membership No - 016521**

Place : New Delhi
Date : 28.05.2015

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 Income on non-performing assets and assets stated in the proviso to paragraph 6.2, infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in the proviso to paragraph 6.2, infra which remained due but unpaid for a period more than six months 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 for in the year of declaration of 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. FIXED ASSETS / DEPRECIATION

3.1 Fixed 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 fixed 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 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 per Companies Act, 2013.

3.4 Items of fixed assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

4. INTANGIBLE ASSETS / AMORTIZATION

4.1 Intangible assets such as software are shown at the cost of acquisition less accumulated amortization, and amortization is done under straight-line method over the life of the assets estimated by the Company.

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. PROVISIONS / WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

6.1 PFC being a Government owned Non-Banking Financial Company (NBFC) is exempt from the RBI directions relating to Prudential Norms. The Company, however, has formulated its own set of Prudential Norms with effect from 01.04.2003, which has been revised from time to time.

RBI has accorded the status of Infrastructure Finance company (IFC) to PFC, vide their letter dated 28.07.2010. Accordingly, PFC maintains CRAR as applicable to IFC.

6.2 As per prudential norms approved by the Board of Directors and the Ministry of Power, an asset including 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, a term loan inclusive of unpaid interest and other dues if any, when the principal installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as non-performing assets and the income on these loans is recognized on realisation basis.

i) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated 11.11.2008.

ii) A facility which is backed by the Central / State Government guarantee or by the State Government undertaking for deduction from central plan allocation or a loan to State department, for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states, the Company shall follow the Government order issued for division of assets and liabilities, unless the same is stayed by any court and the case is pending in the court.

iv) Non servicing of part of dues due to dispute by the borrower for a period not exceeding 12 months from the date from which the company's dues have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges, penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of the Board of Directors.

6.3 NPA classification and provisioning norms for loans, other credits, hire purchase and lease assets are given as under:

(i) NPA for a period not exceeding 18 months : Sub-standard asset

(ii) NPA for a period exceeding 18 months : Doubtful asset

(iii) When an asset is identified as loss asset or assets remain doubtful asset for a period exceeding 36 months, whichever is earlier : Loss asset

For the purpose of assets classification and provisioning :

a) Facilities granted to Government Sector & Private Sector Entities shall be classified borrower wise with the following exceptions:

i) Government sector loans, where cash flow from each project are separately identifiable and applied to the same project, PFC shall classify such loans on project wise basis.

b) The amount of security deposits kept by the borrower with the PFC in pursuance to the lease agreement together with the value of any other security available in pursuance to the lease agreement may be deducted against the provisions stipulated above.

c) NPA subjected to rescheduling and/or renegotiation and/or restructuring, whether in respect of installments of principal amount, or interest amount, by whatever modality, shall not be upgraded to the standard category until expiry of one year of satisfactory performance under the restructuring and/or rescheduling and/or renegotiation terms.

d) Interest restructuring which is normally done by PFC to help the borrowers to convert the past high cost debts into lower interest bearing debts will not be considered as re-schedulement / debt restructuring.

Facilities falling under paragraph 6.2 (i), supra, shall be classified in line with RBI guidelines for asset classification of infrastructure projects, as applicable to banks from time to time, but provisioning for such facilities shall be as per PFC Prudential Norms applicable from time to time.

6.4 Provision against NPAs (Assets other than Hire Purchase and Leased assets) is made at the rates indicated below: -

(i) Sub-standard assets : 10%

(ii) Doubtful assets :

(a) Secured portion / facility including that guaranteed by the State / Central Government or by the State Government undertaking for deduction from central plan allocation or loan to state department.

Upto 1 year : 20%

1 - 3 years : 30%

(b) Unsecured* : 100%

* 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.

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

6.5 The provisioning requirements in respect of hire purchase and leased assets shall be 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 1st July, 2013 and subsequent amendments issued from time to time.

The para 9(2) as mentioned above is reproduced hereunder-

Lease and hire purchase assets

(2) The provisioning requirements in respect of hire purchase and leased assets shall be as under:

Hire purchase assets

(i) In respect of hire purchase assets, the total dues (overdue and future installments taken together) as reduced by

(a) the finance charges not credited to the statement of profit and loss and carried forward as unmatured finance charges; and

(b) the depreciated value of the underlying asset, shall be provided for.

Explanation: For the purpose of this paragraph, the depreciated value of the asset shall be notionally computed as the original cost of the asset to be reduced by depreciation at the rate of twenty percent per annum on a straight line method; and in the case of second hand asset, the original cost shall be the actual cost incurred for acquisition of such second hand asset.

Additional provision for hire purchase and leased assets

(ii) In respect of hire purchase and leased assets, additional provision shall be made as under:

(a) Where hire charges or lease rentals are overdue upto 12 months	Nil
(b) where hire charges or lease rentals are overdue for more than 12 months but upto 24 months	10 percent of the net book value
(c) where hire charges or lease rentals are overdue for more than 24 months but upto 36 months	40 percent of the net book value
(d) where hire charges or lease rentals are overdue for more than 36 months but upto 48 months	70 percent of the net book value
(e) where hire charges or lease rentals are overdue for more than 48 months	100 percent of the net book value

(iv) On expiry of a period of 12 months after the due date of the last installment of hire purchase/leased asset, the entire net book value shall be fully provided for.

6.6 Standard Assets (including for Hire Purchase & Leased assets)

[as per Para 9(A) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and subsequent amendments issued from time to time.]

Provision for standard assets* at 0.25 percent of the outstanding shall be made, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

*For the purpose of provisioning on Standard Assets, Standard Assets shall mean Loans and advances classified as Standard Assets.

6.7 Restructuring, Reschedulement or Renegotiation of term(s) of loan:

(i) PFC may, not more than once (in each of the following three stages), restructure or reschedule or renegotiate the terms of infrastructure loan agreement as per the policy framework laid down by the Board of Directors of the Company under the following stages:

a) Before commencement of commercial production

b) After commencement of commercial production but before the asset has been classified as sub-standard;

c) After the commencement of commercial production and the asset has been classified as sub-standard.

Provided that in each of the above three stages, the restructuring and / or rescheduling and/or renegotiation of principal and / or of interest may take place, with or without sacrifice, as part of the restructuring or rescheduling or renegotiating package evolved.

Provided further that in exceptional circumstance(s), for reasons to be recorded in writing, PFC may consider restructuring / reschedulement / renegotiation of terms of loan agreement second time before COD of the project with the approval of Board of Directors.

Provided further that extension of repayment schedule* before COD** of the project in respect of Government Sector Entities, without any sacrifice*** of either principal or interest, will not be considered as restructuring / rescheduling / renegotiation for the purpose of applicability of this section.

* including change in terms w.r.t payment of principal consequent to cost overrun funding.

** Completion Date for projects where COD is not applicable.

*** The term "sacrifice" shall mean waiver / reduction of principal and / or the interest dues and / or future applicable interest rate as a part of Restructuring / Reschedulement / Renegotiation package for the purpose of giving effect to the extant provision in respect of Government sector entities.

(ii) Provision for shortfall in security of Restructured / Rescheduled / Renegotiated Loans:

Where the asset 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 and as per prudential norms.

(iii) Treatment of Restructured / Rescheduled / Renegotiated Standard Loan:

The rescheduling or restructuring or renegotiation of the instalments of principal alone, at any of the aforesaid first two stages shall not cause a standard asset to be re-classified in the sub-standard category, if the project is re-examined and found to be viable by the Board of Directors of PFC or by a functionary at least one step senior to the functionary who sanctioned the initial loan for the project, within the policy framework laid down by the Board.

Provided that rescheduling or renegotiation or restructuring of interest element at any of the foregoing first two stages shall not cause a standard asset to be downgraded to sub-standard category subject to the condition that the amount of interest foregone, if any, on account of adjustment in the element of interest as specified later, is either written off or 100 percent provision is made there against.

(iv) Treatment of Restructured / Rescheduled / Renegotiated Sub-standard Asset:

A sub-standard asset shall continue to remain in the same category in case of restructuring or rescheduling or renegotiation of the instalments of principal until the expiry of one year and the amount of interest foregone, if any, on account of adjustment, including adjustment by way of write off of the past interest dues, in the element of interest as specified later, shall be written off or 100 percent provision made there against.

(v) Adjustment of Interest:

Where rescheduling or renegotiation or restructuring involves a reduction in the rate of interest, the interest adjustment shall be computed by taking the difference between the rate of interest as currently applicable to the loan (as adjusted for the risk rating applicable to the borrower) and the reduced rate and aggregating the present value (discounted at the rate currently applicable to infrastructure loan, adjusted for risk enhancement) of the future interest payable so stipulated in the restructuring or rescheduling or renegotiation proposal.

(vi) Funded Interest:

In the case of funding of interest in respect of NPAs, where the interest funded is recognized as income, the interest funded shall be fully provided for.

(vii) Eligibility for Upgradation of Restructured / Rescheduled / Renegotiated Sub-standard Infrastructure Loan:

The sub-standard asset subjected to rescheduling and / or renegotiation and / or restructuring, whether in respect of instalments of principal amount, or interest amount, by whatever modality, shall not be upgraded to the standard category until expiry of one year of satisfactory performance under the restructuring and / or rescheduling and/or renegotiation terms.

Note

a) Satisfactory Performance means where no payment should remain overdue for a period of more than number of days after which it would be classified as NPA. In addition there should not be any overdue at the end of one year period. Further, the satisfactory performance is to be seen in respect of all the outstanding loan/facilities in the account.

b) Asset classification of sub-standard asset will not deteriorate upon rescheduling and/or renegotiation and/or restructuring whether in respect of instalments of principal amount or interest amount by whatever modality, if satisfactory performance is demonstrated during the period of one year under the restructuring and/or rescheduling and/or renegotiation terms.

c) In case, however, satisfactory performance after a period of one year is not evidenced, the asset classification of the restructured account would be governed as per the applicable prudential norms with reference to the pre-restructuring payment schedule*.

*pre-restructuring payment schedule shall mean the date on which the loan asset became NPA on the first occasion.

(viii) Reversal of Provision:

The provisions* held by the non-banking financial companies against non-performing infrastructure loan, which may be classified as 'standard' in terms of paragraph 6.7(iii) above, shall continue to be held until full recovery of the loan is made.

* The provision which is made in a restructured / rescheduled / renegotiated account towards interest sacrifice.

(ix) Conversion of Debt into Equity:

Where the amount due as interest is converted into equity or any other instrument, and income is recognized in consequence, full provision shall be made for the amount of income so recognized to offset the effect of such income recognition:

Provided that no provision is required to be made, if the conversion of interest is into equity which is quoted;

Provided further that in such cases, interest income may be recognized at market value of equity, as on the date of conversion, not exceeding the amount of interest converted to equity.

(x) Conversion of Debt into Debentures:

Where principal amount and / or interest amount in respect of NPAs is converted into debentures, such debentures shall be treated as NPA, ab initio, in the same asset classification as was applicable to the loan just before conversion and provision shall be made as per norms.

(xi) These norms shall be applicable to the loans which have been restructured and / or rescheduled and / or renegotiated and which are fully or partly secured standard / sub-standard asset.

For the above paragraphs, restructuring / re-schedulement / renegotiation shall cover terms of agreement relating to principal and interest.

However, this section shall not be applicable to the following set of assets:

a) 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.

b) Loans falling under paragraph 6.2(i).

(xii) Accounting Policy stated at 6.7 (i) to 6.7(xi) to be read with the following paragraphs:

a) PFC's restructuring norms approved by MoP will be applicable till 31.03.2017 for Transmission & Distribution, Renovation & Modernization and Life Extension Projects and also the Hydro Projects in Himalayan Region or affected by natural disasters.

b) All new project loans (except covered under 6.7 (xii)(a) above) sanctioned with effect from 01.04.2015 to generating companies, to be regulated by the RBI norms for restructuring and provisioning.

c) Loans (except covered under 6.7 (xii)(a) above) already sanctioned upto 31.03.2015 will, continue to be subjected to PFC's restructuring norms approved by the Ministry of Power, however provisioning on loan assets of generating companies will be as per RBI norms.

7. FOREIGN EXCHANGE 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 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.

7.4 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account - KFW as per loan agreement.

7.5 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.

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.

9.2 Where funds are first disbursed to the beneficiary, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

9.3 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.

9.4 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 (Revised).

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 (Revised)

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 Non-Banking Finance Company registered with RBI as an Infrastructure Finance Company.

2. Contingent liabilities:

(A) The details are as follows:

(₹ in crore)

S. No.	Particulars	As on 31.03.2015	As on 31.03.2014
(i)	Default guarantees issued in foreign currency - US $ 0.74 million (as on 31.03.2014 US $ 4.14 million)	**4.69**	25.07
(ii)	Guarantees issued in domestic currency	**262.84**	299.20
(iii)	Claims against the Company not acknowledged as debts	**0.04**	0.04
(iv)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	**787.32**	2,274.96
	Total	**1,054.89**	**2,599.27**

(B) Additional demands raised by the Income Tax Department totaling to ₹ 64.41 crore (as on 31.03.2014 ₹ 49.87 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 ₹ 85.47 crore (as on 31.03.2014 ₹ 79.26 crore). The same are being contested. The Management does not consider it necessary to make provision, as the probability of tax liability devolving on the Company is negligible.

3. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) aggregating to ₹ 78.50 crore for Assessment Years 2001-02 to 2012-13 (as on 31.03.2014 ₹ 55.10 crore for Assessment Years 2001-02 to 2011-12) have been provided for and are being contested by the Company.

4. Estimated amount of contract remaining to be executed on account of capital contracts, not provided for, is ₹ 0.33 crore (as on 31.03.2014 Nil).

5. Ministry of Corporate Affairs (MoCA), Government of India, vide its Circular No. 6/3/2001 - CL.V dated 18.04.2002 prescribed adequacy of Debenture Redemption Reserve (DRR) as 50% of the value of debentures issued through public issue; subsequently, the MoCA through its Circular No. 11/02/2012-CL-V(A) dated 11.02.2013 modified the adequacy of DRR to 25%. In this regard, the Company has requested the MoCA for clarification, which is awaited.

Meanwhile, The Companies (Share Capital and Debentures) Rules, 2014, with effect from 01.04.2014, also stated that for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, the adequacy of DRR will be 25% of the value of debentures issued through public issue as per present SEBI (Issue and Listing of Debt Securities) Regulations, 2008, and no DRR is required in the case of privately placed debentures.

In view of above, the Company is creating DRR for public issue of bonds / debentures @ 50% for the issues for which prospectuses had been filed before 11.02.2013 and @ 25% for the subsequent public issues.

6. Foreign currency actual outgo and earning:

(₹ in crore)

S. No.	Description	During FY ended 31.03.2015	During FY ended 31.03.2014
A.	**Expenditure in foreign currency**		
i)	Interest on loans from foreign institutions*	**206.75**	230.47
ii)	Financial & Other charges*	**118.86**	9.56
iii)	Traveling Expenses	**0.38**	Nil
iv)	Training Expenses	**0.18**	0.25
B.	**Earning in foreign currency**	**Nil**	Nil

*excluding withholding tax

7. (A) As per the Accounting Standard - 'Related Party Disclosures' (AS-18), notified by the Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows:

(i) Subsidiaries including companies promoted as Special Purpose Vehicles (SPVs) for Ultra-Mega Power Projects (UMPPs) and Joint Ventures (JVs)

S. No.	Name of the companies	S. No.	Name of the companies
A	**Subsidiary Companies***	**C**	**Subsidiary Companies promoted as SPVs for UMPPs***
(i)	PFC Consulting Limited	(i)	Coastal Maharashtra Mega Power Limited
(ii)	PFC Green Energy Limited	(ii)	Orissa Integrated Power Limited
(iii)	PFC Capital Advisory Services Ltd.	(iii)	Coastal Karnataka Power Limited
(iv)	Power Equity Capital Advisors (Private) Limited	(iv)	Coastal Tamil Nadu Power Limited
		(v)	Chhattisgarh Surguja Power Limited
B	**Joint Venture***	(vi)	Sakhigopal Integrated Power Company Limited
(i)	National Power Exchange Limited	(vii)	Ghogarpalli Integrated Power Company Limited
(ii)	Energy Efficiency Services Limited	(viii)	Tatiya Andhra Mega Power Limited
		(ix)	Deoghar Mega Power Limited
		(x)	Cheyyur Infra Limited
		(xi)	Odisha Infrapower Limited

*Govt. controlled entities as per AS-18.

(ii) Key Managerial Personnel (KMP) :

Name	Period
Shri M K Goel, CMD, CEO and holding additional charge of Director (Commercial)	with effect from 22.01.2015 (A/N)
Shri R Nagarajan, Director (Finance) and CFO	with effect from 31.07.2009
Shri A K Agarwal, Director (Project)	with effect from 13.07.2012
Shri Manohar Balwani, CS	with effect from 01.04.2014#

Joined the Company on 11.04.2013, KMP from 01.04.2014 as per Companies Act 2013.

(B) Transactions with related parties

Managerial remuneration of KMP for the year ended 31.03.2015 is ₹ 2.50 crore (previous year ended 31.03.2014 ₹ 2.30 crore).

8. (A) Investment in share capital of companies incorporated and operating in India as subsidiaries / joint venture companies including companies promoted as SPVs for UMPPs are given below:-

S. No.	Name of the companies	Date of investment	No. of shares subscribed	% of ownership	Amount (₹ in crore)
A	**Subsidiary Companies (i)**				
(i)	PFC Consulting Limited	09.04.2008	50,000	100%	0.05
(ii)	(a) PFC Green Energy Limited (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
	(b) PFC Green Energy Limited (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
(iii)	PFC Capital Advisory Services Ltd	01.09.2011	1,00,000	100%	0.10
(iv)	Power Equity Capital Advisors (Private) Limited	15.04.2008 11.10.2011	15,000 35,000	100%	0.05
	Sub-Total (A)				**300.20**

(B)	**Subsidiary Companies promoted as SPVs for UMPPs (ii)**				
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05
(v)	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05
(vi)	Sakhigopal Integrated Power Company Limited	27.01.2010	50,000	100%	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	50,000	100%	0.05
(viii)	Tatiya Andhra Mega Power Limited(iii)	27.01.2010	50,000	100%	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05
(x)	Cheyyur Infra Limited	24.03.2014	50,000	100%	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	50,000	100%	0.05
	Sub-Total (B)				**0.55**
(C)	**Joint venture Companies (i)**				
(i)	National Power Exchange Limited (iv)	18.12.2008 03.09.2010	8,33,000 13,54,015	16.66%	2.19
(ii)	Energy Efficiency Services Limited	21.01.2010 26.03.2013	6,25,000 2,18,75,000	25%	22.50
	Sub-Total (C)				**24.69**
	TOTAL (A) + (B) + (C)				**325.44**

(i) The financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures.

(ii) The subsidiary companies were incorporated as SPVs under the mandate from the Government of India for development of Ultra-Mega Power Projects (UMPPs) with the intention to hand over the same to successful bidders on completion of the bidding process. The financial statements of these subsidiaries are not consolidated, in accordance with paragraph 11 of Accounting Standard-21.

(iii) Board of Directors of the Company, in its 322nd meeting held on 14th August, 2014, decided for winding up Tatiya Andhra Mega Power Limited, subject to approval of Ministry of Power, Government of India.

(iv) The Group of Promoters (GoP) of National Power Exchange Limited (NPEL), comprising of NTPC, NHPC, TCS and PFC in their meeting dated 21.03.2014 decided to recommend voluntary winding up of NPEL to the Board of NPEL. The Board of Directors of PFC in their meeting held on 14th August, 2014 had approved the recommendation of the GoP. The voluntary winding up of NPEL is under process.

The Company as on 31.03.2015 has an investment of ₹ 2.19 crore (as on 31.03.2014 ₹ 2.19 crore) in the equity share capital of NPEL against which a provision for diminution in value amounting to ₹1.06 crore (previous year Nil) has been made during the current year.

(B) The Company's share of assets, liabilities, contingent liabilities and capital commitment as on 31.03.2015 and income and expenses for the period in respect of joint venture entities based on their unaudited financial statements are given below:

(₹ in crore)

S.No.	Particulars	As on 31.03.2015			As on 31.03.2014		
		NPEL	**EESL**	**Total**	NPEL	EESL	**Total**
	Ownership (%)	**16.66**	**25**		**16.66**	**25**	
A	Assets						
	Non Current assets	0.02	37.83	**37.85**	0.03	1.99	**2.02**
	Current assets	1.13	41.11	**42.24**	1.13	29.61	**30.74**
	Total	**1.15**	**78.94**	**80.09**	**1.16**	**31.60**	**32.76**
B	Liabilities						
	Non Current Liabilities	-	22.08	**22.08**	-	0.08	**0.08**
	Current Liabilities	-	28.13	**28.13**	0.03	4.80	**4.83**
	Total	**-**	**50.21**	**50.21**	**0.03**	**4.88**	**4.91**
C	Contingent Liabilities	-	-	**-**	-	-	**-**
D	Capital Commitments	-	-		-	5.52	**5.52**
		For the Year			**For the Year**		
E	Total Income	0.09	17.57	**17.66**	0.11	8.39	**8.50**
F	Total Expenses	0.07	14.37	**14.44**	0.12	7.13	**7.25**

9. Disclosure as required by Clause 32 of Listing Agreement:

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	Amount as on 31.03.2015*	Amount as on 31.03.2014*	Maximum during the FY ended 31.03.2015	Maximum during the FY ended 31.03.2014
Coastal Maharashtra Mega Power Limited	8.99	7.88	9.10	7.88
Orissa Integrated Power Limited	105.21	92.97	111.77	106.62
Coastal Karnataka Power Limited	3.81	3.32	3.81	3.33
Coastal Tamil Nadu Power Ltd.	70.10	57.00	70.10	57.00
Chhattisgarh Surguja Power Limited	75.23	68.37	75.23	68.42
Sakhigopal Integrated Power Company Limited	5.54	4.50	5.54	4.50
Ghogarpalli Integrated Power Company Limited	4.79	3.89	4.79	3.89
Tatiya Andhra Mega Power Limited	8.37	11.28	11.65	11.30
Deoghar Mega Power Ltd	6.12	5.00	6.12	5.01
PFC Green Energy Ltd.	0.31	0.40	0.53	0.40
PFC Capital Advisory Services Limited	0.13	0.36	0.52	0.49
Cheyyur Infra Limited	0.01	0.01	0.01	0.01
Odisha Infra Power Ltd.	0.11	0.01	0.11	0.01
Total	**288.72**	**254.99**	**299.28**	**268.86**

* Amount is in the nature of advances, does not include any loan.

(ii) The details of amounts 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	Amount as on 31.03.2015	Amount as on 31.03.2014	Maximum during the FY ended 31.03.2015	Maximum during the FY ended 31.03.2014
PFC Consulting Limited (PFCCL)	1.88	5.39	9.80	5.40
Coastal Maharashtra Mega Power Limited	59.79	56.47	59.79	56.47
Orissa Integrated Power Limited	72.57	67.57	72.57	67.57
Coastal Tamil Nadu Power Limited	68.72	63.72	68.72	63.72
Chhattisgarh Surguja Power Limited	66.17	61.16	66.17	61.16
Sakhigopal Integrated Power Company Limited	23.69	22.24	23.69	22.24
Ghogarpalli Integrated Power Company Limited	22.44	21.08	22.44	21.08
Tatiya Andhra Mega Power Limited	24.92	27.02	27.48	27.02
Total	**340.18**	**324.65**	**350.66**	**324.66**

(iii) To firms / companies in which directors are interested : Nil

(iv) Where there is no repayment schedule or repayment beyond seven years : Nil

(v) Where no interest or interest as per Section 186 of the Companies Act, 2013 : Nil

B. Investment by the loanee in the shares of PFC / Subsidiaries : Nil

10. Investment made in equity shares of Coal India Ltd.:

During the year, the Company has subscribed to 1,39,64,530 fully paid equity shares of Coal India Limited (CIL) of face value of ₹ 10/- per share under Offer for Sale route. The shares have been subscribed at a cost of ₹ 358.58/- per share aggregating to ₹ 500.74 crore.

11. Interest Differential Fund (IDF) - KFW

The agreement between KFW and the Company provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund - KFW and shown as a liability. The total fund accumulated as on 31.03.2015 is ₹ 58.38 crore (as on 31.03.2014 ₹ 54.63 crore), after transferring exchange difference of ₹ 14.11 crore (as on 31.03.2014 ₹ 16.56 crore).

12. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Liabilities in Foreign Currencies	Foreign Currency (in millions)	
	31.03.2015	31.03.2014
USD	**1,128**	792
EURO	**19**	21
JPY	**24,209**	36,807

13. As required under AS-19, the disclosure with respect to various leases are as under:

(A) Asset under finance lease after 01.04.2001:

(i) The gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date and the value of unearned financial income are given in the table below:

(₹ in crore)

Particulars	**As on 31.03.2015**	**As on 31.03.2014**
Total of future minimum lease payments recoverable (Gross Investments)	392.95	433.52
Present value of lease payments recoverable	212.27	242.54
Unearned finance income	**180.68**	**190.98**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	30.06	54.34
Later than one year and not later than 5 years	107.98	102.87
Later than five years	254.91	276.31
Total	**392.95**	**433.52**
Break up of present value of lease payments recoverable:-		
Not later than one year	10.06	33.15
Later than one year and not later than 5 years	36.18	33.11
Later than five years	166.03	176.28
Total	**212.27**	**242.54**

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). The sanction was reduced to ₹ 88.85 crore in December 2006. The gross investment stood at the level of ₹ 1.78 crore as on 31.03.2015 (₹ 4.21 crore as on 31.03.2014). The lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as a primary period and 5 years as a 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 the year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). The gross investment stood at ₹ 4.43 crore as on 31.03.2015 (₹ 22.53 crore as on 31.03.2014). The lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as a primary period and a maximum of another 10 years as a 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 the year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). The gross investment stood at ₹ 7.62 crore as on 31.03.2015 (₹ 1.96 crore as on 31.03.2014). The 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 a primary period and a maximum of 9 years and 11 months as a secondary period.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in the year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). The gross investment stood at ₹ 379.12 crore as on 31.03.2015 (₹ 404.82 crore as on 31.03.2014). The lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as a primary period and a maximum of 7 years as a secondary period.

(B) Operating Lease:

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 ₹ 4.43 crore (during the FY ended 31.03.2014 ₹ 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 as under:

(₹ in crore)

Future minimum lease rent payments	**FY ended 31.03.2015**	**FY ended 31.03.2014**
	Office & Accommodations	Office & Accommodations
Not later than one year	2.11	2.58
Later than one year and not later than 5 years	0.27	0.36
Later than 5 years	0.00	0.00
Total	**2.38**	**2.94**

14. Subsidy under Accelerated Generation & Supply Programme (AG&SP):

(i) The Company claimed subsidy from Govt. of India at net present value calculated at indicative interest rates in accordance with the 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 the actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However, on the basis of the 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 the net excess amount of ₹ 7.02 crore and ₹ 61.32 crore as on 31.03.2015 (₹ 6.32 crore and ₹ 74.53 crore as on 31.03.2014) 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 the respective scheme.

(ii) The balance under the head Interest Subsidy Fund shown as liability, represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following : -

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Opening balance of Interest Subsidy Fund (As on 1st day of the Financial Year)	**123.87**	145.78
Add : - Received during the period		– –
: - Interest credited during the period	**9.42**	10.70
: - Refund by the borrower due to non – commissioning of project in time	**–**	–
Less : - Interest subsidy passed on to borrowers	**21.94**	32.61
: - Refunded to MoP:		
(a) Estimated net excess against IX Plan	**–**	–
(b) Due to non- commissioning of Project in time	**–**	–
(c) Estimated net excess against X Plan	**–**	–
Closing balance of interest subsidy fund	**111.35**	**123.87**

15. The Company had exercised the option under para 46A of the AS-11 - 'The Effects of Changes in Foreign Exchange Rates', to amortize the exchange differences on the long term foreign currency monetary items over their tenure. Consequently, as on 31.03.2015 the debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) amounting to ₹ 380.56 crore (as on 31.03.2014 ₹ 709.21 crore) is shown on the "Equity and Liabilities" side of the balance sheet under the head "Reserve and Surplus", as a separate line item.

16. Implementation of GoI Scheme:

(A) Re-structured Accelerated Power Development and Reforms Programme (R - APDRP):

(i) The Company is the Nodal Agency for operationalisation and associated service for implementation of the R - APDRP under which projects are being taken up in two parts. Part - A includes the projects for establishment of baseline data and IT applications for energy accounting as well as IT based customer care centers. Part - B includes regular distribution strengthening projects. GoI provides 100% loan for Part A and up to 25% (up to 90% for special category States) loan for Part - B. Balance funds for Part - B projects can be raised by the utilities from PFC / REC / multi-lateral institutions and / or own resources. The loans under Part A- along with interest thereon are convertible into grant as per applicable guidelines. Similarly, up to 50% (up to 90% for special category states) of the loan against Part -B project would be convertible in to grant as per applicable guidelines. Enabling activities of the programme are covered under Part - C.

Amounts received from the Government of India 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 the borrowers.

The details are furnished below :

(₹ in crore)

Particulars	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
A. GoI Loan under R-APDRP (Principal)						
Opening balance as on 1st day of the Financial Year	7,315.85	6,694.63	0.00	0.00	0.00	0.25
Additions during the period	578.47	640.00	578.47	640.00	0.00	0.00
Recoveries / refunds / changes during the period	(206.48)	(18.78)	(578.47)	(640.00)	0.00	(0.25)
Closing balance (A)	**7,687.84**	**7,315.85**	**0.00**	**0.00**	**0.00**	**0.00**
B. Interest Accrued but not due (Int.earned on FD)	-	-	-	-	-	-
C. Interest on loan under R-APDRP						
(i) Accrued but not due						
Opening Balance	1,605.09	1,327.94				
Additions during the period	673.90	627.24				
Transfer to Accumulated Moratorium Interest	298.41	(340.43)				
Transfer to Interest Accrued and Due	(13.51)	(9.66)				
Closing Balance	2,563.89	1,605.09				
(ii) Accrued and due						
Opening Balance	3.69	0.00				
Additions During the period	16.59	9.66				
Recoveries & refunds to GoI / Changes due to extension of project completion period	(16.60)	(5.97)				
Closing Balance	3.68	3.69				
Interest on loan under R-APDRP (C) = (i + ii)	**2,567.57**	**1,608.78**				
D. Accumulated Moratorium Interest						
Opening Balance	338.92	0.00				
Additions during the period	(301.58)	340.43				
Recoveries & refunds to GoI / Changes due to extension of project completion period	1.51	(1.51)				
Closing Balance (D)	**38.85**	**338.92**				
E. Interest on Accumulated Moratorium Interest						
(i) Accrued but not due						
Opening Balance	1.42	0.00				
Additions during the period	(0.92)	4.48				
Transfer to accrued and due	(0.35)	(3.06)				
Closing Balance	0.15	1.42				
(ii) Accrued and due						
Opening Balance	2.21	0.00				
Additions during the period	(1.88)	3.06				
Recoveries & refunds to GoI / Changes due to extension of project completion period	0.85	(0.85)				
Closing Balance	1.18	2.21				
Interest on Accumulated Moratorium Int. (E) = (i + ii)	**1.33**	**3.63**				
F. Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest						

(₹ in crore)

Particulars	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
(i) Interest on Interest						
Opening Balance	0.00	-				
Additions during the period	0.11	-				
Recoveries / refunds / changes during the period	(0.06)	-				
Closing Balance	0.05	-				
(ii) Interest on Interest on Accumulated Moratorium Interest		-				
Opening Balance	0.00	-				
Additions during the period	0.02	-				
Recoveries / refunds / changes on account of extension of project completion period during the FY	0.00	-				
Closing Balance	0.02	-				
(iii) Penal Interest		-				
Opening Balance	0.00	-				
Additions during the period	0.15	-				
Recoveries / refunds / changes on account of extension of project completion period during the FY	(0.10)	-				
Closing Balance	0.05	-				
Interest on Interest, Interest on Interest on Accumulated Moratorium Interest and Penal Interest (F) = (i + ii+iii)	0.12	-				
Closing Balance (A+B+C+D+E+F)	**10,295.71**	**9,267.18**	**0.00**	**0.00**	**0.00**	**0.00**

(ii) In line with the R – APDRP scheme approved by MoP, GoI , vide Office Memorandum No. 14 / 03 / 2008 – APDRP dated 20th August, 2010, till 31.03.2013, Nodal Agency Fees under R – APDRP had been accounted for @ 1% of the sanctioned project cost in three stages - 0.40% on sanction of the project, 0.30% on disbursement of the 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). Further, actual expenditure, including expenditure allocable on account of PFC manpower, incurred for operationalising the R– APDRP were reimbursed / reimbursable by Ministry of Power, Government of India. As per Office Memorandum No. 14 / 03 / 2008 – APDRP dated 20th August, 2010 of the MoP, GoI, the total amount receivable against the nodal agency fee plus the reimbursement of actual expenditure will not exceed ₹ 850 crore or 1.7 % of the likely outlay under Part A & B of R – APDRP, whichever is less.

Ministry of Power (MoP) vide letter dated 15.07.2013 informed that as per Department of Expenditure (DoE), Nodal Agency Fee for R-APDRP scheme for 12th Plan may be restricted to 0.5% of the sanctioned project cost or actual expenditure, whichever is less.

Pursuant to various correspondence with MoP, GoI a revised proposal was submitted to MoP, GoI vide letter dated 26.12.2014, wherein Company agreed to restrict its claims only to reimbursements of actual expenditure in line with norms indicated by Department of Expenditure (DoE) through MoP communication dated 15.07.2013 excluding Company's own manpower (Salary only) / administrative charges during XII / XIII Plan under R-APDRP. MoP vide letter dated 05.01.2015 directed the Company to intimate its final claim based on revised proposal of the Company. The Company, vide letter dated 02.02.2015, submitted its claim including balance claim pertaining to XIth plan and claim for the period from 01.04.2012 to 31.12.2014 (earlier shown as other expenses of the Company) which has been approved by MoP vide its letter dated 31.03.2015

Accordingly, the Company has reversed Nodal Agency Fee for R-APDRP scheme for XIIth Plan (upto FY 2013-14) amounting to ₹ 35.86 crore and has not recognized the fee pertaining to the current year.

(ii) As on 31.03.2015, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by PFC is as under:-

(₹ in crore)

Particulars	During the FY ended 31.03.2015	During the FY ended 31.03.2014	Cumulative up-to	
			31.03.2015	31.03.2014
Nodal agency fee*	(36.38)#	18.50	127.41	163.79
Reimbursement of expenditure	41.20**	(21.81)	103.06	61.86
Total	**4.82**	**(3.31)**	**230.47**	**225.65**

*Exclusive of Service Tax

#Reversal for XIth & XIIth Plan ₹ 1.41 crore and ₹ 35.86 crore respectively, net of fee booked ₹ 0.89 crore for XIth Plan disbursement.

** Net of claim for FY 2012-13 to FY 2013-14 ₹ 36.91 crore (Accounted for as other expenses of the Company earlier and reversed as amount recoverable from MoP, GoI during the year), reversal / rectification ₹ (4.93) crore in respect of current and earlier years, and claim for FY 14-15 ₹ 9.22 crore.

(B) Integrated Power Development Scheme (IPDS)

Govt. of India (GoI) has launched IPDS for the Urban areas with the (i) Strengthening of Sub-transmission and Distribution network in urban areas including provisioning of solar panels on Govt. buildings including Net-metering, (ii) Metering of feeders / distribution transformers / consumers in urban areas and (iii) IT enablement of distribution sector and strengthening of distribution network, as per CCEA approval dated 21.06.2013 for completion of the targets laid down under R-APDRP for XIIth and XIIIth Plans by subsuming R-APDRP in IPDS and carrying forward the approved outlay for R-APDRP to IPDS.

As per guidelines, approved by IPDS Monitoring Committee, constituted by Ministry of Power (MoP), GoI, the company has been designated as the Nodal Agency for operationalization and implementation of the scheme under the overall guidance of the MoP. The role of the Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to the eligible utilities which can be recalled / pre closed subject to certain conditions mentioned in the IPDS guidelines.

The Company will be eligible for 0.5% of the total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

i. 1st installment: 40% of the nodal agency fee (i.e. 40% of 0.5% of approved project cost) in the financial years in which the projects are approved by the Monitoring Committee under IPDS.

ii. 2nd installment: 30% of the nodal agency fee (i.e. 30% of 0.5% of approved project cost) on award of approved projects.

iii. 3rd installment: 20% of the nodal agency fee (i.e. 20% of 0.5% of approved project cost) after one year of claiming 2nd installment.

iv. 4th installment: 10% of the nodal agency fee (i.e. 10% of 0.5% of approved project cost) after completion of works.

The details are furnished below

(₹ in crore)

Particulars	Amount of GoI grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Opening balance as on 1st day of the Financial Year	-	-	0.00	-	0.00	-
Additions during the period	-	-	50.00	-	0.01	-
Recoveries / refunds / changes during the period	-	-	0.00	-	0.00	-
Closing balance	**-**	**-**	**50.00***	**-**	**0.01***	**-**

*Appearing as amount payable to GoI.

17. The Company has been creating provision @ 0.25% of the outstanding standard loan assets excluding outstanding restructured standard loan assets on which separate provision has been started during the year. As on 31.03.2015, the Standard Asset provision stands at ₹ 486.57crore (₹ 469.42 crore as on 31.03.2014).

18. The Company being a Government owned Non-Banking Financial Company is exempt from the RBI directions relating to Prudential Norms. 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. Further, RBI vide its letter dated 03.04.2014 has allowed exemption from credit concentration norms in respect of exposure to Central / State Government entities till 31.03.2016.

The Company follows its own prudential norms approved by the Ministry of Power (MoP), Govt.of India (GoI) (including revisions approved by BoD in its meeting held on 09.03.2015 subject to the approval of MoP) which inter-alia includes norms for

Restructuring / Reschedulement / Renegotiation (R/R/R) of loans which allows (i) two times restructuring before COD, (ii) exemption to the loans having central / state government guarantee and loans to government department, and (iii) dispensation not to consider extension of repayment schedule without sacrifice as restructuring for government sector borrowers. For R/R/R norms, RBI has advised the Company to follow the instructions contained in RBI circular DNBS.CO.PD.No. 367/03.10.01/2013-14 dated 23.01.2014, vide its letter dated 03.04.2014 inter-alia allowing maximum period of delay in DCCO for which a loan can be restructured. The matter regarding applicability of RBI's R/R/R norms was taken up with RBI. In this regard, RBI vide its letter dated 11.06.2014 has allowed exemption 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. Further, 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, the 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.

The Company vide its letter dated 03.07.2014 has communicated the manner of its implementation to RBI, further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination.

Pending decision by RBI regarding implementation of R/R/R norms, the Company is following its own norms read with the manner of implementation as stated above.

Accordingly, the Accounting policy related to Prudential Norms on R/R/R has been amended during the year ended 31.03.2015 which inter-alia requires provision @ 2.75% on restructured standard assets. Thus, during the year ended 31.03.2015 a provision has been made amounting to ₹ 564.44 crore, on qualifying loans. As on 31.03.2015, these loans comprise of private sector loan ₹ 20,524.91 crore and Govt. Sector loan Nil. Consequently, profit for the year ended 31.03.2015 has been reduced by ₹ 513.12 crore, after considering the existing provision on standard loan assets on these restructured loans.

19. (A) The Classification of Loan Assets (Gross) as per the Company's Prudential Norms is as under:

(₹ in crore)

Sl. No.	Asset Classification	As on 31.03.2015		As on 31.03.2014	
		Principal Outstanding	Provision as per Norms on Principal Outstanding	Principal Outstanding	Provision as per Norms on Principal Outstanding
(i)	Standard Assets	1,94,627.13	486.57	176,018.17	440.05
(ii)	Restructured Standard Assets	20,524.91	564.44	11,749.32	29.37
(iii)	Sub-standard Assets	1,209.37	120.93	103.83	10.38
(iv)	Doubtful Assets	1,145.34	343.60	1,114.97	222.99
(v)	Loss Assets	8.92	8.92	8.92	8.92
	Grand Total	**2,17,515.67**	**1,524.46**	**1,88,995.21**	**711.71**

(B) The details of provisions made as per Prudential Norms of the Company on loan assets and other assets are as under:

(₹ in crore)

S.No.	Particulars	During the FY ended 2014-15	During the FY ended 2013-14
(i)	Provision on Standard Assets	17.15	336.63
(ii)	Provision on Restructured Standard Assets	564.44	0.00
(iii)	Provision on NPAs (Loan Assets)	231.16	120.82
(iv)	Provision on NPAs (Other Assets)	30.16	12.44
	Total	**842.91**	**469.89**

(C) Provision for shortfall in security of Restructured/Rescheduled/Renegotiated (R/R/R)Loans:

The Restructured Standard Assets as on 31.03.2015 includes 3 loan assets amounting to ₹ 2,753.50 crore, classified as unsecured. These loans carry adequate security as on 31.03.2015 in form of charge on assets etc., but require completion of full security creation process as per the sanction terms. Hence, these are classified as unsecured. As these loans carry adequate security coverage as on 31.03.2015, there is no short fall in security. Provision on these R/R/R assets has been created @2.75% and no further provision for any shortfall in security is required.

20. Details of Restructured Accounts

(₹ in crore)

S. N.	Type of Restructuring#		Under CDR / SME Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April 01, 2014	No. of borrowers	-	-	-	-	-	9	2	2	0	**13**	9	2	2	0	**13**
		Amount outstanding (Restructured facility)	-	-	-	-	-	11749.32	103.83	1114.97	0	**12968.12**	11749.32	103.83	1114.97	0	**12968.12**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	103.83	0	**103.83**	0.00	0.00	103.83	0	**103.83**
		Provision Thereon	-	-	-	-	-	0.00	10.38	243.76	0	**254.14**	0.00	10.38	243.76	0	**254.14**
2	Movement of balance in account appearing in opening balance	No. of borrowers	-	-	-	-	-	9	0	2	0	**11**	9	0	2	0	**11**
		Amount outstanding (Restructured facility)	-	-	-	-	-	1692.88	0.00	5.49	0	**1698.37**	1692.88	0.00	5.49	0	**1698.37**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	65.95	0	**65.95**	0.00	0.00	65.95	0	**65.95**
		Provision Thereon	-	-	-	-	-	369.66	0.00	143.31	0	**512.97**	369.66	0.00	143.31	0	**512.97**
3	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	6	0	0	0	**6**	6	0	0	0	**6**
		Amount outstanding (Restructured facility)	-	-	-	-	-	7082.71	0.00	0.00	0	**7082.71**	7082.71	0.00	0.00	0	**7082.71**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	194.77	0.00	0.00	0	**194.77**	194.77	0.00	0.00	0	**194.77**
4	Up gradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	0	0	0	0	**0**	0	0	0	0	**0**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-1	0	0	0	**-1**	-1	0	0	0	**-1**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
6	Down gradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	0	-1	1	0	**0**	0	-1	1	0	**0**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	-27.20	24.88	0	**-2.32**	0.00	-27.20	24.88	0	**-2.32**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	-2.72	7.46	0	**4.74**	0.00	-2.72	7.46	0	**4.74**
7	Write-offs restructured accounts during the year	No. of borrowers	-	-	-	-	-	0	0	0	0	**0**	0	0	0	0	**0**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
8	Restructured accounts as on March 31, 2015	No. of borrowers	-	-	-	-	-	14	1	3	0	**18**	14	1	3	0	**18**
		Amount outstanding (Restructured facility)	-	-	-	-	-	20524.91	76.63	1145.34	0	**21746.88**	20524.91	76.63	1145.34	0	**21746.88**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	169.78	0	**169.78**	0.00	0.00	169.78	0	**169.78**
		Provision Thereon	-	-	-	-	-	564.44	7.66	394.53	0	**966.63**	564.44	7.66	394.53	0	**966.63**

21. The status of net deferred tax assets / liabilities as per Accounting Standard-22 Accounting for Taxes on Income is given below :

(₹ in crore)

Description	As on 31.03.2015	As on 31.03.2014
(A) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	11.25	23.28
(B) Deferred Tax Liabilities (-)		
(i) Depreciation	(0.25)	(1.42)
(ii) Lease income	(72.19)	(79.95)
(iii) Amortization	(0.60)	(0.83)
(iv) Unamortized Exchange Loss (Net)	(127.46)	(215.30)
Net Deferred Tax liabilities (-)/Assets (+)	**(189.25)**	**(274.22)**

22. In compliance with Accounting Standard - 20 on Earning Per Share issued by the Institute of Chartered Accountants of India, the calculation of Earning Per Share (basic and diluted) is as under:-

(₹ in crore)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Net Profit after tax used as numerator (₹ in crore)	5,959.33	5,417.75
Weighted average number of equity shares used as denominator (basic)	132,00,40,704	132,00,31,803
Diluted effect of outstanding Stock Options	-	7,525
Weighted average number of equity shares used as denominator (diluted)	132,00,40,704	132,00,39,328
Earning per share (basic) (₹)	45.15	41.04
Effect of outstanding Stock Options (₹)	0.00	0.00
Earning per share (diluted) (₹)	45.15	41.04
Face value per share (₹)	10.00	10.00

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

24. Leasehold land is not amortized, as it is a perpetual lease.

25. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below: -

(₹ in crore)

S. No.	Exchange Rates	As on 31.03.2015	As on 31.03.2014
(i)	USD / INR	63.06	60.49
(ii)	JPY / INR	0.5263	0.5903
(iii)	EURO / INR	68.42	83.48

In case of specific provision in the loan agreement for a rate other than SBI TT selling rate, the rate has been taken as prescribed in the respective loan agreement.

26. Disclosures as per Accounting Standard -15 :-

A. Provident fund

The Company pays fixed contribution to 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 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 take place in this regard in the near future and hence no further provision is considered necessary.

B. Gratuity

The Company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh.

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 accrue 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.

The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

The summarised position of various defined benefits recognized for 31.03.2015 in the statement of profit and loss account, balance sheet are as under {Figures in brackets ( ) are for 31.03.2014}

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Current service cost	1.43 (1.35)	0.52 (0.45)	2.14 (1.89)
Interest cost on benefit obligation	1.53 (1.29)	1.00 (0.76)	1.76 (1.63)
Expected return on plan assets	-1.54 (-1.28)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-1.21 (-0.50)	2.11 (1.54)	1.16 (2.65)
Expenses recognised in Statement of Profit & Loss Account*	0.21 (0.86)	3.63 (2.75)	5.06 (6.17)

(*) During the year the expenses includes ₹ 0.02 crore (previous year ₹ 0.07 crore), ₹ 0.42 crore (previous year ₹ 0.58 crore) and ₹ 0.34 crore (previous year ₹ 0.11 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) The amount recognized in the Balance Sheet

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Present value of obligation as on 31.03.2015 (i)	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)
Fair value of plan assets as on 31.03.2015 (ii)	19.15 (17.12)	0.00 (0.00)	0.00 (0.00)
Difference (ii) - (i)	-0.21 (-0.86)	-14.58 (-11.75)	-23.42 (-20.66)
Net asset / (liability) recognized in the Balance Sheet	-0.21 (-0.86)	-14.58 (-11.75)	-23.42 (-20.66)

iii) Changes in the present value of the defined benefit obligations

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Present value of obligation as on 01.04.2014	17.98 (16.16)	11.75 (9.50)	20.66 (20.39)
Interest cost	1.53 (1.29)	1.00 (0.76)	1.76 (1.63)
Current service cost	1.43 (1.35)	0.52 (0.45)	2.14 (1.89)
Benefits paid	-0.47 (-0.51)	-0.80 (-0.50)	-2.30 (-5.90)
Net actuarial (gain)/loss on obligation	-1.11 (-0.31)	2.11 (1.54)	1.16 (2.65)
Present value of the defined benefit obligation as on 31.03.2015	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)

iv) Changes in the fair value of plan assets

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Fair value of plan assets as on 01.04.2014	17.12 (14.67)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	1.54 (1.28)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	0.86 (1.48)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-0.47 (-0.51)	0.00 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	0.09 (0.20)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as on 31.03.2015	19.14 (17.12)	0.00 (0.00)	0.00 (0.00)

v) One percent increase / decrease in the inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 2.09 crore

Cost decrease by 1% ₹ (2.19) crore

vi) During the year, the Company has provided liability towards contribution to the Gratuity Trust of ₹ 0.21 crore, to PRMS of ₹ 3.63 crore, to leave ₹ 5.06 crore and to pension Nil (during the year ended 31.03.2014 towards contribution to the Gratuity Trust of ₹ 0.86 crore, to PRMS of ₹ 2.75 crore, to leave ₹ 6.17 crore and to pension ₹ Nil crore). Above amount includes ₹ 0.02 crore (as on 31.03.2014 ₹ 0.07 crore), ₹ 0.42 crore (as on 31.03.2014 ₹ 0.58 crore) and ₹ 0.34 crore (as on 31.03.2014 ₹ 0.11 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

G. Other Employee Benefits:-

During the year, provision of ₹ 0.01 crore (during the year ended 31.03.2014 ₹ -0.05 crore) has been made for Economic Rehabilitation Scheme (ERS) for Employees and provision of ₹ 0.92 crore has been made for Long Service Award (LSA) for employees (during the year ended 31.03.2014 ₹ 0.74 crore) on the basis of actuarial valuation made at the end of the year by charging / crediting the statement of profit and loss.

H. Details of the Plan Asset:- Gratuity

The details of the plan assets at cost, as on 31.03.2015 are as follows:-

(₹ in crore)

S.No.	Particulars	As on 31.03.2015	As on 31.03.2014
i)	Government Securities	10.91	9.69
ii)	Corporate bonds / debentures	7.54	6.82
	Total	**18.45**	**16.51**

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%

*The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

I. Till FY 2013-14, the employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFC GEL and PFCCL on deputation / secondment basis were being allocated on actuarial basis and recognized as recoverable (from these subsidiaries) by the Company. During the FY 2014-15, the practice has been changed with effect from 01.01.2007, whereby amount recoverable from subsidiaries, on account of above stated employee benefits, has been mutually worked out at a fixed percentage of employee cost.

J. **Other disclosure**

(₹ in crore)

Gratuity*	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**
Present value of obligation as on	19.36	17.98	16.16	14.03	12.69
Fair value of plan assets as on	19.14	17.12	14.67	12.95	10.57
Surplus/(Deficit)	(0.21)	(0.86)	(1.48)	(1.08)	(2.13)
Experience adjustment on plan liabilities (loss)/gain	1.10	0.31	0.31	0.23	(0.79)
Experience adjustment on plan assets (loss)/gain	1.64	0.26	0.02	0.17	0.19

(₹ in crore)

PRMS	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**
Present value of obligation as on	14.58	11.75	9.50	8.33	7.13
Experience adjustment on plan liabilities (loss)/gain	(2.12)	(1.54)	(0.16)	(0.78)	(0.17)

(₹ in crore)

Leave	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**
Present value of obligation as on	23.42	20.66	20.39	17.74	15.47
Experience adjustment on plan liabilities (loss)/gain	(1.18)	(2.63)	(1.50)	(0.58)	(0.65)

(₹ in crore)

LSA	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**
Present value of obligation as on	4.49	4.04	3.71	3.33	2.75
Experience adjustment on plan liabilities (loss)/gain	0.67	0.46	0.80	-	-

(₹ in crore)

ERS	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**
Present value of obligation as on	1.24	1.24	1.31	1.24	1.26
Experience adjustment on plan liabilities (loss)/gain	0.38	0.46	0.43	-	0.40

(₹ in crore)

Baggage Allowance	**31.03.2015**	**31.03.2014**	**31.03.2013**	**31.03.2012**	**31.03.2011**
Present value of obligation as on	0.10	0.09	0.08	0.07	0.05
Experience adjustment on plan liabilities (loss)/gain	0.02	0.01	0.01	-	-

*The Company's best estimate of the contribution towards gratuity for the financial year 2015-16 is ₹ 0.68 crore. Actual return on plan assets during the FY ended 31.03.2015 is ₹ 1.64 crore (previous year ₹ 1.47 crore). Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

27. Details of provision as required in Accounting Standard - 29, {Figures in brackets ( ) are as on 31.03.2014}, are as under :

(₹ in crore)

Provision for	**Opening Balance (1)**	**Addition during the year (2)**	**Paid / adjusted during the year (3)**	**Closing Balance 4 = (1+2-3)**
Post-Retirement Medical Scheme	11.75 (9.50)	3.63 (2.75)	0.80 (0.50)	14.58 (11.75)
Gratuity	0.86 (1.48)	0.21 (0.86)	0.99 (1.48)	0.08 (0.86)
Provision for super annuation benefit (Pension)	0.07 (0.15)	0.00 (0.00)	0.00 (0.08)	0.07 (0.07)
Leave Encashment	20.66 (20.39)	5.06 (6.17)	2.30 (5.90)	23.42 (20.66)
Economic Rehabilitation Scheme for employee	1.24 (1.31)	0.01 (-0.05)	0.01 (0.02)	1.24 (1.24)
Bonus / Incentives / Base Line Compensation	17.75 (15.52)	12.09 (10.25)	18.94 (8.02)	10.90 (17.75)
Baggage Allowances	0.09 (0.08)	0.01 (0.01)	0.00 (0.00)	0.10 (0.09)
Service Award	4.04 (3.71)	0.92 (0.74)	0.47 (0.41)	4.49 (4.04)
Income Tax	4,630.44 (3,419.83)	2,506.74 (2,081.03)	925.99 (870.42)	6,211.19 (4,630.44)

Proposed Final Dividend	26.40 (132.00)	79.20 (26.40)	26.40 (132.00)	79.20 (26.40)
Proposed Corporate Dividend Tax	4.49 (22.43)	16.12 (4.49)	4.49 (22.43)	16.12 (4.49)

28. Pursuant to the requirements of the Companies Act 2013, followed by clarification from Department of Public Enterprises (DPE), the Company amended its CSR and Sustainability policy during the year. Accordingly, during the year, a CSR provision amounting to ₹117.49 crore (previous year ₹ 63.23 crore including reversal of CSR and SD reserve amounting to ₹ 18.85 crore as on 31.03.2013) has been made at the rate 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years. During the FY 2014-15, an amount of ₹ 49.90 crore (previous year ₹ 46.52 crore) has been disbursed against CSR activities.

As on 31.03.2015, the CSR and SD provisions stands at ₹ 114.30 crore(previous year ₹ 32.33 crore) after adjusting an amount of ₹ 35.52 crore (previous year ₹ 30.90 crore) during the year on account of CSR claims.

29. Disclosure as per Accounting Standard - 1 on 'Disclosure of Accounting Policies.

During the FY ended 31.03.2015, following changes in Part - B- Significant accounting policies have been made:

(i) Policy no. 1, Basis for Preparation of Financial Statements, has been aligned with the Companies Act, 2013. There is no financial impact due to this change.

(ii) Policy no. 2.7, regarding adjustment of repayment against earliest disbursement is deleted since the same is covered under Policy no. 2.6. There is no financial impact due to this change.

(iii) Policy no. 3.3, Fixed assets / Depreciation, has been aligned with the Companies Act, 2013. There is no financial impact due to this change. The financial impact on account of change in estimate has been disclosed at note 35.

(iv) Policy no. 4.1, Intangible Assets / Amortization, has been aligned with the presentation followed by the Company. There is no financial impact due to this change.

(v) Policy no. 5, Investments, has been modified to bring in more clarity. There is no financial impact due to this change.

(vi) Policy no. 6.4.(ii)(a) has been modified to avoid overlapping with policy no. 6.3.(iii). There is no financial impact due to this change.

(vii) Policy no. 6.7.(i), Restructuring, Reschedulement or Renegotiation of term(s) of loan, has been aligned with the changes in the Prudential Norms of the Company. There is no financial impact due to this change.

(viii) Policy no. 6.7.(vii), Eligibility for Upgradation of Restructured / Rescheduled / Renegotiated Sub-standard Infrastructure loan, has been aligned with the changes in the Prudential Norms of the Company. There is no financial impact due to this change.

ix) Policy no. 6.7.(xii), regarding provisioning on Restructured / Rescheduled / Renegotiated standard asset, has been added to align with the changes in the Prudential Norms of the Company. The financial impact has been disclosed at note18 supra.

x) Policy no. 9, Accounting of Government of India Schemes, has been amended to align with the nature of transaction governed under the policy related to GoI schemes such as R-APDRP, IPDS. There is no financial impact due to this change.

(xi) Policy no. 11, R-APDRP Fund, has been deleted since the same is covered under amended Policy no. 9. There is no financial impact due to this change.

(xii) Policy no. 12.5, regarding income on development of Request for Qualification (RFQ) document / Request for Proposal (RFP) document, has been deleted since the same is no more relevant. There is no financial impact due to this change.

(xiii) Policy no. 16, Cash and Cash Equivalents, has been added to bring in more clarity. There is no financial impact due to this change.

30. (A) Interim Dividend

The Board of Directors in their 330th meeting held on 27.02.2015 declared interim dividend at the rate of 85% i.e. ₹ 8.50/- per equity share of ₹ 10/- each amounting to ₹ 1,122.04 crore for the FY 2014-15.

(B) Proposed Final Dividend

The final dividend proposed for the year is as follows:

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
On Equity Shares of ₹ 10 each		
- Amount of Dividend proposed (₹ in crores)	79.20	26.40
- Rate of Dividend	6.00%	2.00%
- Dividend per equity share (₹)	0.60	0.20

(C) 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. The particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are as under:

Particulars	Interim Dividend		Final Dividend	
Year to which the dividend relates	2013-14	2012-13	2013-14	2012-13
Number of non-resident shareholders	2,359	2,421	2,460	2,452
Number of shares held by them of Face Value of ₹ 10 each	14,36,22,601	14,63,82,692	15,81,53,992	15,42,59,825
Gross amount of Dividend in (₹ in crore)	126.39	87.83	3.16	15.43

31. 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 the 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. The response in this regard is still awaited.

Meanwhile, the Company vide letter dated 19.02.2015 has again requested CERSAI to remove the practical difficulties in entering the data in the web portal of CERSAI. The response is still awaited.

32. As required under Section 205C of the Companies Act, 1956, ₹ 0.21 crore (Previous Year ₹ Nil) became due and was transferred to the Investor Education and Protection Fund (IEPF) during the FY ended 31.03.2015. However, an amount of ₹ 0.56 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.

33. During the year, the Company has sent letters seeking confirmation of balances as on 31.12.2014 to the borrowers and confirmation from all the borrowers (except one case which is sub-judice) have been received.

34. The Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of the Company are given hereunder:-

	Items	**As on 31.03.2015**	**As on 31.03.2014**
(i)	Capital Fund - a. Tier I (₹ in crore) - b. Tier II (₹ in crore)	30,099.55 6,011.08	25,641.72 5,751.93
(ii)	Risk weighted assets (₹ in crore)	1,77,542.35	1,56,154.40
(iii)	CRAR	20.34%	20.10%
(iv)	CRAR - Tier I Capital	16.95%	16.42%
(v)	CRAR - Tier II Capital	3.39%	3.68%
		During the FY ended 31.03.2015	**During the FY ended 31.03.2014**
(vi)	Amount of subordinated debt raised as Tier-II capital (₹ in crore)	0.00	3,800.00
(vii)	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	0.00	0.00

35. Effective from 1st April 2014, depreciation on 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 per Companies Act, 2013. In respect of life expired assets, an amount of ₹ 1.92 crore (net of deferred tax) has been charged to retained earnings as per Companies Act, 2013.

36. The Company does not have more than one reportable segment in terms of Accounting Standard-17 on Segment Reporting.

37. Previous year's figures have been re-grouped / re-arranged, wherever practicable to make them comparable.

38. Figures have been rounded off to the nearest crore of rupees with two decimals.

39. 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 34 for CRAR.

(C) Investments

(₹ in crore)

Sl. No.	Particulars			As on 31.03.2015	As on 31.03.2014
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	852.38	352.17
		(b)	Outside India	0.00	0.00
	(ii)	Provisions for Depreciation			
		(a)	In India	1.06	0.00
		(b)	Outside India	0.00	0.00
	(iii)	Net Value of Investments			
		(a)	In India	851.32	352.17
		(b)	Outside India.	0.00	0.00
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		0.00	0.15
	(ii)	Add : Provisions made during the year		1.06	0.00
	(iii)	Less : Write-off / write-back of excess provisions during the year		0.00	0.15
	(iv)	Closing balance		1.06	0.00

(D) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities

(₹ in crore)

Sl. No.	Particulars	As on 31.03.2015	As on 31.03.2014
(i)	The notional principal of swap agreements	9,541.10	11,442.78
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	74.47	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	N/A	N/A
(iv)	Concentration of credit risk arising from the swaps	N/A	N/A
(v)	The fair value of the swap book	42.13	(407.83)

II. The Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

a. The Company has put in place Currency Risk Management policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes the structure and organization for management of associated risks.

b. The Company enters into derivatives transactions to mitigate exchange rate risk in foreign currency liabilities and interest rate risk in rupee and foreign currency liabilities. A system for reporting and monitoring of risks is in place.

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 on 31.03.2015		As on 31.03.2014	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging[1]	1,595.42	9,541.10	2,662.71	11,442.78
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	12.86	86.05	90.44	4.37
	b) Liability (-MTM)	294.66	43.92	269.49	412.20
(iii)	Credit Exposure	Nil	Nil	Nil	Nil
(iv)	Unhedged Exposures[2]	8,830.84	6,608.82	7,397.24	3,892.76

[1] Interest rate derivatives include derivatives on Rupee liabilities of ₹ 7,964.60 crore (As on 31.03.2014 ₹ 7,964.60 crore).

[2] Includes JPY loan liability partly hedged through forward rate contract entered for one leg (USD/JPY) for ₹ 1,008.96 crore (As on 31.03.2014 ₹ 1,482.01 crore)

(E) Disclosures related to Securitisation

I. The Company has not entered into any securitization transaction during the year and there is no exposure on account of securitisation as on 31.03.2015 (Previous year Nil).

II. The Company has not sold any financial assets to Securitisation / Reconstruction Company for asset construction during the year ended 31.03.2015 (Previous Year Nil).

III. The Company has not undertaken any assignment transaction during the year ended 31.03.2015 (Previous Year Nil).

IV. The Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2015 (Previous Year Nil)

(F) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in crore)

Particulars	Upto 30 / 31 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances[1]	2,773.84	289.41	409.98	3,308.93	9,011.93	36,676.83	40,159.93	1,24,571.47	2,17,202.32
Investments	0.00	0.00	0.00	0.00	504.04	0.00	0.00	347.29	851.33
Borrowings[2]	6,009.67	4,154.50	2,885.00	302.80	10,212.78	41,704.41	40,714.85	72,416.83	1,78,400.84
Foreign Currency assets	7.90	0.00	0.00	14.59	16.41	37.67	92.06	144.72	313.35
Foreign Currency liabilities	4.51	0.00	6.52	1,576.50	463.64	3,084.13	1,614.63	2,980.72	9,730.65

[1] Rupee Loan Assets
[2] Rupee Liabilities

(G) Exposures

I. The Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Particulars	Amount as on 31.03.2015	Amount as on 31.03.2014
(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);	844.70	344.49
(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;	1,076.71	200.00
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances (excluding loans where security creation is under process);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,097.82	1,317.44
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	7.68	7.68
	Total Exposure to Capital Market	**4,026.91**	**1,869.61**

III. Details of financing of parent company products:
The Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:
The Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2014-15 and FY 2013-14.

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 on 31.03.2015 (As on 31.03.2014 Nil).

(H) Registration obtained from other financial sector regulators

The Company is a Government Company and is registered with RBI as NBFC-ND-IFC (Non-Banking Finance Company - Non Deposit Accepting - Infrastructure Finance Company).

(I) Disclosure of Penalties imposed by RBI and other regulators

During the year ended 31.03.2015, no penalty has been imposed on the Company by SEBI and RBI (Previous Year Nil).

(J) Credit rating

a. Ratings assigned by credit rating agencies and migration of ratings during the year:

Sl. No.	Rating Agency	Long Term Rating	Short Term Rating
1.	CRISIL	CRISIL AAA	CRISIL A1+
2.	ICRA	ICRA AAA	ICRA A1+
3.	CARE	CARE AAA	CARE A1+

No rating migration has taken place during the year.

b. Long term foreign currency issuer rating assigned to the Company as on 31.03.2015:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable[(1)]
3.	Moody's	Baa3	Stable

[(1)]During the year ended 31.03.2015, S&P has revised its outlook from Negative to Stable.

(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-29 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

Reference may be made to note Part B - 2.1 of Significant Accounting Policy.

(M) The Company is preparing Consolidated Financial Statements in accordance with Accounting Standard - 21. Reference may be made to Part C - 8 (A) of notes to accounts in this regard.

(N) Provisions and Contingencies

(₹ in crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	During the FY ended 31.03.2015	During the FY ended 31.03.2014
Provisions for depreciation on Investment	1.06	(0.15)
Provision towards NPA	261.32	133.26
Provision made towards Income Tax	2,506.74	2,081.03
Provision on Standard Assets	17.15	336.63
Provision on Restructured Standard Assets	564.44	0.00

(O) Draw Down from Reserves

Reference may be made to Part C-35 of notes to accounts in this regard.

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

a. Concentration of Deposits (for deposit taking NBFCs)

The Company is a non-deposit accepting NBFC.

b. Concentration of Advances:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Advances to 20 largest borrowers	1,34,468.69	1,23,452.40
Percentage of Advances to 20 largest borrowers to Total Advances of the company	61.82	65.32

c. Concentration of Exposures:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Exposure to twenty largest borrowers / customers	2,02,132.26	2,08,173.07
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	55.77	61.05

d. Concentration of NPAs:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Exposure to top four NPA accounts	2,228.64	1,218.80

e. Sector-wise NPAs

The Company is a Government Company engaged in extending financial assistance to power sector. As on 31.03.2015, the percentage of NPAs to total loan assets stand at 0.87% (As on 31.03.2014 0.52%).

(Q) Movement of NPAs in respect of Loan Assets

(₹ in crore)

Sl. No.	Particulars	FY 2014-15	FY 2013-14
(i)	Net NPAs to Net Advances (%)	0.87	0.52
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	1,227.71	1,134.52
	(b) Additions during the year	2,482.92	1,418.44
	(c) Reductions during the year	1,347.00	1,325.25
	(d) Closing balance	2,363.63	1,227.71
(iii)	Movement of Net NPAs		
	(a) Opening balance	985.42	1,013.04
	(b) Additions during the year	2,229.69	1,261.69
	(c) Reductions during the year	1,324.93	1,289.31
	(d) Closing balance	1,890.18	985.42
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	242.29	121.48
	(b) Provisions made during the year	365.63	253.34
	(c) Write-off / write-back of excess provisions	134.47	132.53
	(d) Closing balance	473.45	242.29

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

(S) Reference may be made to Part C-8(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.

(T) Customer Complaints for FY 2014-15

Sl. No.	Particulars	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

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

For N.K. Bhargava & Co.
Chartered Accountants
Firm Regn. No. 000429N
Sd/-
(N.K. BHARGAVA)
PARTNER
Membership No - 080624

For K.B.Chandna & Co.
Chartered Accountants
Firm Regn. No. 000862N
Sd/-
(V.K. GUREJA)
PARTNER
Membership No - 016521

Place : New Delhi
Date : 28.05.2015

POWER FINANCE CORPORATION LIMITED
CIN L65910DL1986GOI024862
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

(₹ in crore)

Particulars		Year ended 31.03.2015		Year ended 31.03.2014
I.	**Cash Flow from Operating Activities :-**			
	Net Profit before Tax and Extraordinary items	**8,378.23**	**7,558.31**	
	ADD: Adjustments for			
	Loss on Sale of Assets (net)	**(0.04)**	0.08	
	Depreciation / Amortization	**6.09**	4.93	
	Amortization of Zero Coupon Bonds & Commercial Papers	**47.50**	102.74	
	Foreign Exchange Translation Loss	**222.64**	414.06	
	Provision for decline in value of investments	**1.06**	(0.15)	
	Provision for Contingencies	**842.91**	469.89	
	Dividend on investment	**(31.46)**	(2.14)	
	Provision for CSR Expenditure & Sustainable Expenditure	**117.49**	63.23	
	Provision for interest under IT Act	**4.32**	5.22	
	Provision for Retirement Benefits / Other Welfare Expenses / Wage revision	**21.94**	9.73	
	Operating profit before working Capital Changes:	**9,610.68**	**8,625.90**	
	Increase / Decrease :			
	Loans Assets (Net)	**(28,504.61)**	(28,492.02)	
	Other Current Assets	**(791.79)**	(1,104.96)	
	Foreign Currency Monetary Item Translation Difference A/c	**328.65**	(231.24)	
	Liabilities and provisions	**356.40**	989.44	
	Cash flow before extraordinary items	**(19,000.67)**	**(20,212.88)**	
	Extraordinary items	**0.00**	0.00	
	Cash Inflow / Outflow from operations before Tax	**(19,000.67)**	**(20,212.88)**	
	Income Tax paid	**(2,453.36)**	(2,015.57)	
	Income Tax Refund	**5.67**	57.96	
	Net Cash flow from Operating Activities	**(21,448.36)**		**(22,170.49)**
II.	**Cash Flow From Investing Activities :**			
	Sale / adjustment of Fixed Assets	**0.18**	0.17	
	Purchase of Fixed Assets	**(4.30)**	(1.47)	
	Investments in Subsidiaries	**0.00**	(190.11)	
	Dividend on investments	**31.46**	2.14	
	Other Investments	**(500.21)**	(0.42)	
	Net Cash Used in Investing Activities	**(472.87)**		**(189.69)**
III.	**Cash Flow From Financing Activities :**			
	Issue of Equity Shares	**0.00**	0.44	
	Issue of Bonds (including premium) (Net)	**32,857.60**	21,143.54	
	Raising of Long Term Loans (Net)	**(7885.00)**	5465.00	
	Foreign Currency Loans (Net)	**566.33**	67.27	
	Commercial paper (Net)	**805.00**	(3650.00)	
	Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)	**1,928.17**	(3,819.77)	
	Interest Subsidy Fund	**(12.52)**	(21.91)	
	Unclaimed Bonds (Net)	**(0.57)**	(0.17)	
	Payment of Final Dividend (including Corporate Dividend Tax) of Previous year	**(30.89)**	(154.43)	
	Payment of Interim Dividend (including Corporate Dividend Tax) of Current year	**(1,346.14)**	(1,359.05)	
	Net Cash in-flow from Financing Activities	**26,881.98**		**17,670.92**

	Net Increase / Decrease in Cash & Cash Equivalents		**4,960.75**		**(4,689.26)**
	Add : Cash & Cash Equivalents at beginning of the financial year		**58.69**		4,747.95
	Cash & Cash Equivalents at the end of the financial year		**5019.44**		**58.69**
Details of Cash & Cash Equivalents at the end of the year:					
i)	Balances in current accounts with:				
	Reserve Bank of India	**0.05**		0.05	
	Scheduled Banks	**127.16**	**127.21**	0.28	0.33
ii)	Cheques in hand		**0.01**		58.36
iii)	Imprest with postal authority		**0.00**		0.00
iv)	Fixed Deposits with Scheduled Banks (original maturity up to three months)		**4,892.22**		0.00
	Sub Total (I)		**5,019.44**		**58.69**
Details of Earmarked Cash and Bank Balances at the end of the year:					
i)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend, etc.		**1.36**		1.50
ii)	IPDS				
	Balances in current account with schedule banks		**5.00**		-
	Fixed Deposits with Banks		**45.00**		-
	Sub Total (II)		**51.36**		**1.50**
	Total Cash and Bank Balance at the end of the year (I+II)		**5,070.80**		**60.19**

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 N.K. Bhargava & Co.
Chartered Accountants
Firm Regn. No. 000429N

Sd/-
(N.K. BHARGAVA)
PARTNER
Membership No - 080624

For K.B.Chandna & Co.
Chartered Accountants
Firm Regn. No. 000862N

Sd/-
(V.K. GUREJA)
PARTNER
Membership No - 016521

Place : New Delhi
Date : 28.05.2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POWER FINANCE CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Power Finance Corporation Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2015, 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 and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 31st March, 2015 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 the financial statements:

Note No. 18 of Part-C of other notes to accounts, regarding application of prudential norms stipulated by Reserve Bank of India in respect of Restructuring / Reschedulement/ Renegotiation (R/R/R) for the financial year 2014-15 for reasons indicated therein.

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 issued by the Comptroller and Auditor General of India, the action taken thereon and its impact to the financial statements of the company give in the Annexure A.

2. As required by the Companies (Auditor's Report) Order, 2015 ("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 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

   (f) 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(A),(iii), 2B of Part-C of other notes to accounts to the financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note No. A-5 of Note to the financial statements; and

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For N.K. Bhargava & Co.
Chartered Accountants
Firm's Regn. No.: 000429N

Sd/-
N.K. Bhargava
Partner
Membership No.: 080624

For K.B. Chandna & Co.
Chartered Accountants
Firm's Regn. No. 000862N

Sd/-
V.K. Gureja
Partner
Membership No.: 016521

Place : New Delhi
Date : 28.05.2015

Annexure-A

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Power Finance Corporation Limited (Standalone) for the year 2014-15 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013

We have generated this report, as per the information and explanation provided to us by the management during the course of audit.

Sl. No.	Questionnaire	Replies
1.	If the company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	During the FY 2014-15, DoD, GoI, appointed merchant bankers to sell upto 5% equity shares of the company through offer for sale route, however, the sale of equity shares by GoI is yet to take place. No valuation of Assets and Liabilities has been done.
2.	Please report 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 2014-15: i) Penal interest aggregating to ₹ 9,77,939/- in respect of 2 borrowers was waived off as per the request of the borrower and extant delegation of powers. ii) Interest on interest amounting to ₹ 61,10,181/- in respect of 2 borrower was waived off as per the request of the borrower and extant delegation of powers. iii) Commitment charges aggregating to ₹ 78,901/- in respect of 1 borrower was waived off as per the request of the borrower and extant delegation of powers. iv) Additional Interest aggregating to ₹ 4,14,13,495/- in respect of 1 borrower was waived off as per the request of the borrower and extant delegation of powers.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities?	NA
4.	A report on age-wise analysis of pending legal / arbitration cases including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	Details of age wise analysis of pending along with new legal / arbitration cases and income tax cases as on 31.03.2015 are given in **Annexure - I**. There were no large legal expenses (foreign and local) in FY 2014-15. However, normal legal expenses were incurred as per Delegation of Power approved by the Board.

For N. K. Bhargava & Co.
Chartered Accountants
Firm's Regn. No. : 000429N

Sd/-
N. K. Bhargava
Partner
Membership No.: 080624

For K. B. Chandna & Co.
Chartered Accountants
Firm's Regn. No. : 000862N

Sd/-
V.K. Gureja
Partner
Membership No. : 016521

Place: New Delhi
Date: 28.05.2015

Annexure - I

Status of appeals filed by the Corporation

Sl. No.	Assessment Year	Issue Involved	Appellate Authority	Date of filing of appeal	Disputed Amount (₹ in Crs)	Status	Provision made in books (₹ in Crs)	Contingent Liability (₹ in Crs)
1.	1996-97	1) Grant special leave to appeal against the order dated 19/07/2013, passed by the Hon'ble Delhi High Court in Review Petition No. 343 of 2013 in ITA No. 573 of 2007. 2) Grant ad-interim stay of the operation of the impugned order dated 19th July 2013, passed by the Hon'ble Delhi High Court in Review Petition No. 343 of 2013 in ITA No. 573 of 2007. 3) Restrain the Respondents from taking / initiating recovery proceeding for the recovery of demand for the A.Y under consideration	Supreme Court	29/10/13	12.78 (Shown as contingent liability in relation to appeal filed by the Department before the Delhi High Court)	The Corporation had filed the review petition in Delhi High Court against its order dtd 19/07/13 to revive the appeal of the Tax Deptt. relating to AY 1996-97 against the allowance of Special Reserve u/s 36(I)(viii) on Lease Rentals and Provision for Bad and Doubtful Debts u/s 36(I)(viia)(c) and allocation of expenses on interest on deposits for the purpose of computing deduction u/s 36(1)(viii) to the Corporation in ITAT inspite of refusal of approval to the Income Tax Department by the CoD before 17/2/11.The Hon'ble Delhi High Court held that the Review Petition is devoid of merits and accordingly dismissed the review petition on 19/7/13. The Corporation has filed a SLP against the order of the High Court on 29/10/13 in the Supreme Court which was listed for hearing on 17/02/14. The Hon'ble Court on 17/02/14 tag the SLP with CIT Vs. Gas Authority of India Ltd., SLP No. 32210/2012 in view of common issues being involved. Next date of hearing is yet to be fixed.	-	-
2.	2001-02	Disallowance of deduction u/s 36(1)(viii) for special reserve on Upfront Fees, Interest on Deposits, Guarantee Fees, Management Fees and Agency Fees.	Delhi High Court	22/12/11	1.01	The case was heard on 12/09/2013. In view of Cabinet Secretariat O.M. dtd 4/2/13, the grounds of appeal (other than special reserve on upfront fee) were not pressed by the Corporation as Cod approval was denied to the Corporation on these issues prior to 17/02/11 i.e. before SC judgement in Electronic Corporation Case.	1.01	

Sl. No.	Assessment Year	Issue Involved	Appellate Authority	Date of filing of appeal	Disputed Amount (₹ in Crs)	Status	Provision made in books (₹ in Crs)	Contingent Liability (₹ in Crs)
						However, the Corporation sought the liberty from the High Court to move an application subsequently, in case of favorable decision by SC in GAIL case. The Court allowed the same. Next date of hearing is yet to be fixed.		
3.	2002-03	Disallowance of deduction u/s 36(1)(viii) for special reserve on Upfront Fees, Interest on Deposits, Guarantee Fees, Management Fees and Agency Fees.	Delhi High Court	19/01/10	0.14	In view of O.M. dtd 04/02/13 issued by Cabinet Secretariat the grounds in respect of special reserve on interest on deposits, guarantee fee and management and agency fee would not be pressed at the time of hearing as COD approval to pursue these issues in the court was denied before 17/02/11. Issue relating to special reserve on upfront fee only would be contested. Amount involved in respect of items not to be pressed is Rs 4.07 crore. Yet to be listed for hearing.	0.14	
4.	2003-04	Disallowance of deduction u/s 36(1)(viii) for special reserve on Upfront Fees, Interest on Deposits, Guarantee Fees, Management Fees and Agency Fees.	Delhi High Court	19/01/10	1.47	In view of O.M. dtd 04/02/13 issued by Cabinet Secretariat the grounds in respect of special reserve on interest on deposits, guarantee fee and management and agency fee would not be pressed at the time of hearing as COD approval to pursue these issues in the court was denied before 17/02/2011. Issue relating to special reserve on upfront fee only would be contested. Amount involved in respect of items not to be pressed is Rs 1.82 crore. Yet to be listed for hearing.	1.47	

Sl. No.	Assessment Year	Issue Involved	Appellate Authority	Date of filing of appeal	Disputed Amount (₹ in Crs)	Status	Provision made in books (₹ in Crs)	Contingent Liability (₹ in Crs)
5.	2003-04	Allocation of expenses on income from Equipment manufacturing & debt refinancing for the purpose of computing special reserve.	ITAT	01/11/10	0.08	The ITAT didn't consider the ground of appeal because issue didn't arise out of the order of CIT (A) as also there was no request of the assesse for admission of additional ground after pointing out reasons. The Corporation file an appeal against the order of ITAT in Delhi High Court. Delhi High Court admitted the same and the Hon'ble Court was pleased to decide the matter in favour of the Assessee while setting aside the impugned order with directions to the Tribunal to adjudicate the ground left as was earlier raised before it. Listed for hearing on 08/06/15.	0.08	
6.	2004-05	1) Disallowance of deduction u/s 36(1)(viii) of special reserve on Interest on Deposits, Guarantee Fees, Management & Agency Fees and Upfront Fees and 2) Addition made in respect of income not accounted for in the books of accounts in FY 2003-04 but disclosed in the notes on accounts.	ITAT	21/05/10	7.38	The Assessing Officer during the course of regular assessment disallowed special reserve on interest on deposits, guarantee fees, management & agency fees and upfront fees and made addition of disputed income not accounted for in the books of account. On appeal, CIT(A) upheld the order of Assessing Officer. The Corporation filed an appeal before ITAT which was dismissed with the right of revival on receipt of COD approval. As per Supreme Court judgment in Feb 11, COD approval is not required now. Therefore, the Corporation has filed an application before ITAT for revival of appeal which is listed for hearing on 08/06/15.	7.38	

Sl. No.	Assessment Year	Issue Involved	Appellate Authority	Date of filing of appeal	Disputed Amount (₹ in Crs)	Status	Provision made in books (₹ in Crs)	Contingent Liability (₹ in Crs)
7.	2005-06	1) Disallowance of deduction u/s 36(1)(viii) of special reserve on Interest on Deposits, Guarantee Fees, Agency Fees and Upfront Fees and 2) Disallowance of allocation of expenses on income from bill discounting and advances to employees for the purpose of computing special reserve.	ITAT	01/09/10	8.70	The Assessing Officer during the course of regular assessment disallowed special reserve on interest on deposits, guarantee fees, management & agency fees and upfront fees and allocation of expenses on income from bill discounting etc. On appeal, CIT(A) upheld the order of Assessing Officer. The Corporation has filed an appeal before ITAT which is listed for hearing on 08/06/15.	8.70	
8.	2005-06	1) Additions on account of translation gain to taxable income. 2) No deduction u/s 36(1)(viia) (c) and 36(1)(viii) on above addition.	ITAT	19/05/14	9.24	The Assessing Officer reopened the assessment u/s 147 and made addition on account of translation gain not offered for tax. The Corporation filed an appeal before CIT(A). The CIT (Appeal) has upheld the decision of AO vide order dated 13/03/14. The Corporation has filed an appeal before ITAT against the order of CIT (Appeal) which is yet to be listed.	9.24	
9.	2006-07	1) Disallowance of deduction u/s 36(1)(viii) of special reserve on Interest on Deposits, Guarantee Fees, Agency Fees and Upfront Fees and 2) Disallowance of allocation of expenses on income from bill discounting and advances to employees for the purpose of computing special reserve.	ITAT	01/09/10	5.56	The Assessing Officer during the course of regular assessment disallowed special reserve on interest on deposits, guarantee fees, management & agency fees and upfront fees and allocation of expenses on income from bill discounting etc. On appeal, CIT(A) upheld the order of Assessing Officer. The Corporation has filed an appeal before ITAT which is listed for hearing on 08/06/2015.	5.56	

Sl. No.	Assessment Year	Issue Involved	Appellate Authority	Date of filing of appeal	Disputed Amount (₹ in Crs)	Status	Provision made in books (₹ in Crs)	Contingent Liability (₹ in Crs)
10.	2007-08	Disallowance of deduction u/s 36(1)(viii) of special reserve on agency fees, management fees, upfront fees, guarantee fees & interest on bank deposits.	ITAT	23/09/14	3.68	The Assessing Officer during the course of regular assessment disallowed special reserve on management & agency fees and upfront fees and expenses in relation to exempt income. The Corporation had filed an appeal before CIT(A) wherein additional ground of appeal for allowing special reserve on Guarantee Fees & Interest on Bank Deposits were also raised. CIT(A) vide order dated 25/7/14 upheld order of Assessing Officer with regard to special reserve on agency fees, management fees & upfront fees and also did not allow special reserve on guarantee fees & interest on deposits. However, the CIT(A) allowed relief/partial relief in r/o allocation of common expenses on Guarantee Fees, rate of tax on Long Term Capital Gains and disallowance u/s 14A. This relief would entail a refund of Rs 57,22,123/- alongwith interest. The Corporation has against the disallowance of special reserve on fee incomes and interest on deposits filed an appeal before ITAT against the order of CIT (Appeal) which is yet to be listed for hearing.	3.68	
	2007-08 (DISPOSED)	Change in manner of computation of deductions u/s 36(1)(viia)(c) and 36(1)(viii)	ITAT	30/05/12	8.09 (Appeal has been allowed in the favour of the Corporation, thus neither provision nor contingent liability has been made)	The CIT- LTU vide order u/s 263 revised the order of Assessing Officer dtd 29/12/09 and changed the manner of computation of deduction u/s 36(1)(viia)(c) and 36(1)(viii) in respect of provision for bad &	-	-

Sl. No.	Assessment Year	Issue Involved	Appellate Authority	Date of filing of appeal	Disputed Amount (₹ in Crs)	Status	Provision made in books (₹ in Crs)	Contingent Liability (₹ in Crs)
						doubtful debts and special reserve respectively. The Corporation has filed an appeal before ITAT on 30/5/12. **ITAT has allowed the appeal vide order dt. 28/11/14 in favour of the corporation as Section 263 is not sustainable in the case.**		
11.	2008-09	1) Disallowance of deduction u/s 36(1)(viii) of special reserve on agency fees, management fees and upfront fees, guarantee fees & interest on deposits 2) Change in manner of computation of deductions u/s 36(1)(viia)(c) and 36(1)(viii).	CIT(A)	27/01/11	10.82	The Assessing Officer during the course of regular assessment disallowed special reserve on management & agency fees and upfront fees and recomputed the deductions u/s 36(1)(viia)(c) and 36(1)(viii). The Corporation has filed an appeal before CIT(A). The Corporation has also subsequently filed additional grounds of appeal before CIT(A) for allowing special reserve on Guarantee Fees & Interest on Deposits. **The appeal was finally heard on 12/05/15 and order is awaited.**	6.15 (towards Item No. 1)	4.67 (towards Item No. 2)
12.	2009-10	1) Disallowance of deduction u/s 36(1)(viii) of special reserve on interest on deposit, guarantee fees, agency fees, management fees and upfront fees 2) Change in manner of computation of deductions u/s 36(1)(viia)(c) and 36(1)(viii). 3) Allowing depreciation @ 15% on UPS as against 60% claimed by the Corporation.	CIT(A)	27/01/12	17.45	The Assessing Officer during the course of regular assessment disallowed special reserve on management & agency fees and upfront fees, recomputed the deductions u/s 36(1)(viia)(c) and 36(1)(viii) etc. The Corporation has filed an appeal before CIT(A) which was **finally heard on 12/05/15. Order is awaited.**	6.21 (towards Item No. 1)	11.24 (towards Item No. 2 & 3)

Sl. No.	Assessment Year	Issue Involved	Appellate Authority	Date of filing of appeal	Disputed Amount (₹ in Crs)	Status	Provision made in books (₹ in Crs)	Contingent Liability (₹ in Crs)
13.	2010-11	1) Disallowance of deduction u/s 36(1)(viii) of special reserve on upfront fees, management fees, guarantee fees & interest on deposits. 2) Disallowance of Allocation of direct expenses on interest on deposits for excluding it from long term income for computation of special reserve 3) Change in manner of computation of deductions u/s 36(1)(viia)(c) and 36(1)(viii). 4) Disallowance of grants to borrowers for their reform and restructuring as business expenditure 5) Disallowance of provision for of post-retirement medical benefits and economic rehabilitation benefits.	CIT (A)	26/03/13	20.30	The Assessing Officer during the course of regular assessment disallowed special reserve on upfront fees, allocation of direct expenses on interest on deposits, changed the manner of computation of deduction u/s 36(1)(viia)(c) and 36(1)(viii), disallowed reversal of Nodal Agency Fee, grants to borrowers for their reform and restructuring as business expenditure and allowance of post-retirement benefits on accrual basis. The Corporation has filed an appeal before CIT(A). The Corporation has also subsequently filed additional grounds of appeal for allowing special reserve on Guarantee Fees, Management Fees & Interest on Deposits. The same is listed for hearing on 09/06/15.	8.02 (towards Item No. 1)	12.28 (towards Item No. 2 to 5)
14.	2011-12	1) Disallowance of deduction u/s 36(1)(viii) of special reserve on upfront fees, management & agency fees, guarantee fees and interest on deposits 2) Change in manner of computation of deductions u/s 36(1)(viia)(c) and 36(1)(viii). 3) Disallowance of CSR Expenses 4) Disallowance of grants to borrowers for their reform and restructuring as business expenditure 5) Disallowance of provision for of post-retirement medical benefits and economic rehabilitation benefits. 6) Allowed depreciation @ 25% on ERP Software license as against 60% claimed by the Corporation.	CIT(A)	26/03/14	24.01	The AO during the course of regular assessment disallowed special reserve on management, agency, guarantee, upfront fees and interest on deposits, changed the manner of computation of deductions u/s 36(1)(viia)(c) and 36(1)(viii). Disallowed grants, post retirement, CSR and depreciation @ 60% on ERP Software license. The Corporation has filed an appeal before CIT (A) which was listed for hearing on 8/10/14. However, the hearing could not take place on 8/10/14 and the next date of hearing is now fixed as 09/06/15.	10.45 (towards Item No. 1)	13.56 (towards Item No. 2 to 6)

Sl. No.	Assessment Year	Issue Involved	Appellate Authority	Date of filing of appeal	Disputed Amount (₹ in Crs)	Status	Provision made in books (₹ in Crs)	Contingent Liability (₹ in Crs)
15.	2012-13	1) Disallowance of deduction u/s 36(1)(viii) of special reserve on upfront fees, management & agency fees, guarantee fees and interest on deposits 2) Change in manner of computation of deductions u/s 36(1)(viia)(c) and 36(1)(viii). 3) Disallowance of CSR Expenses 4) Disallowance of grants to borrowers for their reform and restructuring as business expenditure 5) Disallowance of provision for of post-retirement medical benefits and economic rehabilitation benefits. 6) Allowed depreciation @ 25% on ERP Software license as against 60% claimed by the Corporation.	CIT(A)	09/04/15	33.07	The AO during the course of regular assessment vide order dated 13/03/15 disallowed special reserve on management, agency, guarantee, upfront fees and interest on deposits, changed the manner of computation of deductions u/s 36(1)(viia)(c) and 36(1)(viii). Disallowed grants, post retirement, CSR and depreciation @ 60% on ERP Software license. The Corporation has filed an appeal on 09/04/15 before CIT (A) which is yet to be listed.	**10.41** (towards Item No.1)	**22.66** (towards Item No. 2 to 6)
			TOTAL		**142.91**		**78.50**	**64.41**

Status of appeals filed by Income Tax Department

Sl. No.	Assessment Year	Issue Involved	Appellate Authority	Date of filing of appeal	Amount Involved (₹ in Crs)	Remark	Provision made in books (₹ in Crs)	Contingent Liability (₹ in Crs)
1.	1996-97	Against the order of CIT (A) for allowing allocation of expenses on interest on deposits	ITAT	6/10/09	2.93	The original appeal to the Department was dismissed by ITAT on 19/8/10 with right of revival on receipt of COD approval. The application for revival of appeal was filed by the Department before ITAT on 1/12/11 which was listed for hearing on 30/10/2013. The case was heard on 30/10/13, wherein our legal counsel requested for adjournment in order to file petition u/s 254 (2) before ITAT praying for recall of Cross Objection No: 376/Del/2009. ITAT accepted the request & next date of hearing is fixed for 18/08/15.	-	2.93
2.	1996-97	Against the order of ITAT allowing provision for bad & doubtful debt and special reserve on lease income	Delhi High Court	28/4/12	12.78	The Income Tax Deptt. filed an appeal before the Delhi High Court which was later on dismissed as withdrawn as COD permission was denied to the Deptt. Now, as per Supreme Court recent judgment, COD approval is not required, an application for revival of appeal was filed before the Delhi High Court by the Deptt. in April 2012. It was heard on 29/04/13, during the course of hearing the Hon'ble Court mentioned that the application filed by the Deptt. was allowed by another Bench without any information either to the Corporation or to the Deptt. A review application was filed by PFC before the other bench of Delhi High Court. The same was dismissed by the other bench vide order dated 19/07/13. The appeal was heard partially on merits on 26/03/15 and was adjourned for 15/05/15, on which date it has been adjourned for 30/07/15 at the request of the Deptt.. It may be noted that PFC has already filed a SLP in SC against the dismissal of review application by the other bench.	-	12.78

Sl. No.	Assessment Year	Issue Involved	Appellate Authority	Date of filing of appeal	Amount Involved (₹ in Crs)	Remark	Provision made in books (₹ in Crs)	Contingent Liability (₹ in Crs)
3.	2000-01	Against the order of CIT(A) allowing allocation of expenses on interest on deposits for the purpose of computing special reserve.	ITAT	4/11/13	1.61	Listed for hearing on 10/04/15 and adjourned to 18/08/15. Consolidated in AY 1996-97 appeal of the Deptt. on similar issue.	-	1.61
4.	2001-02	Against the order of CIT(A) allowing allocation of expenses on interest on deposits for the purpose of computing special reserve.	ITAT	4/11/13	2.33	Listed for hearing on 10/04/15 and adjourned to 18/08/15. Consolidated in AY 1996-97 appeal of the Deptt. on similar issue.	-	2.33
5.	2001-02	To grant interest u/s 244A and delete the interest u/s 234D	ITAT	21/10/13	0.43	CIT(A) decided the case in favour of the Corporation. Income Tax Department has filed an appeal before ITAT which was heard on 27/02/15 and adjourned for a date not yet notified.	-	0.43
	2001-02 (DISPOSED)	Against the order of CIT(A) for allowing expenditure incurred on issue of bonds.	ITAT	01/02/12	1.08	Appeal was dismissed with right of revival on receipt of COD approval. Application for revival of appeal has been filed by Deptt. before ITAT. **ITAT has dismissed the appeal of Deptt. in favour of the corporation vide order dt. 29/01/15.**	-	-
6.	2002-03	To grant interest u/s 244A and delete the interest u/s 234D	ITAT	21/10/13	0.36	CIT(A) decided the case in favour of the Corporation. Income Tax Department has filed an appeal before ITAT which was heard on 27/02/15 and adjourned for a date not yet notified.	-	0.36
7.	2004-05	Against the order of CIT(A) allowing allocation of expenses on certain ineligible incomes for the purpose of computing special reserve.	ITAT	09/06/10	22.22	Appeal was dismissed with right of revival on receipt of COD approval. Application for revival of appeal was filed by Deptt. before ITAT which has been allowed. Next date of hearing is 08/06/15.	-	22.22
8.	2005-06	Against the order of CIT(A) allowing allocation of expenses on certain ineligible incomes for the purpose of computing special reserve.	ITAT	10/09/10	21.13	Listed for hearing on 08/06/15.	-	21.13

Sl. No.	Assessment Year	Issue Involved	Appellate Authority	Date of filing of appeal	Amount Involved (₹ in Crs)	Remark	Provision made in books (₹ in Crs)	Contingent Liability (₹ in Crs)
9.	2006-07	Against the order of CIT(A) allowing allocation of expenses on certain ineligible incomes for the purpose of computing special reserve.	ITAT	10/09/10	21.68	Listed for hearing on 08/06/15.	-	21.68
			Total		**85.47**			**85.47**

LITIGATION STATUS AS ON 31st MARCH 2015

CASES FILED AGAINST THE CORPORATION

1. Writ Petition No. 8174 of 2010 filed By Shri M. Ravi against Power Finance Corporation

Mr. M. Ravi, an employee of our Company, filed a writ petition (No. 8174 of 2010) before the High Court of Delhi challenging the decision of certain respondents including our Company, rejecting his promotion on the ground that a request for Mr. Ravi's promotion could be considered only after the final outcome of the criminal case in which Mr. Ravi was involved. It was alleged by Mr. Ravi that his promotion was rejected in spite of the fact that he was neither under suspension nor any disciplinary proceedings/ criminal prosecution had been initiated against him. Mr. Ravi prayed for an order (i) quashing the aforesaid decision of the respondents rejecting his promotion (ii) directing our Company to promote Mr. Ravi with all consequential and financial benefits from a retrospective date. Early hearing application of Mr. Ravi has been disposed of in the month of 03.02.2012, as dismissed as withdrawn by Hon'ble Delhi High Court.

An application for early hearing has again been filed by Mr. Ravi before Delhi High Court and the same has been heard on 10.03.2014. After hearing Hon'ble Court has directed to list the subject matter in first fifteen matters, in the regular list and both the parties were directed to submit a brief synopsis in the matter. In view of above order matter was listed on 11.07.2014 and as the petitioner failed to file the synopsis, the court rejected the application for early hearing and the High Court directed to put up the matter on regular list at its own turn and since then the matter has not come up for hearing till 31st March 2015.

2. PIL filed by Sh. Natrajan (Advocate) against 8 respondents (incl. PFC) before Hon'ble Madras High Court at Madurai bench.

The Subject WP is filed as a Public Interest Litigation by the Petitioner Advocate Natarajan against 8 Respondents (PFC is added as Respondent No.8) narrating the suffering of the people in Tamilnadu due to non availability of continuous electricity and has advocated Solar energy to minimize the energy crisis. The petitioner has prayed the Hon'ble High Court for a direction to the Respondents to distribute solar panel, photovoltaic cell and ancillary apparatuses at 90 percent subsidy to all the eligible family card holders. The Counsel has informed us that the WP was admitted by the Hon'ble High Court and notice was issued to all the defendants to appear/file the Counter 02.01.2013. PFC reply/counter dated 26.12.2012 was forwarded to the Advocate. Case was not listed on 02.01.2013. Advocate informed us vide his letter dated 04.03.2013 that Counter (reply) has been filed in the court on 04.03.2013. Case is yet to be listed again.

3. CRIMINAL MISCELLANEOUS WRIT PETITION FILED BY UNION OF INDIA

Misc. Criminal W.P. No. 28928 of 2009 Allahabad High Court - Union of India Vs National Securities Depositary Ltd. and others . PFC is respondent No. 4 [Northern Railway (UOI) - Complainant - for Fraudulent Transfer of PFC Bonds]

The Union of India filed a criminal miscellaneous writ petition (No. 28928 of 2009) before the Allahabad High Court praying for issuance of directions to the Central Bureau of Investigation to expeditiously complete its investigation pertaining to a fraudulent transfer of securities from a dematerialised account **("Demat")** as well as for further issuance of directions to our Company and certain other respondents to disallow any further transfer of the securities and to freeze the account where the sale proceeds of the aforesaid securities/ bonds are deposited during the pendency of the writ. Our Company has been included as a proforma party as certain bonds issued by it were a part of the securities which were allegedly fraudulently transferred from the Demat account.

PFC's reply was filed before the Hon'ble High Court of Allahabad. Thereafter, the Hon'ble High Court directed CBI Court to decide the matter. PFC received the order of Hon'ble Special Judge, CBI, Lucknow to remit the withheld redemption amount to Northern Central Railway, Allahabad. The same has been remitted by PFC as per the Court's direction. On previous hearing held on 02.12.2014.

Respondent No. 16 i.e. Crompton Greaves Limited Provident Fund has filed stay vacation application on 04.08.2014 and Counter Affidavit on 29.08.2014. On the last hearing the matter was adjourned by Court.

4. Consumer Complaint filed by Shri Ashok Goel at Muzaffarnagar

A Complainant has been filed by Mr. Ashok Kr Goel at Muzaffarnagar alleging the deficiency on the part of Power Finance Corporation (O P No.1) and Karvy Computer Share Pvt. Ltd. (OP No.2) for non-allotment of Shares. The Complainant had applied for allotment of 700 shares in the follow on public offer of Power Finance Corporation, a Public Sector Undertaking vide application no. 36872669 and paid the required application money by a cheque of HDFC Bank dated 12.05.2011 for an amount of ₹ 1,42,000/-

Application made Shri Ashok Goel was for 700 shares with the price as "Cut off"

(I) The issue price of share was ₹ 203/-, the amount payable for 700 shares was ₹ 14,21,00.00 where as the amount paid was ₹1,42,000/- Hence the application was rejected under technical ground being "Insufficient Funds".

(ii) Refund amount of ₹ 1,42,000/- was credited through NECS to the bank account of the Complainant on 26.05.2011.

Reply on behalf of PFC has been filed. Despite giving various opportunities by the CDRF, the complainant is not filing the evidence; thus the CDRF has put a fine of ₹ 100/-, on complainant Mr. Ashok Goel. Meanwhile PFC has filed evidence before the Forum on 18.02.2015 and the next date of hearing is on 09.04.2015.

CASE FILED BY THE CORPORATION

1. PFC VS MUKESH GUPTA

We have filed a suit for recovery (No. 734/04) before the Court of Additional District Judge, Delhi **("Addl. District Judge")** for ₹ 9,07,440 against Mr. Mukesh Kumar Gupta, on account of his failing to clear dues outstanding against him. The suit was decreed ex parte in favour of our Company by the order of the Addl. District Judge dated December 3, 2005, for an amount of ₹ 907,440 with interest at the rate of 4.5% per annum from the date of suit until the date of decree and future interest at the rate of 4.5% from the date of decree until the date of realization along with the cost of suit. Our Company filed an execution petition (No. 35/2006) before the Court of Civil Judge, Ghaziabad on July 27, 2007.

On 13.10.2014 the Court ordered to attach the property of the Defendant and on 26.03.2015 Hon'ble Court ordered that 17.04.2015 the auction of the property will be held and the report of the same shall be submitted before the Court on 20.04.2015.

2. SBI versus M/s Om Shakti Energies Ltd & Others

State Bank of India, Stressed Assets Management Branch, Secunderabad has filed an OA No. 500/2012 against M/s Om Shakti Energies Ltd. for recovery of its dues granted under multiple banking arrangement with PFC. PFC has already filed a suit in the year 2011 and had made SBI as Defendant in the application. Now SBI has filed the OA against OSRL, Shri G. Siva Rama Krishna, Shri B. V. Koteshwar Rao and Power Finance Corporation has been made Defendant No. 4.Date fixed in the matter is 13.07.2015.

3. PFC Versus Omshakti Renergies Ltd. :-

Recovery Suit (Original Application) at Debts Recovery Tribunal (DRT), Delhi for recovery of outstanding dues by the Corporation against Om Shakti Renergies Limited (the Borrower) & Ors.

Power Finance Corporation has filed an O.A.No.153/2011 at DRT Delhi on 22.06.2011 against Om Shakti Renergies Limited & Ors for the recovery of a sum of ₹ 13,93,94,562/- Matter has been Transferred to DRT Hyderabad pursuant to the orders of Hon'ble Supreme Court. Matter is fixed for hearing on **08.07.2015,** before the presiding officer for disposal of the two Interlocutory Applications filed by PFC.

NEW CASE FILED DURING THE YEAR:

1. **Writ Petition filed by NHPC Officers Association Vs UoI, DPE & Others (PFC-respondent no.7) before Hon'ble Delhi High Court.**

   Ministry of Power issued impugned Office Memorandum dated 27.12.2013, stating that the deviant pay scales fixed w.e.f. 01.01.1997 of the employees of NHPC, NEEPCO, REC, THDCL, SJVNL w.e.f. shall not be regularized, however, no recovery shall be made for the excess pay drawn since 01.01.1997. Petitioners have filed this WP against the Government of India and others (PFC-respondent no. 7). Petitioners are demanding that in view of Article 14 of Constitution of India and DPE guidelines, there should be no monthly pay difference in between applicant and the employees of the other CPSCs like NTPC, Power Grid, PFC.

   On 29.05.2014 High Court directed that the Letter of Ministry shall remain stayed. Counter Affidavit (Reply) on behalf of PFC has been filed and the Petitioner has to file Rejoinder. Meanwhile, Interim Order to continue and the next date of hearing is on 10.04.2015.

2. **Writ Petition No. 185/ 2014 Meghalaya High Court filed by Joint Action Committee, North Eastern Electric Power Corporation Limited v/s Union of India & Others (PFC-respondent no.6)**

   Ministry of Power issued impugned Office Memorandum dated 27.12.2013, stating that the deviant pay scales fixed w.e.f. 01.01.1997 of the employees of NHPC, NEEPCO, REC, THDCL, SJVNL w.e.f. shall not be regularized, however, no recovery shall be made for the excess pay drawn since 01.01.1997. Petitioners have filed this WP against the Government of India and others (PFC-respondent no. 7). Petitioners are demanding that in view of Article 14 of Constitution of India and DPE guidelines, there should be no monthly pay difference in between applicant and the employees of the other CPSCs like NTPC, Power Grid, PFC.

   Counter Affidavit (Reply) has been filed by PFC on 10.10.2014. The case was last listed on 13.03.2015. While Respondent No. 1 (Union of India – Ministry of Power), 3 (Department of Public Enterprises – Ministry of Heavy Industries and Public Enterprises) have to file Counter Affidavits and have been granted 4 weeks time to do the same.

CASES SETTELED DURING THE YEAR:

1. **Consumer Complaint Filed By Shri Bir Singh Kaushik District Consumer Redressal Forum at Rohtak**

   Mr. Bir Singh Kaushik filed a consumer complaint (No. 789) dated December 6, 2010 against our Company before the District Consumer Dispute Redressal Forum, Rohtak under Section 12 of the Consumer Protection Act, 1986, alleging unfair trade practices and deficiency of service on part of our Company in relation of certain bonds issued to Mr. Kaushik which were allegedly redeemed at a lower amount than what he was entitled to, and claiming, the balance amount of ₹ 8,346 along with interest @ 18% per annum and ₹ 55,500 as compensation and litigation expenses.

   Complainant has applied for withdrawal of the case before the Court on 04.09.2014. Order for withdrawal of complaint was issued on the same date.

2. **Writ Petition No. 1099 of 2015 Delhi High Court filed by Mayank Makhija v. Power Finance Corporation Ltd.**

   Sh. Mayank Makhija had filed Writ Petition before the Delhi High Court against PFC on 02.02.2015 for quashing the order of PFC of short listing of candidates for the post of Officer (Legal) and through Interim Applications prayed for restraining PFC from proceeding with the interview for the post of Officer (Legal) to be conducted on 06.02.2015, till the final disposal of the petition.

   The Court after hearing Counsels for both the parties and after considering the facts presented by the Counsel of PFC, was pleased to allow the counsel for the petitioner to withdraw the petition and as such the subject matter was dismissed as withdrawn.

Annexure B to Independent Auditor's Report
(Referred to our Report of even date on Other Legal and Regulatory Requirements)

(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.

(ii) The Company is a Non-Banking Finance Company. Accordingly it does not have any Inventory. Thus clause 3(ii) of the Companies (Auditor's Report) Order, 2015 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. Accordingly clauses 3(iii) (a) and (b) of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company.

(iv) Having regard to the nature of Company's business, we report that company's activities do not include purchase of inventory and sale of goods. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and nature of its business with regards to purchase of fixed assets and services rendered by the company. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system with regard to purchase of fixed assets and services rendered by the company.

(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.

(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, Wealth 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 31st March, 2015, as per the accounts of the company.

(b) According to information and explanations given to us, there are no dues of Income tax / Sales Tax / Wealth Tax / Service Tax / Value Added Tax or Cess etc., which have not been deposited by the company on account of any dispute.

(c) Based on our audit procedures and according to the information and explanations given to us, company has transferred to Investor Education and Protection Fund (IEPF), in accordance with the relevant provisions of the Companies Act, 1956 (1 to 1956). The amount has been transferred to such fund within time.

(viii) The Company does not have any accumulated losses and has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.

(ix) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(x) The Company has given guarantees in connection with loans taken by others from banks or financial institutions. According to information & explanations given to us we are of the opinion that, the terms and conditions of the guarantees given are not prima-facie prejudicial to the interest of the company.

(xi) According to the information and explanations given to us, the Term Loans taken by the company have been utilized for the purpose for which they were obtained.

(xii) 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.

For N.K. Bhargava & Co.
Chartered Accountants
Firm's Regn. No.: 000429N

Sd/-
N.K. Bhargava
Partner
Membership No.: 080624

For K.B. Chandna & Co.
Chartered Accountants
Firm's Regn. No. 000862N

Sd/-
V.K. Gureja
Partner
Membership No.: 016521

Place : New Delhi
Date : 28.05.2015

NON-BANKING FINANCIAL COMPANIES AUDITORS' REPORT

To
The 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 31.03.2015.

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 2014-15.

5. For the Financial year ending 31st March, 2015, 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 (including revisions approved by Board of Directors in its meeting held on 09.03.2015 subject to the approval of MoP), referred to/ as stated in the Significant Accounting Policies forming integral part of financial statements for the year ended on 31st March, 2015.

6. In terms of RBI Master Circular No. RBI/2014-15/40 DNBS (PD) CC.No. 391/03.10.001 /2014-15 dated July 1, 2014, PFC being a Government Company, is exempt from submitting NBS-7 to the Reserve Bank of India.

For N.K. Bhargava & Co.
Chartered Accountants
Firm's Regn. No.: 000429N

Sd/-
N.K. Bhargava
Partner
Membership No.: 080624

For K.B. Chandna & Co.
Chartered Accountants
Firm's Regn. No. 000862N

Sd/-
V.K. Gureja
Partner
Membership No.: 016521

Place : New Delhi
Date : 28.05.2015

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 2015

The preparation of Financial Statements of Power Finance Corporation Limited for the year ended 31 March, 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 28 May 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the Financial Statements of Power Finance Corporation Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

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

Sd/-
(Tanuja S. Mittal)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board - III,
New Delhi

Place : New Delhi
Dated : 30 July 2015

POWER FINANCE CORPORATION LIMITED
CIN L65910DL1986GOI024862
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

(₹ in crore)

	Description	Note Part	As at 31.03.2015		As at 31.03.2014	
A.	**EQUITY & LIABILITIES**					
	(1) Shareholders' Funds					
	(a) Share Capital	A-1	**1,320.04**		1,320.04	
	(b) Reserves & Surplus	A-2	**31,091.31**	**32,411.35**	26,202.23	27,522.27
	(2) Non-Current Liabilities					
	(a) Long-Term Borrowings	A-3				
	Secured		**20,786.66**		22,776.66	
	Un-secured		**144,208.75**	**164,995.41**	119,714.91	142,491.57
	(b) Deferred Tax Liabilities (Net)	C-21		**188.27**		273.00
	(c) Other Long-Term Liabilities	A-4		**333.81**		347.62
	(d) Long-Term Provisions	A-5		**963.97**		473.19
	(3) Current Liabilities					
	(a) Short-Term Borrowings	A-3				
	Secured		**1,928.17**		0.24	
	Un-secured		**2,136.24**		1,314.49	
	(b) Trade Payables		**17.04**		2.54	
	(c) Other Current Liabilities					
	(i) Current Maturity of Long-Term Borrowings	A-3				
	Secured		**1,990.00**		0.00	
	Un-secured		**16,745.28**		15,409.00	
	(ii) Others	A-4	**6,672.68**		6,246.32	
	(d) Short-Term Provisions	A-5	**529.43**	**30,018.84**	239.47	23,212.06
	Total			**228,911.65**		**194,319.71**
B.	**ASSETS**					
	(1) Non-current Assets					
	(a) Fixed Assets	A-6				
	(i) Tangible Assets		**142.65**		104.00	
	Less: Accumulated Depreciation		**42.94**	**99.71**	34.85	69.15
	(ii) Intangible Assets		**8.34**		7.80	
	Less: Accumulated Amortization		**6.55**	**1.79**	5.35	2.45
	(iii) Capital Works in Progress			**2.42**		0.66
	(b) Non-Current Investments	A-7				
	Trade		**12.00**		12.00	
	Others		**11.80**	**23.80**	11.60	23.60
	(c) Long-Term Loans	A-8				
	Secured		**129,710.11**		112,505.80	
	Un-Secured		**68,220.23**	**197,930.34**	56,310.39	168,816.19
	(d) Other Non-Current Assets					
	(i) Fixed Deposits with Scheduled Banks (original maturity more than twelve months)	A-11	**93.27**		27.36	
	(ii) Other	A-9	**225.64**	**318.91**	210.62	237.98
	(2) CURRENT ASSETS					
	(a) Current Investments	A-10	**504.04**		3.83	
	(b) Trade Receivables					
	More than Six Months		**9.57**		1.11	
	Others		**19.02**		5.93	
	(c) Cash and cash Bank Balances	A-11	**5,367.36**		459.49	
	(d) Short-Term Loans	A-8				
	Secured		**549.88**		912.98	
	Un-Secured		**2,337.34**		1,483.08	
	(e) Other Current Assets					
	(i) Current Maturity of Long-Term Loans	A-8				
	Secured		**10,725.25**		12,621.28	
	Un-Secured		**5,588.58**		4,944.27	25,169.68
	(ii) Others	A-9	**5,433.64**	**30,534.68**	4,737.71	
	Total			**228,911.65**		**194,319.71**

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES **Part B**
CONSOLIDATED OTHER NOTES ON ACCOUNTS **Part C**
Notes from part A 1 to 18, A 19, part B & part C form integral part of accounts.

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**
(MANOHAR BALWANI)	**R.NAGARAJAN**	**M.K. GOEL**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN - 00701892	DIN - 00239813

Signed in terms of our report of even date

	For N.K. Bhargava & Co.	For K.B.Chandna & Co.
	Chartered Accountants	Chartered Accountants
	Firm Regn. No - 000429N	Firm Regn. No. 000862N
	Sd/-	**Sd/-**
	(N.K. BHARGAVA)	**(V.K. GUREJA)**
	PARTNER	PARTNER
Place : New Delhi	**Membership No - 080624**	**Membership No - 016521**
Date : 28.05.2015		

POWER FINANCE CORPORATION LIMITED
CIN L65910DL1986GOI024862
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(₹ in crore)

Description	Note No.		Year ended 31.03.2015		Year ended 31.03.2014
I. Revenue from Operations					
(a) Interest Income	A-12	**24,589.49**		20,774.55	
(b) Consultancy / Advisory Services	A-12	**56.78**		42.20	
(c) Other Operating Income	A-12	**159.82**		197.13	
(d) Other Financial Services	A-12	**146.79**	**24,952.88**	388.59	21,402.47
II. Other Income					
Other Income	A-13		**59.00**		27.45
III. Total Income (I+II)			**25,011.88**		**21,429.92**
IV. Expenses					
Finance Costs	A-14		**15,450.28**		13,007.79
Bonds Issue Expenses	A-15		**31.40**		79.09
Employee Benefit Expenses	A-16		**101.47**		96.56
Provision for Contingencies	C-19 (B)		**843.07**		470.22
Provision for decline in value of investments	C-2		**1.06**		(0.15)
Depreciation and Amortization Expenses	A-6		**7.92**		5.23
CSR Expenses	C-28		**118.50**		63.23
Other Expenses	A-17		**14.45**		83.76
Prior Period Items (Net)	A-18		**(2.14)**		(0.23)
Total Expenses			**16,566.01**		**13,805.50**
V. Profit before exceptional and extraordinary items and tax (III-IV)			**8,445.87**		**7,624.42**
VI. Exceptional Items			**0.00**		0.00
VII. Profit before extraordinary items and tax (V-VI)			**8,445.87**		**7,624.42**
VIII. Extraordinary Items			**0.00**		0.00
IX. Profit Before Tax (VII-VIII)			**8,445.87**		**7,624.42**
X. Tax Expenses					
1) Current Tax		**2,525.38**		2,098.03	
2) Tax for earlier years		**(0.18)**	**2,525.20**	10.18	2,108.21
3) Deferred Tax Liability (+) / Asset (-)			**(83.73)**		54.37
XI. Profit (Loss) for the year from continuing operations (IX-X)			**6,004.40**		**5,461.84**
XII. Earnings per equity shares of ₹ 10/- each (Refer Note No. 22 of Part-C - Consolidated Other Notes on Accounts)					
(1) Basic (₹)			**45.49**		**41.38**
(2) Diluted (₹)			**45.49**		**41.38**
CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES	**Part B**				
CONSOLIDATED OTHER NOTES ON ACCOUNTS	**Part C**				

Notes from part A 1 to 18, A 19, part B & part C form integral part of accounts.

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**
(MANOHAR BALWANI)	**R.NAGARAJAN**	**M.K. GOEL**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN - 00701892	DIN - 00239813

Signed in terms of our report of even date

For N.K. Bhargava & Co.	For K.B.Chandna & Co.
Chartered Accountants	Chartered Accountants
Firm Regn. No - 000429N	Firm Regn. No. 000862N
Sd/-	**Sd/-**
(N.K. BHARGAVA)	**(V.K. GUREJA)**
PARTNER	PARTNER
Membership No - 080624	**Membership No - 016521**

Place : New Delhi
Date : 28.05.2015

NOTE - Part A - 1
CONSOLIDATED SHARE CAPITAL

(₹ in crore)

Description		As at 31.03.2015	As at 31.03.2014
A	**Authorized :**		
	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
	Total	**2,000.00**	**2,000.00**
B	**Issued, subscribed and paid up :**		
	132,00,40,704 Equity shares of ₹ 10/- each fully paid-up (Previous year 132,00,15,011 equity shares of ₹ 10/- each fully paid up)	**1,320.04**	1,320.02
	Add: Nil Equity shares of ₹10/- each fully paid-up (previous year 25,693 equity shares of ₹ 10/- each fully paid-up)	**0.00**	0.02
	Total	**1,320.04**	**1,320.04**

Notes:-

1. During the year, the Company has neither issued nor bought back any shares.
2. The Company has only one class of equity shares having a par value of ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meetings of shareholders.
3. During the year, no shares have been allotted under ESOP scheme. Out of options granted for FY 2009-10, remaining options for 327 equity shares were not exercised and have lapsed during the year .
4. Information on Shares in the company held by each shareholder holding more than 5 percent of paid -up equity share capital :

Name of Holders		31.03.2015	31.03.2014
President of India	% of Share Holding	**72.80**	72.80
	No. of Shares Held	**960,955,589**	960,955,589
	Amount (₹ in crore)	**960.96**	960.96
Life Insurance Corporation of India	% of Share Holding	**6.90**	7.80
	No. of Shares Held	**91,071,654**	102,899,599
	Amount (₹ in crore)	**91.07**	102.90

NOTE - Part A - 2
CONSOLIDATED RESERVES & SURPLUS

(₹ in crore)

Description			As at 31.03.2015		As at 31.03.2014
(A)	**Securities Premium Reserve**				
	Opening balance	**4,096.37**		4,094.50	
	Add : Addition during the year	**0.00**	**4,096.37**	1.87	4,096.37
(B)	**Debenture Redemption Reserve**				
	Opening balance	**546.08**		274.85	
	Add: Transfer from Profit and Loss Appropriation for the year (Refer Note No. 6 of Part-C - Consolidated Other Notes on Accounts)	**310.20**	**856.28**	271.23	546.08
(C)	**Others**				
	(i) Reserve for bad & doubtful debts u/s 36(1)(viia)(c) of Income Tax Act,1961				
	Opening balance	**1,730.44**		1,409.01	
	Add: Transfer from Profit and Loss Appropriation for the year	**387.49**	**2,117.93**	321.43	1,730.44
	(ii) Special Reserve created u/s 36 (1) (viii) of Income Tax Act, 1961 upto Financial Year 1996-97		**599.85**		599.85
	(iii) Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98				
	Opening balance	**8,624.76**		7,139.87	
	Add: Transfer from Profit and Loss Appropriation for the year	**1,851.11**		1,465.04	
	Less: Transfer to General Reserve	**(6.82)**		(17.80)	
	Add: Transfer from Surplus*	**72.71**		37.65	
	Less: Transfer to Profit and Loss Appropriation (Balance Sheet head)	**(0.31)**	**10,541.45**	0.00	8,624.76

(iv) Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934				
Opening balance	**2.65**		0.00	
Add: Transfer from Profit and Loss Appropriation for the year	**3.78**	**6.43**	2.65	2.65
(v) CSR and SD Reserve				
Opening balance	**0.00**		18.85	
Less: Transfer to Surplus	**0.00**	**0.00**	(18.85)	0.00
(vi) General Reserve				
Opening balance	**3,594.29**		3,034.49	
Add: Transfer from Profit and Loss Appropriation for the year	**596.00**		542.00	
Add: Transfer from Special Reserve	**6.82**	**4,197.11**	17.80	3,594.29
(vii) Foreign Currency Monetary Item Translation Difference A/c (Refer Note No. 15 of Part-C - Consolidated Other Notes on Accounts)				
Opening balance	**(709.21)**		(477.97)	
Add : Net addition during the year	**328.65**	**(380.56)**	(231.24)	(709.21)
(D) Surplus				
Opening balance	**7,717.00**		6,266.25	
Add: Transfer from CSR and SD Reserve	**0.00**		18.85	
Add: Adjustments during the current period **	**(0.58)**		0.00	
Add: Transfers from Special Reserve under Income Tax Act, 1961	**0.31**		0.00	
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***	**(1.93)**		0.00	
Less: Transfers to Special Reserve under Income Tax Act, 1961 *	**(72.71)**		(37.65)	
Add: Surplus retained from the Profit and Loss Appropriation for the year	**1,414.36**	**9,056.45**	1,469.55	7,717.00
Total (A) + (B) + (C) + (D) #		**31,091.31**		**26,202.23**

Note: Profit and Loss Appropriation

Description		**As at 31.03.2015**		**As at 31.03.2014**
Profit after tax for the year		**6,004.40**		**5,461.84**
Less : Transfer to Reserves				
Transfer towards Reserve for Bad & Doubtful Debts u/s 36 (1) (viia) (c) of Income Tax Act, 1961	387.49		321.43	
Transfer to Special Reserve created and maintained u/s 36(1) (viii) of Income Tax Act, 1961	1,851.11		1,465.04	
Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	3.78		2.65	
Debenture Redemption Reserve	310.20		271.23	
General Reserve	596.00	**3,148.58**	542.00	**2,602.35**
Less : Dividend & Corporate Dividend Tax				
Interim Dividend Paid	1,122.04		1,161.64	
Proposed Final Dividend	79.20		26.40	
Corporate Dividend Tax paid on Interim Dividend	224.10		197.41	
Proposed Corporate Dividend Tax	16.12	**1,441.46**	4.49	**1,389.94**
Total#		**1,414.36**		**1,469.55**

* Transferred to match the deduction claimed as per the Income tax return for the Assessment Year 2014-15.

\# Addition during the year includes ₹ 2.61 crore net (Previous year ₹ 0.83 crore) share of jointly controlled entities.

** Includes amount of ₹ 0.58 crore in respect of EESL against adjustment of audited statement of profit and loss over unaudited statement of profit an loss used for consolidation in previous year.

*** Depreciation Adjustment in surplus account on life expired assets as per Companies Act, 2013. (Refer Note No. 37 of Part-C - Consolidated Other Notes on Accounts)

NOTE - Part A - 3
CONSOLIDATED BORROWINGS

(₹ in crore)

Description	As at 31.03.2015			As at 31.03.2014		
	Current	Non-Current	Total	Current	Non-Current	Total
A. Long-Term Borrowings						
I. Secured						
Bonds						
Infrastructure Bonds (Refer note no. from 1 to 12)	**0.00**	**361.55**	**361.55**	0.00	361.55	361.55
Tax Free Bonds (Refer note no. from 13 to 38)	**0.00**	**11,275.11**	**11,275.11**	0.00	11,275.11	11,275.11
Other Bonds (Refer Note No. 39 to 45)	**1,990.00**	**9,150.00**	**11,140.00**	0.00	11,140.00	11,140.00
Sub- Total (I)	**1,990.00**	**20,786.66**	**22,776.66**	**0.00**	**22,776.66**	**22,776.66**
II. Unsecured						
a) Bonds						
Other Bonds / Debentures (Refer Note No. 46, 47 and 48)	**10,235.10**	**122,581.32**	**132,816.42**	10,399.90	89,528.17	99,928.07
Subordinated Bonds (Refer Note No. 49)	**0.00**	**3,800.00**	**3,800.00**	0.00	3,800.00	3,800.00
Foreign Currency Notes (Refer Note No. 50)	**0.00**	**1,135.08**	**1,135.08**	0.00	1,088.82	1,088.82
	10,235.10	**127,516.40**	**137,751.50**	**10,399.90**	**94,416.99**	**104,816.89**
b) Foreign Currency Loans						
Foreign Currency Loans from Foreign Banks / Financial Institutions (Guaranteed by the Govt. of India) (Refer Note No. 51)	**22.07**	**241.23**	**263.30**	24.57	265.36	289.93
Syndicated Foreign Currency Loans from Banks / Financial Institutions (Refer Note No. 52)	**2,029.11**	**6,325.12**	**8,354.23**	3,674.53	3,872.56	7,547.09
	2,051.18	**6,566.35**	**8,617.53**	**3,699.10**	**4,137.92**	**7,837.02**
c) Rupee Term Loans						
Rupee Term Loans (From Banks) (Refer Note No. 53)	**4,459.00**	**10,126.00**	**14,585.00**	810.00	21,160.00	21,970.00
Rupee Term Loans (From Financial Institutions) (Refer Note No. 54)	**0.00**	**0.00**	**0.00**	500.00	0.00	500.00
	4,459.00	**10,126.00**	**14,585.00**	**1,310.00**	**21,160.00**	**22,470.00**
Sub- Total (II)	**16,745.28**	**144,208.75**	**160,954.03**	**15,409.00**	**119,714.91**	**135,123.91**
B. Short-Term Borrowings						
Rupee Term Loans						
I. Secured						
Loan against FD	**1,928.17**	**0.00**	**1,928.17**	0.24	0.00	0.24
Sub- Total (I)	**1,928.17**	**0.00**	**1,928.17**	**0.24**	**0.00**	**0.24**
II. Unsecured						
Commercial Paper (Refer Note No. 55)	**2,136.24**	**0.00**	**2,136.24**	1,314.49	0.00	1,314.49
Sub- Total (II)	**2,136.24**	**0.00**	**2,136.24**	**1,314.49**	**0.00**	**1,314.49**
Total (A)+(B)	**22,799.69**	**164,995.41**	**187,795.10**	**16,723.73**	**142,491.57**	**159,215.30**

Notes:-

Details of Infrastructure Bonds outstanding as at 31.03.2015 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
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.
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 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 charge on specific book debt of ₹ 3,485.79 crore as on 31.03.2015 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.
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.
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.
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.	

Sl. No.	Bond Series	Date of Allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Redemption details	Nature of Security
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.
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 ₹ 3,485.79 crore as on 31.03.2015 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.
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.	
			Total	**361.55**			

Details of Tax Free Bonds outstanding as at 31.03.2015 are as follows :

Sl. No.	Bond Series	Date of Allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security
13.	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 whatsoever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.
14.	Tax Free Bonds (2013-14) Series 3B	16-11-2013	8.92%	861.96	16-Nov-33	
15.	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 whatsoever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.
16.	Tax Free Bonds (2013-14) Series 2B	16-11-2013	8.79%	353.32	16-Nov-28	
17.	Tax Free Bonds Series107 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.
18.	Tax Free Bonds (2012-13) tranche - II - Series II	28-03-2013	7.04%	3.40	28-Mar-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created)
19.	Tax Free Bonds (2012-13) tranche - II - Series II	28-03-2013	7.54%	65.81	28-Mar-28	
20.	Tax Free Bonds (2012-13) tranche - I - Series II	04-01-2013	7.36%	141.88	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.
21.	Tax Free Bonds (2012-13) tranche - I - Series II	04-01-2013	7.86%	215.12	4-Jan-28	
22.	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.
23.	Tax Free Bonds Series 94 B	22-11-2012	7.38%	25.00	22-Nov-27	
24.	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.
25.	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.
26.	Tax Free Bonds Series 79 B	15.10.2011	7.75%	217.99	15-Oct-26	
27	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 whatsoever payable / repayable by the Company to the Bondholders and / or others under / pursuant to the transaction documents.
28.	Tax Free Bonds (2013-14) Series 1B	16-11-2013	8.43%	335.47	16-Nov-23	

29.	Tax Free Bonds Series107 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.
30	Tax Free Bonds (2012-13) tranche - II - Series I	28-03-2013	6.88%	48.37	28-Mar-23	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created)
31.	Tax Free Bonds (2012-13) tranche - II - Series I	28-03-2013	7.38%	47.78	28-Mar-23	
32.	Tax Free Bonds (2012-13) tranche - I - Series I	04-01-2013	7.19%	179.04	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.
33.	Tax Free Bonds (2012-13) tranche - I - Series I	04-01-2013	7.69%	163.71	4-Jan-23	
34.	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. 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.
35	Tax Free Bonds Series 94 A	22-11-2012	7.21%	255.00	22-Nov-22	
36	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.
37	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.
38	Tax Free Bonds Series 79 A	15.10.2011	7.51%	205.23	15-Oct-21	
			Total	**11,275.11**		

The details of Taxable Bonds (Secured) outstanding as at 31.03.2015 are as follows:

39.	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.
40	Taxable Bonds Series 112 B	31.01.2014	9.70%	270.00	31-Jan-20	
41	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.
42	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.

43.	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.
44.	Taxable Bonds Series108	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.
45	Taxable Bonds Series110	05.12.2013	9.58%	1,990.00	5-Dec-15	First pari-passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment/ repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction Documents.
			Total	**11,140.00**		

46. Zero Coupon unsecured Taxable Bonds 2022-XIX Series of ₹ 410.42 crore (previous year ₹ 379.67 crore) are redeemable at face value of ₹ 750.00 crore on 30.12.2022 [net of Unamortized Interest of ₹ 339.58 crore (previous year ₹ 370.33 crore)].

47. Details of other Unsecured Taxable Bonds as on 31.03.2015 are as follows :

S.No	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
1	71 - C Series	9.05%	15-Dec-30	192.70
2	66 - C Series	8.85%	15-Jun-30	633.00
3	Series 118-B-III	9.39%	27-Aug-29	460.00
4	103 Series	8.94%	25-Mar-28	2,807.00
5	102 - A (III) Series	8.90%	18-Mar-28	403.00
6	101 - B Series	9.00%	11-Mar-28	1,370.00
7	77- B Series	9.45%	1-Sep-26	2,568.00
8	76 - B Series	9.46%	1-Aug-26	1,105.00
9	71 - B Series	9.05%	15-Dec-25	192.70
10	66 - B Series	8.75%	15-Jun-25	832.00
11	66 - B Series	8.75%	15-Jun-25	700.00
12	65 - Series	8.70%	14-May-25	1,087.50
13	65 - Series	8.70%	14-May-25	250.00
14	64 - Series	8.95%	30-Mar-25	492.00
15	Series 131-C	8.41%	27-Mar-25	5,000.00
16	63 - Series	8.90%	15-Mar-25	184.00
17	Series 128	8.20%	10-Mar-25	1,600.00
18	62 - B Series	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	61 - Series	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

S.No	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
27	57 - B Series	8.60%	7-Aug-24	866.50
28	85 - D Series	9.26%	15-Apr-23	736.00
29	102 - A(II) Series	8.90%	18-Mar-23	403.00
30	102 - B Series	8.87%	18-Mar-23	70.00
31	100 - B Series	8.84%	4-Mar-23	1,310.00
32	92 - C Series	9.29%	21-Aug-22	640.00
33	91- B Series	9.39%	29-Jun-22	2,695.20
34	88- C Series	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	78- B Series	9.44%	23-Sep-21	1,180.00
38	76- A Series	9.36%	1-Aug-21	2,589.40
39	Series 115-III	9.20%	7-Jul-21	700.00
40	75- C Series	9.61%	29-Jun-21	2,084.70
41	74 Series	9.70%	9-Jun-21	1,693.20
42	XXVIII Series	8.85%	31-May-21	600.00
43	73 Series	9.18%	15-Apr-21	1,000.00
44	72 - B Series	8.99%	15-Jan-21	1,219.00
45	71 - A Series	9.05%	15-Dec-20	192.70
46	70 Series	8.78%	15-Nov-20	1,549.00
47	68 - B Series	8.70%	15-Jul-20	1,424.00
48	66 - A Series	8.65%	15-Jun-20	500.00
49	65 - Series	8.70%	14-May-20	162.50
50	65 - Series	8.70%	14-May-20	1,175.00
51	Series 131-B	8.38%	27-Apr-20	1,350.00
52	Series 130-C	8.39%	19-Apr-20	925.00
53	Series 130-B	8.42%	18-Apr-20	200.00
54	85 - C Series	9.30%	15-Apr-20	79.50
55	64 - Series	8.95%	30-Mar-20	492.00
56	87 - D Series	9.42%	20-Mar-20	650.80
57	63 - Series	8.90%	15-Mar-20	184.00
58	100 - A Series	8.86%	4-Mar-20	54.30
59	Series 127	8.36%	26-Feb-20	4,440.00
60	99 - B Series	8.82%	20-Feb-20	733.00
61	62 - A Series	8.70%	15-Jan-20	845.40
62	61 - Series	8.50%	15-Dec-19	351.00
63	Series 124-A	8.52%	9-Dec-19	1,220.00
64	Series 123-B	8.65%	28-Nov-19	836.00
65	60 - B Series	1 year INCMTBMK + 179 bps	20-Nov-19	925.00
66	Series 122	8.76%	7-Nov-19	1,000.00
67	Series 121-B	8.96%	21-Oct-19	1,100.00
68	59 - B Series	8.80%	15-Oct-19	1,216.60
69	Series 119-B	9.32%	17-Sep-19	1,591.00
70	Series 118-B-I	9.39%	27-Aug-19	460.00
71	57 - B Series	8.60%	7-Aug-19	866.50
72	series 115-II	9.15%	7-Jul-19	100.00
73	90 - B Series	9.41%	1-Jun-19	391.00
74	98 (III) Series	8.72%	8-Feb-19	324.00
75	82- C Series	9.70%	15-Dec-18	2,060.00
76	52 - C Series	11.25%	28-Nov-18	1,950.60
77	51 - C Series	11.00%	15-Sep-18	3,024.40
78	XLIX - B Series	10.85%	11-Aug-18	428.60
79	XLVIII - C Series	10.55%	15-Jul-18	259.70

S No	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
80	Series 130-A	8.40%	19-Jun-18	1,175.00
81	Series 129-A	8.29%	13-Jun-18	980.00
82	Series 129-B	8.29%	13-Jun-18	100.00
83	XLVII - C Series	9.68%	9-Jun-18	780.70
84	104 - B Series	8.30%	15-May-18	351.00
85	Series 131-A	8.34%	27-Apr-18	100.00
86	102 - A(I) Series	8.90%	18-Mar-18	403.00
87	101 - A Series	8.95%	11-Mar-18	3,201.00
88	99 - A Series	8.77%	20-Feb-18	2.00
89	98 (II) Series	8.72%	8-Feb-18	324.00
90	72 - A Series	8.97%	15-Jan-18	144.00
91	XL - C Series	9.28%	28-Dec-17	650.00
92	Series 123-A	8.50%	28-Nov-17	1,075.00
93	XVIII Series	7.87%	13-Nov-17	25.00
94	Series 121-A	8.90%	21-Oct-17	1,500.00
95	93 - B Series	8.91%	15-Oct-17	950.00
96	XVII Series	8.21%	3-Oct-17	25.00
97	Series 118-A	9.30%	27-Aug-17	2,160.00
98	92 - A Series	9.01%	21-Aug-17	50.00
99	92 - B Series	9.27%	21-Aug-17	1,930.00
100	Series 117-A	9.32%	19-Aug-17	1,311.00
101	Series 115-I	9.11%	7-Jul-17	1,650.00
102	91 - A Series	9.40%	29-Jun-17	107.50
103	90 - A Series	9.61%	1-Jun-17	537.90
104	XIII Series	9.60%	24-May-17	65.00
105	XXXV Series	9.96%	18-May-17	530.00
106	XIII Series	9.60%	16-May-17	125.00
107	89 - A Series	9.52%	2-May-17	165.00
108	XXXIV Series	9.90%	30-Mar-17	500.50
109	XXXIII - B Series	9.90%	22-Mar-17	561.50
110	87 - B Series	9.72%	20-Mar-17	23.00
111	84 Series	9.33%	17-Feb-17	1,521.20
112	98 (I) Series	8.72%	8-Feb-17	324.00
113	82 - B Series	9.64%	15-Dec-16	825.00
114	XXXI - A Series	8.78%	11-Dec-16	1,451.20
115	XVIII Series	7.87%	13-Nov-16	25.00
116	XVII Series	8.21%	3-Oct-16	25.00
117	XXIX - A Series	8.80%	7-Sep-16	250.00
118	77- A Series	9.41%	1-Sep-16	1,083.60
119	Series 116	9.16%	31-Jul-16	1,885.00
120	75 - B Series	9.62%	29-Jun-16	360.00
121	106 - B Series	8.27%	25-Jun-16	3,033.00
122	104 - A Series	8.35%	15-May-16	4,000.00
123	XXVII - A Series	8.20%	17-Mar-16	1,000.00
124	XXVI Series	7.95%	24-Feb-16	1,261.80
125	XXV Series	7.60%	30-Dec-15	1,734.70
126	52 - B Series	11.30%	28-Nov-15	5.80
127	XVIII Series	7.87%	13-Nov-15	25.00
128	Series 119-A	8.95%	17-Oct-15	550.00
129	XVII Series	8.21%	3-Oct-15	25.00
130	50 - C Series	10.70%	25-Aug-15	80.80
131	68 - A Series	8.25%	15-Jul-15	147.00
132	106 - A Series	8.29%	25-Jun-15	1,250.00

S. No	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
133	65 - Series	8.70%	14-May-15	1,337.50
134	89 - B Series	9.46%	2-May-15	2,056.00
135	88- B Series	9.66%	15-Apr-15	100.20
136	85 - A Series	9.51%	15-Apr-15	661.30
			Total	**132,406.00**

48. As at 31.03.2015, Bonds of ₹ 7.40 crore (previous year ₹ 6.90 crore) are held by PFC Ltd. Employees Provident Fund Trust and Bonds of ₹ 0.50 crore (previous year ₹ 0.50 crore) are held by PFC Ltd. Gratuity Trust.

49. Details of Unsecured Subordinated Bonds as on 31.03.2015 are as follows :

S. No.	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
1	Subordinated Tier II Debt Bond	9.70%	21-Feb-24	2,000.00
2	Subordinated Tier II Debt Bond	9.65%	13-Jan-24	1,000.00
3	Subordinated Tier II Debt Bond	8.19%	14-Jun-23	800.00
			Total	**3,800.00**

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

51. Details of Foreign Currency Loans from Foreign Banks / Financial Institutions (Guaranteed by the Govt. of India) outstanding as at 31.03.2015 are as follows:

S. No	Loan	Rate of Interest p.a. as on 31.03.2015	Amount (₹ in crore)	Date of Repayment
1	KfW I	0.75%	1.12	30-Jun-35
2	KfW I	0.75%	1.29	30-Dec-34
3	KfW I	0.75%	1.29	30-Jun-34
4	KfW I	0.75%	1.29	30-Dec-33
5	KfW I	0.75%	1.29	30-Jun-33
6	KfW I	0.75%	1.29	30-Dec-32
7	KfW I	0.75%	1.29	30-Jun-32
8	KfW I	0.75%	1.29	30-Dec-31
9	KfW I	0.75%	1.29	30-Jun-31
10	KfW I	0.75%	1.29	30-Dec-30
11	KfW I	0.75%	1.29	30-Jun-30
12	KfW I	0.75%	1.29	30-Dec-29
13	KfW I	0.75%	1.29	30-Jun-29
14	KfW I	0.75%	1.29	30-Dec-28
15	ADB (New Loan)	0.77105%	0.26	15-Oct-28
16	Credit National France	2.00%	0.03	30-Jun-28
17	KfW I	0.75%	1.29	30-Jun-28
18	ADB (New Loan)	0.77105%	1.83	15-Apr-28
19	Credit National France	2.00%	0.03	31-Dec-27
20	KfW I	0.75%	1.29	30-Dec-27
21	ADB (New Loan)	0.77105%	2.17	15-Oct-27
22	Credit National France	2.00%	0.05	30-Jun-27
23	KfW I	0.75%	1.29	30-Jun-27
24	ADB (New Loan)	0.77105%	2.29	15-Apr-27
25	Credit National France	2.00%	0.35	31-Dec-26
26	KfW I	0.75%	1.29	30-Dec-26
27	ADB (New Loan)	0.77105%	2.51	15-Oct-26
28	Credit National France	2.00%	0.35	30-Jun-26

S. No	Loan	Rate of Interest p.a. as on 31.03.2015	Amount (₹ in crore)	Date of Repayment
29	KfW I	0.75%	1.29	30-Jun-26
30	ADB (New Loan)	0.77105%	4.20	15-Apr-26
31	Credit National France	2.00%	0.42	31-Dec-25
32	KfW I	0.75%	1.29	30-Dec-25
33	ADB (New Loan)	0.77105%	4.20	15-Oct-25
34	Credit National France	2.00%	0.91	30-Jun-25
35	KfW I	0.75%	1.29	30-Jun-25
36	ADB (New Loan)	0.77105%	4.20	15-Apr-25
37	Credit National France	2.00%	2.49	31-Dec-24
38	KfW I	0.75%	1.29	30-Dec-24
39	ADB (New Loan)	0.77105%	4.20	15-Oct-24
40	Credit National France	2.00%	3.01	30-Jun-24
41	KfW I	0.75%	1.29	30-Jun-24
42	ADB (New Loan)	0.77105%	4.51	15-Apr-24
43	Credit National France	2.00%	3.04	31-Dec-23
44	KfW I	0.75%	1.29	30-Dec-23
45	ADB (New Loan)	0.77105%	4.51	15-Oct-23
46	Credit National France	2.00%	3.73	30-Jun-23
47	KfW I	0.75%	1.29	30-Jun-23
48	ADB (New Loan)	0.77105%	4.51	15-Apr-23
49	Credit National France	2.00%	3.73	31-Dec-22
50	KfW I	0.75%	1.29	30-Dec-22
51	ADB (New Loan)	0.77105%	4.51	15-Oct-22
52	Credit National France	2.00%	3.73	30-Jun-22
53	KfW I	0.75%	1.29	30-Jun-22
54	ADB (New Loan)	0.77105%	4.51	15-Apr-22
55	Credit National France	2.00%	3.73	31-Dec-21
56	KfW I	0.75%	1.29	30-Dec-21
57	ADB (New Loan)	0.77105%	4.51	15-Oct-21
58	Credit National France	2.00%	3.73	30-Jun-21
59	KfW I	0.75%	1.29	30-Jun-21
60	ADB (New Loan)	0.77105%	4.51	15-Apr-21
61	Credit National France	2.00%	3.73	31-Dec-20
62	KfW I	0.75%	1.29	30-Dec-20
63	ADB (New Loan)	0.77105%	4.51	15-Oct-20
64	Credit National France	2.00%	3.73	30-Jun-20
65	KfW I	0.75%	1.29	30-Jun-20
66	ADB (New Loan)	0.77105%	4.51	15-Apr-20
67	Credit National France	2.00%	3.73	31-Dec-19
68	KfW I	0.75%	1.29	30-Dec-19
69	ADB (New Loan)	0.77105%	4.51	15-Oct-19
70	Credit National France	2.00%	3.73	30-Jun-19
71	KfW I	0.75%	1.29	30-Jun-19
72	ADB (New Loan)	0.77105%	4.51	15-Apr-19
73	Credit National France	2.00%	3.73	31-Dec-18

S. No	Loan	Rate of Interest p.a. as on 31.03.2015	Amount (₹ in crore)	Date of Repayment
74	KfW I	0.75%	1.29	30-Dec-18
75	ADB (New Loan)	0.77105%	4.51	15-Oct-18
76	Credit National France	2.00%	3.73	30-Jun-18
77	KfW I	0.75%	1.29	30-Jun-18
78	ADB (New Loan)	0.77105%	4.51	15-Apr-18
79	Credit National France	2.00%	3.73	31-Dec-17
80	KfW I	0.75%	1.29	30-Dec-17
81	ADB (New Loan)	0.77105%	4.51	15-Oct-17
82	Credit National France	2.00%	3.73	30-Jun-17
83	KfW I	0.75%	1.29	30-Jun-17
84	ADB (New Loan)	0.77105%	4.51	15-Apr-17
85	Credit National France	2.00%	3.73	31-Dec-16
86	KfW I	0.75%	1.29	30-Dec-16
87	ADB (New Loan)	0.77105%	4.51	15-Oct-16
88	Credit National France	2.00%	3.73	30-Jun-16
89	KfW I	0.75%	1.29	30-Jun-16
90	ADB (New Loan)	0.77105%	4.51	15-Apr-16
91	Credit National France	2.00%	3.73	31-Dec-15
92	KfW I	0.75%	1.29	30-Dec-15
93	KfW II	5.1499%	1.50	30-Dec-15
94	ADB (New Loan)	0.77105%	4.51	15-Oct-15
95	Credit National France	2.00%	3.73	30-Jun-15
96	KfW I	0.75%	1.29	30-Jun-15
97	KfW II	5.1499%	1.50	30-Jun-15
98	ADB (New Loan)	0.77105%	4.51	15-Apr-15
99	KfW (first line of credit)	1.96000%	1.29	30-Jun-18
100	KfW (first line of credit)	1.96000%	1.29	30-Dec-18
101	KfW (first line of credit)	1.96000%	1.29	30-Jun-19
102	KfW (first line of credit)	1.96000%	1.29	30-Dec-19
103	KfW (first line of credit)	1.96000%	1.29	30-Jun-20
104	KfW (first line of credit)	1.96000%	1.29	30-Dec-20
105	KfW (first line of credit)	1.96000%	1.29	30-Jun-21
106	KfW (first line of credit)	1.96000%	1.29	30-Dec-21
107	KfW (first line of credit)	1.96000%	1.29	30-Jun-22
108	KfW (first line of credit)	1.96000%	1.29	30-Dec-22
109	KfW (first line of credit)	1.96000%	1.29	30-Jun-23
110	KfW (first line of credit)	1.96000%	1.29	30-Dec-23
111	KfW (first line of credit)	1.96000%	1.29	30-Jun-24
112	KfW (first line of credit)	1.96000%	1.29	30-Dec-24
113	KfW (first line of credit)	1.96000%	1.29	30-Jun-25
114	KfW (first line of credit)	1.96000%	1.29	30-Dec-25
115	KfW (first line of credit)	1.96000%	1.30	30-Jun-26
		Total	**263.30**	

52. Details of Syndicated Foreign Currency Loans from Banks / Financial Institutions outstanding as at 31.03.2015 are as follows:

S. No	Loan	Rate of Interest p.a. as on 31.03.2015	Amount (₹ in crore)	Date of Repayment
1	SLN XVII-(III)	1.67865%	945.90	26-Sep-21
2	SLN XVII-(II)	1.67865%	945.90	26-Mar-21
3	SLN XVII-(I)	1.67865%	945.90	26-Sep-20
4	SLN XVI	1.87790%	1,576.50	4-Dec-19
5	SLN IX	1.78643%	745.62	24-Sep-17
6	SLN XIII- (II)	1.84560%	788.25	6-Mar-17
7	SLN VIII	1.64143%	377.05	23-Sep-16
8	SLN VIII	1.64143%	452.61	25-Sep-15
9	SLN XII	2.13290%	1,576.50	31-Aug-15
		Total	**8,354.23**	

53. Details of Rupee Term Loans (From Banks) outstanding as at 31.03.2015 are as follows:

S. No	Loan	Rate of Interest p.a. as on 31.03.2015	Amount (₹ in crore)	Date of Repayment
1	INDIAN BANK	10.25%	100.00	18-Mar-2022
2	CANARA BANK	10.24%	500.00	29-Mar-2021
3	ORIENTAL BANK OF COMMERCE	10.25%	75.00	29-Mar-2021
4	BANK OF INDIA	10.20%	200.00	28-Mar-2021
5	SYNDICATE BANK	10.25%	140.00	28-Mar-2021
6	BANK OF INDIA	10.20%	300.00	27-Mar-2021
7	ORIENTAL BANK OF COMMERCE	10.25%	91.00	21-Mar-2021
8	SYNDICATE BANK	10.25%	150.00	20-Mar-2021
9	SYNDICATE BANK	10.25%	140.00	19-Mar-2021
10	INDIAN BANK	10.25%	100.00	18-Mar-2021
11	CANARA BANK	10.20%	105.00	30-Mar-2020
12	ORIENTAL BANK OF COMMERCE	10.25%	18.00	29-Mar-2020
13	ORIENTAL BANK OF COMMERCE	10.25%	16.00	29-Mar-2019
14	CANARA BANK	10.20%	453.38	28-Mar-2019
15	CANARA BANK	10.20%	546.62	28-Mar-2019
16	HDFC BANK	10.23%	200.00	28-Mar-2019
17	UCO BANK	10.20%	500.00	18-Mar-2019
18	UCO BANK	10.20%	500.00	14-Mar-2019
19	UNION BANK OF INDIA	10.00%	160.00	30-Sep-2018
20	BANK OF INDIA	10.20%	500.00	20-Sep-2018
21	BANK OF INDIA	10.20%	470.00	20-Sep-2018
22	BANK OF BARODA	10.25%	490.00	31-Mar-2018
23	ALLAHABAD BANK	10.25%	150.00	30-Mar-2018
24	BANK OF INDIA	10.20%	30.00	30-Mar-2018
25	UNION BANK OF INDIA	10.00%	15.00	30-Mar-2018
26	BANK OF BARODA	10.25%	250.00	29-Mar-2018
27	CANARA BANK	10.20%	220.00	29-Mar-2018
28	BANK OF BARODA	10.25%	285.00	28-Mar-2018
29	CANARA BANK	10.20%	280.00	28-Mar-2018
30	HDFC BANK	10.23%	150.00	28-Mar-2018
31	STATE BANK OF MYSORE	10.25%	150.00	28-Mar-2018

S. No	Loan	Rate of Interest p.a. as on 31.03.2015	Amount (₹ in crore)	Date of Repayment
32	DENA BANK	10.25%	75.00	21-Mar-2018
33	DENA BANK	10.25%	125.00	21-Mar-2018
34	STATE BANK OF MYSORE	10.25%	50.00	21-Mar-2018
35	BANK OF BARODA	10.25%	350.00	19-Mar-2018
36	BANK OF INDIA	10.20%	1,000.00	14-Mar-2018
37	VIJAYA BANK	10.25%	250.00	15-Dec-2017
38	VIJAYA BANK	10.25%	100.00	31-Jul-2017
39	HDFC BANK	10.23%	150.00	28-Mar-2017
40	INDIAN BANK	10.25%	60.00	27-Mar-2017
41	STATE BANK OF INDIA	10.15%	142.00	25-Mar-2017
42	STATE BANK OF INDIA	10.15%	143.00	25-Dec-2016
43	STATE BANK OF INDIA	10.15%	143.00	25-Sep-2016
44	STATE BANK OF INDIA	10.15%	143.00	25-Jun-2016
45	UNION BANK OF INDIA	10.00%	110.00	24-Apr-2016
46	INDIAN BANK	10.25%	60.00	27-Mar-2016
47	STATE BANK OF INDIA	10.15%	143.00	25-Mar-2016
48	STATE BANK OF INDIA	10.15%	143.00	25-Dec-2015
49	JAMMU & KASHMIR BANK	10.25%	260.00	15-Oct-2015
50	STATE BANK OF INDIA	10.15%	143.00	25-Sep-2015
51	CANARA BANK	10.20%	425.00	1-Sep-2015
52	CANARA BANK	10.20%	75.00	31-Aug-2015
53	CORPORATION BANK	10.25%	750.00	29-Jun-2015
54	STATE BANK OF BIKANER & JAIPUR	10.25%	200.00	29-Jun-2015
55	CORPORATION BANK	10.25%	250.00	28-Jun-2015
56	SUMITO MITSUI BANKING CORPORATION	10.15%	100.00	28-May-2015
57	ANDHRA BANK	10.25%	310.00	1-May-2015
58	ANDHRA BANK	10.25%	100.00	28-Apr-2015
59	CANARA BANK	10.20%	500.00	16-Apr-2015
60	BANK OF INDIA	10.20%	500.00	15-Apr-2015
61	PUNJAB NATIONAL BANK	10.25%	500.00	15-Apr-2015
		Total	**14,585.00**	

54. Details of Rupee Term Loans From Financial Institutions outstanding as at 31.03.2015 are as follows:

S. No	Loan	Rate of Interest p.a. as on 31.03.2015	Amount (₹ in crore)	Date of Repayment
1	Nil		Nil	

55. Details of Commercial Paper outstanding as at 31.03.2015 are as follows:

S. No	Loan	Rate of Interest p.a. as on 31.03.2015	Amount (₹ in crore)	Date of Repayment
1	CP-63	9.20%	435.00	29-Jun-15
2	CP-58 (I)	9.25%	345.00	15-Apr-15
3	CP-58 (II)	9.25%	1,375.00	28-Apr-15
	Less-Unamortized Financial Charges*		(18.76)	
		Total	**2,136.24**	

* Unamortized financial charges on Commercial Paper as on 31.03.2015 amounts to ₹ 18.76 crore (Previous year ₹ 35.51 crore)

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

(₹ in crore)

Description	As at 31.03.2015			As at 31.03.2014		
	Short Term	Long Term	Total	Short Term	Long Term	Total
Interest Subsidy Fund from GOI (Refer Note No.14 (B) of Part-C - Consolidated Other Notes on Accounts)	**12.63**	**98.72**	**111.35**	21.93	101.94	**123.87**
Interest Differential Fund - KFW (Refer Note No. 11 of Part-C - Consolidated Other Notes on Accounts)	**0.00**	**58.38**	**58.38**	0.00	54.63	**54.63**
Advance received / payable to Subsidiaries (including interest payable thereon) (Refer Note No. 9 (A) (ii) of Part-C Consolidated Other Notes on Accounts)	**166.21**	**172.08**	**338.29**	158.31	160.95	**319.26**
Amount payable to GoI under IPDS (Refer Note No. 16 (B) of Part-C - Consolidated Other Notes on Accounts)	**50.01**	**0.00**	**50.01**	0.00	0.00	**0.00**
Sub Total	**228.85**	**329.18**	**558.03**	**180.24**	**317.52**	**497.76**
Interest Accrued but not due :						
On Bonds	**6,241.57**	**0.00**	**6,241.57**	5,874.55	0.00	**5,874.55**
On Loans	**114.24**	**0.00**	**114.24**	92.11	0.00	**92.11**
	6,355.81	**0.00**	**6,355.81**	**5,966.66**	**0.00**	**5,966.66**
Unpaid / Unclaimed						
Bonds	**3.97**	**0.00**	**3.97**	4.54	0.00	**4.54**
Interest on Bonds	**2.42**	**0.00**	**2.42**	1.96	0.00	**1.96**
Dividend	**1.32**	**0.00**	**1.32**	1.45	0.00	**1.45**
	7.71	**0.00**	**7.71**	**7.95**	**0.00**	**7.95**
Others	**80.31**	**4.63**	**84.94**	91.47	30.10	**121.57**
TOTAL#	**6,672.68**	**333.81**	**7,006.49**	**6,246.32**	**347.62**	**6,593.94**

Includes ₹ 11.53 crore net (Previous year ₹ 3.56 crore) share of Jointly controlled entities.

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

(₹ in crore)

Description	As at 31.03.2015			As at 31.03.2014		
	Short Term	Long Term	Total	Short Term	Long Term	Total
I. **Employee Benefits***						
Economic Rehabilitation of Employees	**0.10**	**1.14**	**1.24**	0.12	1.12	**1.24**
Leave Encashment	**1.51**	**22.05**	**23.56**	0.99	19.74	**20.73**
Staff Welfare Expenses	**0.83**	**18.34**	**19.17**	0.92	14.96	**15.88**
Gratuity / Superannuation Fund	**0.15**	**0.00**	**0.15**	0.94	0.02	**0.96**
Bonus / Incentive	**12.45**	**0.00**	**12.45**	19.73	0.00	**19.73**
Sub Total	**15.04**	**41.53**	**56.57**	**22.70**	**35.84**	**58.54**
II. **Others**						
Income Tax (net)	**120.16**	**54.60**	**174.76**	98.37	23.05	**121.42**
CSR & SD Expenses(Refer Note No. 28 of Part-C Consolidated Other Notes on Accounts)	**114.46**	**0.00**	**114.46**	32.33	0.00	**32.33**
Contingent provision against Standard Assets (Refer Note No. 19 of Part-C - Consolidated Other Notes on Accounts)	**44.89**	**441.90**	**486.79**	55.18	414.30	**469.48**
Contingent Provisions against Restructured Standard Assets (Refer Note No. 19 of Part-C Consolidated Other Notes on Accounts)	**138.50**	**425.94**	**564.44**	0.00	0.00	**0.00**
Proposed Final Dividend *	**79.20**	**0.00**	**79.20**	26.40	0.00	**26.40**
Proposed Corporate Dividend Tax *	**16.12**	**0.00**	**16.12**	4.49	0.00	**4.49**
Provision for diminution in value of Investments (Refer Note No. 2 of Part-C - Consolidated Other Notes on Accounts)	**1.06**	**0.00**	**1.06**	0.00	0.00	**0.00**
Sub Total	**514.39**	**922.44**	**1,436.83**	**216.77**	**437.35**	**654.12**
TOTAL#	**529.43**	**963.97**	**1,493.40**	**239.47**	**473.19**	**712.66**

Includes ₹ 1.23 crore net (Previous period ₹ 0.43 crore) share of Jointly controlled entities.
* (Refer Note No. 27 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 01.04.2014	Additions / Adjustments	Deductions / Adjustments	Closing Balance as at 31.03.2015	Opening Balance as at 01.04.2014	For the year 01.04.2014 to 31.03.2015	Adjustment **	Prior period Adjustments	Withdrawn / Written back	Closing Balance as at 31.03.2015	As at 31.03.2015	As at 31.03.2014
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	8.09	0.82	0.00	0.00	0.00	8.91	16.01	16.83
EDP Equipments	15.30	3.37	1.44	17.23	12.40	1.92	0.32	0.00	1.35	13.29	3.94	2.90
Office and other equipments	14.69	36.57	0.15	51.11	8.59	3.11	2.58	0.00	0.10	14.18	36.93	6.10
Furniture & Fixtures	7.68	0.32	0.06	7.94	5.70	0.82	0.01	0.00	0.04	6.49	1.45	1.98
Vehicles	0.16	0.09	0.05	0.20	0.07	0.05	0.00	0.00	0.05	0.07	0.13	0.09
Total #	**104.00**	**40.35**	**1.70**	**142.65**	**34.85**	**6.72**	**2.91**	**0.00**	**1.54**	**42.94**	**99.71**	**69.15**
Previous year	102.40	2.16	0.56	104.00	31.24	3.96	0.00	0.00	0.35	34.85	69.15	71.16
II. Intangible Assets:												
Purchased Software												
(Useful Life - 5 years)	**7.80**	**0.54**	**0.00**	**8.34**	**5.35**	**1.20**	**0.00**	**0.00**	**0.00**	**6.55**	**1.79**	**2.45**
Previous year	7.89	0.01	0.10	7.80	4.10	1.27	0.00	(0.02)	0.00	5.35	2.45	3.79
III. Capital Works in Progress:												
Others # $	0.66	1.76	0.00	2.42	0.00	0.00	0.00	0.00	0.00	0.00	2.42	0.66
	0.66	**1.76**	**0.00**	**2.42**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**2.42**	**0.66**
Previous year	**0.00**	**0.66**	**0.00**	**0.66**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.66**	**0.00**

* Software Applications

** Depreciation Adjustment in surplus account on life expired assets as per Companies Act, 2013. (Refer Note No. 37 of Part-C - Consolidated Other Notes on Accounts)

*** (Refer Note No. 24 of Part-C - Consolidated Other Notes on Accounts)

$ Additions Include amount of ₹ 0.16 crore in respect of EESL against adjustment of audited financial statements over unaudited financial statement used for consolidation in previous year.

Additions during the year includes ₹ 37.78 crore net (Previous year ₹ 1.04 crore) share of Jointly controlled entities.

NOTE - Part A - 7
CONSOLIDATED NON- CURRENT INVESTMENTS

(₹ in crore)

Description	As at 31.03.2015	As at 31.03.2014
(A) Trade Investments (Quoted)		
I. **Equity Instruments**		
- Valued at Cost		
1,20,00,000 (Previous year 1,20,00,000) Equity Shares of ₹10/- each fully paid up of PTC India Ltd.	**12.00**	12.00
Sub Total	**12.00**	**12.00**
(B) Other Investments (Unquoted- Non- Trade)		
I. Equity Instruments		
32,20,000 (Previous year 32,20,000) Equity Shares of Rs. ₹10/- each fully paid up of Power Exchange India Ltd.	**3.22**	3.22
9,00,000 (Previous year 7,00,000) Equity Shares of ₹10/- each fully paid up of Subsidiaries (Refer Note No. 2.1 of Part-C Consolidated Other Notes on Accounts)	**0.90**	0.70
II. Others		
- Valued at Cost (Less diminution, if any, other than temporary)		
76,82,816 (Previous year 76,82,816) Units of "Small is Beautiful Fund of KSK Investment Advisor Pvt. Ltd. (Face value per unit is ₹ 10)	**7.68**	7.68
Sub Total	**11.80**	**11.60**
TOTAL	**23.80**	**23.60**

Particulars	Book Adjusted Value	Market Value
Aggregate of Quoted Investments	**12.00**	**116.28**
(previous year)	(12.00)	(81.17)
Aggregate of Un-Quoted (non trade) Investments	**11.80**	
(previous year)	(11.60)	
TOTAL	**23.80**	**116.28**
(Previous year)	(23.60)	(81.17)

NOTE - Part A - 8
CONSOLIDATED LOANS *

(₹ in crore)

Description	As at 31.03.2015						As at 31.03.2014					
	Current maturities (Twelve Months)		Non-Current		Total		Current maturities (Twelve Months)		Non-Current		Total	
A. Long Term												
I Secured Loans												
a) Considered Good												
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations,Central Public Sector Undertakings and State Governments	**8,653.83**		**101,793.35**		**110,447.18**		10,767.18		93,618.53		104,385.71	
RTLs to Independent Power Producers	**1,287.56**		**24,944.13**		**26,231.69**		1,047.81		16,730.66		17,778.47	
Foreign Currency Loans to Independent Power Producers	**25.52**		**24.29**		**49.81**		30.32		47.78		78.10	
Foreign Currency Loans to State Power Utilties	**13.38**		**13.38**		**26.76**		12.83		25.66		38.49	
Buyer's Line of Credit	**89.83**		**574.03**		**663.86**		67.94		492.07		560.01	
Lease Financing to Borrowers **	**7.73**		**204.54**		**212.27**		33.15		209.39		242.54	
RTLs to Equipment Manufacturers	**73.09**	**10,150.94**	**840.52**	**128,394.24**	**913.61**	**138,545.18**	247.69	12,206.92	810.65	111,934.74	1,058.34	124,141.66
b) Others												
RTL to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings, JV 619B Borrowers and State Governments - NPA	**267.39**		**454.57**		**721.96**		0.00		0.00		0.00	
Less: Provision for contingencies	**26.74**	**240.65**	**45.45**	**409.12**	**72.19**	**649.77**	0.00	0.00	0.00	0.00	0.00	0.00
RTL to Independent Power Producers - NPA	**471.52**		**933.37**		**1,404.89**		414.68		581.74		996.42	
Less: Provision for contingencies	**143.22**	**328.30**	**187.01**	**746.36**	**330.23**	**1,074.66**	88.62	326.06	107.42	474.32	196.04	800.38
FCL to Independent Power Producers - NPA	**7.66**		**229.12**		**236.78**		110.37		120.92		231.29	
Less: Provision for contingencies	**2.30**	**5.36**	**68.73**	**160.39**	**71.03**	**165.75**	22.07	88.30	24.18	96.74	46.25	185.04
Sub-Total I		**10,725.25**		**129,710.11**		**140,435.36**		**12,621.28**		**112,505.80**		**125,127.08**

II. Un-Secured Loans												
a) Considered Good												
Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations, Central Public Sector Undertakings and State Governments	**5,401.87**		**59,925.69**		**65,327.56**		4,738.22		47,080.32		51,818.54	
RTLs to Independent Power Producers	**158.29**		**6,794.73**		**6,953.02**		206.05		8,018.88		8,224.93	
Foreign Currency Loans to State Power Utilties	**0.00**		**0.00**		**0.00**		0.00		0.00		0.00	
Buyer's Line of Credit	**0.00**		**76.79**		**76.79**		0.00		11.17		11.17	
RTLs to Equipment Manufacturers	**28.42**	**5,588.58**	**223.04**	**67,020.25**	**251.46**	**72,608.83**	0.00	4,944.27	0.00	55,110.37	0.00	60,054.64
Sub-Total II		**5,588.58**		**67,020.25**		**72,608.83**		**4,944.27**		**55,110.37**		**60,054.64**
Total A (I+ II)		**16,313.83**		**196,730.36**		**213,044.19**		**17,565.55**		**167,616.17**		**185,181.72**
B. Bonds												
I Un-secured Bonds												
Bonds / Debentures from State Power Corporations		**0.00**		**1,170.50**		**1,170.50**		0.00		1,170.50		1,170.50
Bonds / Debentures from Independent Power Producers		**0.00**		**29.48**		**29.48**		0.00		29.52		29.52
Total B		**0.00**		**1,199.98**		**1,199.98**		**0.00**		**1,200.02**		**1,200.02**
C. Short Term												
I Secured Loans - Considered Good												
Working Capital Loans to State Electricity Boards and State Power Corporations		**549.88**		**0.00**		**549.88**		812.98		0.00		812.98
Working Capital Loans to Independent Power Producers		**0.00**		**0.00**		**0.00**		100.00		0.00		100.00
Sub-Total I		**549.88**		**0.00**		**549.88**		**912.98**		**0.00**		**912.98**
II Un-Secured Loans - Considered Good												
Working Capital Loans to State Electricity Boards and State Power Corporations		**2,132.14**		**0.00**		**2,132.14**		1,483.08		0.00		1,483.08
Working Capital Loans to Independent Power Producers		**205.20**		**0.00**		**205.20**		0.00		0.00		0.00
Sub-Total II		**2,337.34**		**0.00**		**2,337.34**		**1,483.08**		**0.00**		**1,483.08**
Total C (I+ II)		**2,887.22**		**0.00**		**2,887.22**		**2,396.06**		**0.00**		**2,396.06**
Grand Total		**19,201.05**		**197,930.34**		**217,131.39**		**19,961.61**		**168,816.19**		**188,777.80**

* (Refer Note No. 19(A) of Part-C - Consolidated Other Notes on Accounts)
** (Refer Note No. 13 (A) (i) of Part-C - Consolidated Other Notes on Accounts)

NOTE - Part A - 9
CONSOLIDATED OTHER ASSETS

(₹ in crore)

Description	As at 31.03.2015						As at 31.03.2014					
	Current		Non-Current		Total		Current		Non-Current		Total	
A. LOANS & ADVANCES												
I Loans (considered good) *												
a) to Employees (Secured)	**2.51**		**16.99**		**19.50**		2.51		15.55		18.06	
b) to Employees (Unsecured)	**5.51**	**8.02**	**38.78**	**55.77**	**44.29**	**63.79**	5.32	7.83	35.70	51.25	41.02	**59.08**
II Advances (Unsecured considered good)												
Advances recoverable in cash or in kind or for value to be received												
a) from Subsidiaries (including interest recoverable there on) (Refer Note No. 9 (A)(I) of Part-C- Other Notes on Accounts)	**186.58**		**104.15**		**290.73**		164.81		92.21		257.02	
b) to Employees*	**1.27**		**0.90**		**2.17**		1.31		0.54		1.85	
c) Prepaid Expenses	**2.23**		**0.00**		**2.23**		2.12		0.16		2.28	
d) Others	**137.61**		**3.54**		**141.15**		101.23		1.13		102.36	
e) Advance Income Tax and Tax Deducted at Source (net)	**2.15**		**45.56**		**47.71**		3.64		53.51		57.15	
f) Security Deposits	**0.36**	**330.20**	**0.39**	**154.54**	**0.75**	**484.74**	3.60	276.71	0.08	147.63	3.68	**424.34**
B OTHER ASSETS												
I Accrued but not due :												
a) Interest on Loan Assets	**4,415.15**		**0.00**		**4,415.15**		3,865.81		0.00		3,865.81	
b) Other charges	**2.06**		**0.00**		**2.06**		15.63		0.00		15.63	
c) Interest on Loans to Employee	**0.27**		**15.33**		**15.60**		0.25		11.74		11.99	
d) Interest on Deposits and Investments	**25.75**	**4,443.23**	**0.00**	**15.33**	**25.75**	**4,458.56**	10.10	3,891.79	0.00	11.74	10.10	**3,903.53**
II Accrued and due :												
Incomes accrued & due on loans	**533.35**	**533.35**	**0.00**	**0.00**	**533.35**	**533.35**	478.32	478.32	0.00	0.00	478.32	**478.32**
C Loans & Advances (Unsecured - Others)												
Non Performing Assets (NPAs)	**170.72**		**0.00**		**170.72**		104.77		0.00		104.77	
Less : Provision for contingencies	**51.88**	**118.84**	**0.00**	**0.00**	**51.88**	**118.84**	21.71	83.06	0.00	0.00	21.71	**83.06**
TOTAL #		**5,433.64**		**225.64**		**5,659.28**		**4,737.71**		**210.62**		**4,948.33**

Additions during the year includes ₹ 1.21 crore net (Previous year ₹ 1.76 crore) share of Jointly controlled entities.
* Note :-
Loans and Advances include:

Particulars	Balance as at 31.03.2015	Maximum during 2014-15	Balance as at 31.03.2014	Maximum during 2013-14
Loans given to Directors	0.08	0.24	0.15	0.26
Loans given to Executives	52.39	59.43	46.95	52.41
Loans given to other employees	11.32	13.81	11.98	13.74
Total	**63.79**	**73.48**	**59.08**	**66.41**

NOTE - Part A -10
CONSOLIDATED CURRENT INVESTMENTS

(₹ in crore)

Description	As at 31.03.2015	As at 31.03.2014
Equity Instruments - Valued scrip wise at lower of cost or fair value (Quoted and Trade)		
5,39,349 (Previous year 5,39,349) Equity Shares (Face value of ₹ 10/- each fully paid up) of PGCIL purchased at a cost of ₹ 52/-	**2.80**	2.80
47,952 Shares (Previous year - 97,952 Shares) Equity Shares (Face value of ₹ 10/- each fully paid up) of REC Ltd. purchased at a cost of ₹ 105/-	**0.50**	1.03
1,39,64,530 Shares (Previous year - Nil Shares) (Face value of ₹ 10/- each fully paid up) of Coal India Ltd. purchased at a cost of ₹ 358.58/- (Refer Note No. 10 of Part-C Consolidated Other Notes on Accounts)	**500.74**	0.00
TOTAL	**504.04**	**3.83**

Particulars	Book Adjusted Value	Market Value
Aggregate of Quoted Investments	**504.04**	515.50
(previous year)	**(3.83)**	(7.91)
TOTAL	**504.04**	**515.50**
(Previous year)	**(3.83)**	**(7.91)**

NOTE - Part A -11

CONSOLIDATED CASH AND BANK BALANCES

(₹ in crore)

Description		As at 31.03.2015		As at 31.03.2014
A. Cash and Cash Equivalents				
i) Balance in Current account with:				
a) Reserve Bank of India	**0.05**		0.05	
b) Scheduled Banks *	**138.25**	**138.30**	3.22	3.27
ii) Cheques in hand		**0.01**		58.36
iii) Imprest with postal authority		**0.00**		0.00
iv) Fixed Deposits with Scheduled Banks (original maturity up to three months)		**4,894.89**		1.25
Sub-total (A)		**5,033.20**		**62.88**
B. Earmarked Balances:				
i) Balances in current account with scheduled banks for payment of interest on bonds, dividend etc.	**1.36**		1.50	
ii) IPDS				
Balances in current account with schedule banks	**5.00**		0.00	
Fixed Deposits with Banks	**45.00**	**51.36**	0.00	1.50
Sub-total (B)		**51.36**		**1.50**
C. Other Balance				
i) Fixed Deposits with Scheduled Banks (original maturity more than three months but up to twelve months)		**282.80**		395.11
ii) Fixed Deposits with Scheduled Banks (original maturity more than twelve months)		**93.27**		27.36
Sub-total (C)		**376.07**		**422.47**
TOTAL (A) + (B) + (C) #		**5,460.63**		**486.85**
* Include bank balances of Regional Offices at Mumbai and Chennai regrouped during the year.		**0.02**		0.05

Includes ₹ 29.55 (Previous year ₹ 28.34 crore) share of Jointly Controlled Entities.

NOTE - Part A - 12
CONSOLIDATED REVENUE FROM OPERATIONS

(₹ in crore)

	Description		Year ended 31.03.2015		Year ended 31.03.2014
(A)	**Interest**				
	Interest on Loans	24,827.62		20,955.19	
	Rebate for Timely Payment to Borrowers	(261.06)	24,566.56	(205.90)	20,749.29
	Lease income		22.93		25.26
	Sub Total (A)		24,589.49		20,774.55
(B)	**Consultancy / Advisory Services**				
	Income from consultancy assignment		52.34		41.63
	Syndication and Debenture Trustee Fee		4.44		0.57
	Sub Total (B)		56.78		42.20
(C)	**Other Operating Income**				
	Income from surplus funds		151.50		190.53
	Interest received on advances given to subsidiaries		8.32		6.60
	Sub Total (C)		159.82		197.13
(D)	**Other Financial Services**				
	Prepayment Premium on Loans		64.48		182.74
	Upfront fees on Loans		16.34		35.57
	Management, Agency & Guarantee Fees		94.70		148.38
	Commitment charges on Loans	1.84		4.15	
	Less : Commitment charges on Loans waived	(0.01)	1.83	(0.75)	3.40
	Fee on account of GoI Schemes :-				
	Nodal Agency Fee - R-APDRP (Refer Note No. 16 (A) (ii) of Part-C Consolidated Other Notes on Accounts)	(36.38)		18.50	
	Nodal Agency Fee - IPDS (Refer Note No. 16 (B) of Part-C Consolidated Other Notes on Accounts)	5.82	(30.56)	0.00	18.50
	Sub Total (D)		146.79		388.59
	TOTAL (A) + (B) +(C) + (D) #		24,952.88		21,402.47

Includes ₹ 17.58 crore (Previous year ₹ 8.48 crore) share of Jointly Controlled Entity.

NOTE - Part A - 13
CONSOLIDATED OTHER INCOME

(₹ in crore)

Description	Year ended 31.03.2015	Year ended 31.03.2014
Dividend / Interest Income on Non-Current Investments	2.40	1.92
Dividend Income on Current Investments	29.06	0.22
Income from Surplus Funds	13.83	12.76
Profit on sale of Fixed Assets	0.05	0.01
Profit on sale of Current Investments	1.31	0.00
Interest on Income Tax Refund	1.48	2.42
Miscellaneous Income	8.33	7.73
Excess Liabilities written back	2.45	2.39
Processing Fee	0.09	0.00
TOTAL #	59.00	27.45

Includes ₹ 0.10 crore (Previous year ₹ 0.02 crore) share of Jointly Controlled Entity.

NOTE - Part A - 14
CONSOLIDATED FINANCE COSTS

(₹ in crore)

	Description	Year ended 31.03.2015		Year ended 31.03.2014	
I.	**Interest**				
	On Bonds	**12,353.14**		10,682.71	
	On Loans	**2,080.85**		1,644.05	
	GOI on Interest Subsidy Fund	**9.42**		10.70	
	Financial Charges on Commercial Paper	**288.47**		192.22	
	Swap Premium (Net)	**60.53**	**14,792.41**	8.38	12,538.06
II.	**Other Charges**				
	Commitment & Agency Fees	**0.61**		0.41	
	Guarantee, Listing & Trusteeship fees	**2.35**		2.11	
	Management Fees on Foreign Currency Loans	**124.15**		0.25	
	Bank / Other charges	**0.02**		0.03	
	Direct overheads for Consultancy Services	**11.96**		8.02	
	Interest paid on advances received from subsidiaries	**4.59**	**143.68**	6.39	17.21
III	**Net Translation / Transaction Exchange Loss (+) / gain (-)**		**514.19**		452.52
	TOTAL (I + II + III) #		**15,450.28**		**13,007.79**

Includes ₹ 9.95 crore (Previous year ₹ 4.75 crore) share of Jointly Controlled Entity.

NOTE - Part A - 15
CONSOLIDATED BOND ISSUE EXPENSES

(₹ in crore)

Description	Year ended 31.03.2015	Year ended 31.03.2014
Interest on Application Money	**0.18**	39.28
Credit Rating Fees	**3.73**	3.50
Other Issue Expenses	**21.28**	32.24
Stamp Duty Fees	**6.21**	4.07
TOTAL	**31.40**	**79.09**

NOTE - Part A - 16
CONSOLIDATED EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

Description	Year ended 31.03.2015	Year ended 31.03.2014
Salaries, Wages and Bonus	**75.46**	72.60
Contribution to Provident and other funds	**8.40**	8.61
Staff Welfare	**12.50**	10.64
Rent for Residential accommodation of employees (Refer Note No.13 (B) of Part-C - Consolidated Other Notes on Accounts)	**5.11**	4.71
Total #	**101.47**	**96.56**

Includes ₹ 1.76 crore (Previous period ₹ 0.93 crore) share of Jointly Controlled Entities.

NOTE - Part A - 17

CONSOLIDATED OTHER EXPENSES

(₹ in crore)

Description	Year ended 31.03.2015	Year ended 31.03.2014
Administrative Expenses		
Office Rent	**1.20**	1.25
Electricity & Water charges	**1.80**	1.62
Insurance	**0.06**	0.05
Repairs & Maintenance	**3.38**	2.87
Stationery & Printing	**1.82**	1.81
Travelling & Conveyance	**9.00**	9.31
Postage, Telegraph & Telephone	**2.23**	1.96
Professional & Consultancy charges	**1.24**	1.30
Miscellaneous Expenses *	**22.23**	20.48
Loss on sale of Fixed Assets	**0.02**	0.10
Auditors' Remuneration *	**0.46**	0.66
Service Tax	**6.48**	4.00
Rates & Taxes	**1.10**	1.14
Contribution to PMC (MoP)	**0.34**	0.30
Sub - Total (I)	**51.36**	**46.85**
Others		
R-APDRP Expenses (Refer Note No. 16(A) (ii) of Part-C Consolidated Other Notes on Accounts)"	**(36.91)**	36.91
Sub - Total (II)	**(36.91)**	**36.91**
TOTAL * #	**14.45**	**83.76**

Includes ₹ 1.30 crore (Previous year ₹ 1.46 crore) share of Jointly Controlled entities

*** Note :-**

1)	**Miscellaneous Expenses includes :**		
	Books & Periodicals	**0.06**	0.05
	dvertisement	**4.46**	4.72
	Membership & Subscription	**0.79**	0.67
	Entertainment	**0.59**	0.58
	Conference & Meeting Expenses	**1.71**	1.07
	Security Expenses	**1.30**	1.42
	Training	**0.89**	0.75
	EDP Expenses	**2.07**	1.83
	Business Promotion / Related Expenses	**0.73**	0.35
	Equipment hiring charges	**0.00**	0.00
	Interest on income tax	**4.32**	5.51
2)	**Auditors' Remuneration includes :**		
	Audit fees	**0.24**	0.25
	Tax Audit fees	**0.06**	0.06
	Other certification services	**0.16**	0.35

Note - Part A -18

CONSOLIDATED PRIOR PERIOD ITEMS (NET)

(₹ in crore)

Description	Year ended 31.03.2015		Year ended 31.03.2014	
Prior Period Expenses:				
Interest & other Charges	**(6.06)**		0.34	
Issue Expenses	**(0.02)**		0.19	
Personnel & Administration Expenses - Others	**3.94**		(0.74)	
Depreciation	**0.00**	**(2.14)**	(0.02)	(0.23)
Total #		**(2.14)**		(0.23)

Includes Nil (Previous year ₹ 0.04 crore) share of Jointly Controlled Entity.

Note - Part A - 19 - Additional Information - Subsidiaries and Jvs

Name of the Subsidiary / JV	Net Assets, i.e., total assets minus total liabilities		Share in Profit / Loss	
	As % of Consolidated net assets	Amount (₹ crore)	As % of consolidated profit / loss	Amount (₹ crore)
1	2	3	4	5
Parent Subsidiaries				
Indian				
1. PFC Consulting Limited	0.47%	151.543	0.37%	22.216
2. PFC Green Energy Limited	0.09%	30.155	0.31%	18.912
3. PFC Capital Advisory Services Limited	0.02%	5.783	0.03%	1.846
4. Power Equity Capital Advisors Private Limited	0.00%	0.001	0.00%	(0.000)
Sub Total (A)	**0.58%**	**187.482**	**0.72%**	**42.974**
Foreign				
N.A				
Minority Interests in all subsidiaries				
N.A				
Associates (Investment as per the equity method)				
N.A				
Joint Ventures (as per proportionate consolidation / investment as per the equity method)				
Indian				
1. National Power Exchange Limited	0.00%	(1.044)	0.00%	0.020
2. Energy Efficiency Services Limited	0.01%	6.230	0.04%	2.590
Sub Total (B)	**0.01%**	**5.186**	**0.04%**	**2.610**
Foreign				
N.A				
Total	**0.59%**	**192.669**	**0.76%**	**45.584**

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.

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 excepts as otherwise stated in the notes to the accounts.

iv) In case of Associates, where the company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

B. Investments in Subsidiaries and Associates which are not consolidated, are accounted for as per Accounting Standard (AS) 13 – Accounting for Investments, as per policy no. 6.3 infra.

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

1 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 Income on non-performing assets and assets stated in the proviso to paragraph 6.2, infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in the proviso to paragraph 6.2, infra which remained due but unpaid for a period more than six months 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 for in the year of declaration of 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 on receipt of the same.

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. FIXED ASSETS / DEPRECIATION

4.1 Fixed 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 fixed 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 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 per Companies Act, 2013.

4.4 Items of fixed 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 amortisation, and amortization is done under straight-line method over the life of the assets estimated by the Company.

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 PROVISIONS / WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

7.1 PFC being a Government owned Non-Banking Financial Company (NBFC) is exempt from the RBI directions relating to Prudential Norms. The Company, however, has formulated its own set of Prudential Norms with effect from 01.04.2003, which has been revised from time to time.

RBI has accorded the status of Infrastructure Finance company (IFC) to PFC, vide their letter dated 28.07.2010. Accordingly, PFC maintains CRAR as applicable to IFC.

7.2 As per prudential norms approved by the Board of Directors and the Ministry of Power, an asset including 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, a term loan inclusive of unpaid interest and other dues if any, when the principal installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as non-performing assets and the income on these loans is recognized on realisation basis.

i) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated 11.11.2008.

ii) A facility which is backed by the Central / State Government guarantee or by the State Government undertaking for deduction from central plan allocation or a loan to State department, for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states, the Company shall follow the Government order issued for division of assets and liabilities, unless the same is stayed by any court and the case is pending in the court.

iv) Non servicing of part of dues due to dispute by the borrower for a period not exceeding 12 months from the date from which the company's dues have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges, penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of the Board of Directors.

7.3 NPA classification and provisioning norms for loans, other credits, hire purchase and lease assets are given as under:

(i) NPA for a period not exceeding 18 months : Sub-standard asset

(ii) NPA for a period exceeding 18 months : Doubtful asset

(iii) When an asset is identified as loss asset or assets

remain doubtful asset for a period exceeding 36 months, which ever is earlier : Loss asset

For the purpose of assets classification and provisioning:

a) Facilities granted to Government Sector & Private Sector Entities shall be classified borrower wise with the following exceptions:

i) Government sector loans, where cash flow from each project are separately identifiable and applied to the same project, PFC shall classify such loans on project wise basis.

b) The amount of security deposits kept by the borrower with the PFC in pursuance to the lease agreement together with the value of any other security available in pursuance to the lease agreement may be deducted against the provisions stipulated above.

c) NPA subjected to rescheduling and/or renegotiation and/or restructuring, whether in respect of installments of principal amount, or interest amount, by whatever modality, shall not be upgraded to the standard category until expiry of one year of satisfactory performance under the restructuring and/or rescheduling and/or renegotiation terms.

d) Interest restructuring which is normally done by PFC to help the borrowers to convert the past high cost debts into lower interest bearing debts will not be considered as re-schedulement / debt restructuring.

e) Facilities falling under paragraph 7.2 (i), supra, shall be classified in line with RBI guidelines for asset classification of infrastructure

projects, as applicable to banks from time to time, but provisioning for such facilities shall be as per PFC Prudential Norms applicable from time to time.

7.4 Provision against NPAs (assets other than Hire Purchase and Leased assets) is made at the rates indicated below: -

(i) Sub-standard assets : 10%

(ii) Doubtful assets:

(a) Secured portion / facility including that guaranteed by the State / Central Government or by the State Government undertaking for deduction from central plan allocation or loan to state department.

Up to 1 year : 20%

1 – 3 years : 30%

(b) Unsecured* : 100%

* 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.

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

7.5 The provisioning requirements in respect of hire purchase and leased assets shall be 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 1st July, 2013 and subsequent amendments issued from time to time.

The para 9(2) as mentioned above is reproduced hereunder-

Lease and hire purchase assets

(2) The provisioning requirements in respect of hire purchase and leased assets shall be as under:

Hire purchase assets

(i) In respect of hire purchase assets, the total dues (overdue and future installments taken together) as reduced by

(a) the finance charges not credited to the statement of profit and loss and carried forward as unmatured finance charges; and

(b) The depreciated value of the underlying asset, shall be provided for.

Explanation: For the purpose of this paragraph, the depreciated value of the asset shall be notionally computed as the original cost of the asset to be reduced by depreciation at the rate of twenty per cent per annum on a straight line method; and in the case of second hand asset, the original cost shall be the actual cost incurred for acquisition of such second hand asset.

Additional provision for hire purchase and leased assets

(ii) In respect of hire purchase and leased assets, additional provision shall be made as under:

(a) where hire charges or lease rentals are overdue upto 12 months	Nil
(b) where hire charges or lease rentals are overdue for more than 12 months but upto 24 months	10 percent of the net book value
(c) where hire charges or lease rentals are overdue for more than 24 months but upto 36 months	40 percent of the net book value
(d) where hire charges or lease rentals are overdue for more than 36 months but upto 48 months	70 percent of the net book value
(e) where hire charges or lease rentals are overdue for more than 48 months	100 percent of the net book value

(iii) On expiry of a period of 12 months after the due date of the last installment of hire purchase/leased asset, the entire net book value shall be fully provided for.

7.6 Standard Assets (including for Hire Purchase & Leased assets)

[as per Para 9(A) of the Non –Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and subsequent amendments issued from time to time.]

Provision for standard assets* at 0.25 percent of the outstanding shall be made, which shall not be reckoned for arriving at net NPAs. The provision towards standard assets need not be netted from gross advances but shall be shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet.

*For the purpose of provisioning on Standard Assets, Standard Assets shall mean Loans and advances classified as Standard Assets.

7.7 Restructuring, Reschedulement or Renegotiation of term(s) of loan:

(i) PFC may, not more than once (in each of the following three stages), restructure or reschedule or renegotiate the terms of infrastructure loan agreement as per the policy framework laid down by the Board of Directors of the Company under the following stages:

a) Before commencement of commercial production

b) After commencement of commercial production but before the asset has been classified as sub-standard;

c) After the commencement of commercial production and the asset has been classified as sub-standard.

Provided that in each of the above three stages, the restructuring and / or rescheduling and/or renegotiation of principal and / or of interest may take place, with or without sacrifice, as part of the restructuring or rescheduling or renegotiating package evolved.

Provided further that in exceptional circumstance(s), for reasons to be recorded in writing, PFC may consider restructuring / reschedulement / renegotiation of terms of loan agreement second time before COD of the project with the approval of Board of Directors.

Provided further that extension of repayment schedule* before COD** of the project in respect of Government Sector Entities, without any sacrifice*** of either principal or interest, will not be considered as restructuring / rescheduling / renegotiation for the purpose of applicability of this section.

* including change in terms w.r.t payment of principal consequent to cost overrun funding

** Completion Date for projects where COD is not applicable.

*** The term "sacrifice" shall mean waiver / reduction of principal and / or the interest dues and / or future applicable interest rate as a part of Restructuring / Reschedulement / Renegotiation package for the purpose of giving effect to the extant provision in respect of Government sector entities.

(ii) Provision for shortfall in security of Restructured / Rescheduled / Renegotiated Loans:

Where the asset 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 and as per prudential norms.

(iii) Treatment of Restructured / Rescheduled / Renegotiated Standard Loan:

The rescheduling or restructuring or renegotiation of the instalments of principal alone, at any of the aforesaid first two stages shall not cause a standard asset to be re-classified in the sub-standard category, if the project is re-examined and found to be viable by the Board of Directors of PFC or by a functionary at least one step senior to the functionary who sanctioned the initial loan for the project, within the policy framework laid down by the Board.

Provided that rescheduling or renegotiation or restructuring of interest element at any of the foregoing first two stages shall not cause a standard asset to be downgraded to sub-standard category subject to the condition that the amount of interest foregone, if any, on account of adjustment in the element of interest as specified later, is either written off or 100 per cent provision is made there against.

(iv) Treatment of Restructured / Rescheduled / Renegotiated sub-standard Asset:

A sub-standard asset shall continue to remain in the same category in case of restructuring or rescheduling or renegotiation of the instalments of principal until the expiry of one year and the amount of interest foregone, if any, on account of adjustment, including adjustment by way of write off of the past interest dues, in the element of interest as specified later, shall be written off or 100 per cent provision made there against.

(v) Adjustment of Interest:

Where rescheduling or renegotiation or restructuring involves a reduction in the rate of interest, the interest adjustment shall be computed by taking the difference between the rate of interest as currently applicable to the loan (as adjusted for the risk rating applicable to the borrower) and the reduced rate and aggregating the present value (discounted at the rate currently applicable to infrastructure loan, adjusted for risk enhancement) of the future interest payable so stipulated in the restructuring or rescheduling or renegotiation proposal.

(vi) Funded Interest:

In the case of funding of interest in respect of NPAs, where the interest funded is recognized as income, the interest funded shall be fully provided for.

(vii) Eligibility for Upgradation of Restructured / Rescheduled / Renegotiated Sub-standard Infrastructure loan:

The sub-standard asset subjected to rescheduling and / or renegotiation and / or restructuring, whether in respect of instalments of principal amount, or interest amount, by whatever modality, shall not be upgraded to the standard category until expiry of one year of satisfactory performance under the restructuring and / or rescheduling and/or renegotiation terms.

Note

a) Satisfactory Performance means where no payment should remain overdue for a period of more than number of days after which it would be classified as NPA. In addition there should not be any overdue at the end of one year period. Further, the satisfactory performance is to be seen in respect of all the outstanding loan/facilities in the account.

b) Asset classification of sub-standard asset will not deteriorate upon rescheduling and/or renegotiation and/or restructuring whether in respect of instalments of principal amount or interest amount by whatever modality, if satisfactory performance is demonstrated during the period of one year under the restructuring and/or rescheduling and/or renegotiation terms.

c) In case, however, satisfactory performance after a period of one year is not evidenced, the asset classification of the restructured account would be governed as per the applicable prudential norms with reference to the pre-restructuring payment schedule*.

*pre-restructuring payment schedule shall mean the date on which the loan asset became NPA on the first occasion.

(viii) Reversal of Provision:

The provisions* held by the non-banking financial companies against non-performing infrastructure loan, which may be classified as 'standard' in terms of paragraph 7.7(iii) above, shall continue to be held until full recovery of the loan is made.

*The provision which is made in a restructured / rescheduled / renegotiated account towards interest sacrifice.

(ix) Conversion of Debt into Equity:

Where the amount due as interest is converted into equity or any other instrument, and income is recognized in consequence, full provision shall be made for the amount of income so recognized to offset the effect of such income recognition:

Provided that no provision is required to be made, if the conversion of interest is into equity which is quoted;

Provided further that in such cases, interest income may be recognized at market value of equity, as on the date of conversion, not exceeding the amount of interest converted to equity.

(x) Conversion of Debt into Debentures:

Where principal amount and / or interest amount in respect of NPAs is converted into debentures, such debentures shall be treated as NPA, ab initio, in the same asset classification as was applicable to the loan just before conversion and provision shall be made as per norms.

(xi) These norms shall be applicable to the loans which have been restructured and / or rescheduled and / or renegotiated and which are fully or partly secured standard / sub-standard asset.

For the above paragraphs, Restructuring / Re-schedulement / Renegotiation shall cover terms of agreement relating to principal and interest.

However, this section shall not be applicable to the following set of assets:

a) 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.

b) Loans falling under paragraph 7.2(i).

(xii) Accounting Policy stated at 7.7 (i) to 7.7(xi) to be read with the following paragraphs:

a) PFC's restructuring norms approved by MoP will be applicable till 31.03.2017 for Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters.

b) All new project loans (except covered under 7.7(xii) (a) above) sanctioned with effect from 01.04.2015 to generating companies, to be regulated by the RBI norms for restructuring and provisioning.

c) Loans (except covered under 7.7(xii) (a) above) already sanctioned upto 31.03.2015 will, continue to be subjected to PFC's restructuring norms approved by the Ministry of Power, however provisioning on loan assets of generating companies will be as per RBI norms.

8. FOREIGN EXCHANGE 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 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

8.4 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

8.5 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.

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 first disbursed to the beneficiary, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

10.3 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.

10.4 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 / ITPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs / ITPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP / ITP 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 (Revised).

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 (Revised).

14. INCOME TAX

14.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

14.2 Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

15. CASH FLOW STATEMENT

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

16. CASH AND CASH EQUIVALENTS

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

Part – C

Consolidated Other Notes on Accounts

1. The Company is a Government Company engaged in extending financial assistance to power sector and is a Non-Banking Finance Company registered with RBI as an Infrastructure Finance Company.

2. 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
		31.03.2015	31.03.2014	01.04.2014 – 31.03.2015
Subsidiary Companies:				
PFC Consulting Limited (PFCCL)	India	100%	100%	Audited
PFC Green Energy Ltd. (PFCGEL)	India	100%	100%	Audited
PFC Capital Advisory Services Limited (PFCCAS)	India	100%	100%	Audited
Power Equity Capital Advisors Private Limited (PECAP)	India	100%	100%	Audited
Joint Venture Entities:				
National Power Exchange Limited (NPEL)*	India	16.66%	16.66%	Audited
Energy Efficiency Services Limited (EESL)	India	25%	25%	Unaudited

*The Group of Promoters (GoP) of National Power Exchange Limited (NPEL), comprising of NTPC, NHPC, TCS and PFC in their meeting dated 21.03.2014 decided to recommend voluntary winding up of NPEL to the Board of NPEL. The Board of Directors of PFC in their meeting held on 14th August, 2014 had approved the recommendation of the GoP. The voluntary winding up of NPEL is under process.

The company as on 31.03.2015 has an investment of ₹ 2.19 crore (as on 31.03.2014 ₹ 2.19 crore) in the equity share capital of NPEL against which a provision for diminution in value amounting to ₹ 1.06 crore (previous year Nil) has been made during the current year.

2.1 The financial statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard – 21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal to successful bidder on completion of the bidding process :

Sl. No.	Name of the Company	Date of investment	Proportion of Shareholding as on		Amount (₹in crore)
			31.03.2015	31.03.2014	
	Subsidiary Companies:				
(i)	Coastal Maharashtra Mega Power Limited	05.09.2006	100%	100%	0.05
(ii)	Orissa Integrated Power Limited	05.09.2006	100%	100%	0.05
(iii)	Coastal Karnataka Power Limited	14.09.2006	100%	100%	0.05
(iv)	Coastal Tamil Nadu Power Limited	31.01.2007	100%	100%	0.05
(v)	Chhattisgarh Surguja Power Ltd.	31.03.2008	100%	100%	0.05
(vi)	Sakhigopal Integrated Power Limited	27.01.2010	100%	100%	0.05
(vii)	Ghogarpalli Integrated Power Company Limited	27.01.2010	100%	100%	0.05
(viii)	Tatiya Andhra Mega Power Limited*	27.01.2010	100%	100%	0.05
(ix)	Deoghar Mega Power Limited	30.07.2012	100%	100%	0.05
(x)	Cheyyur Infra Limited.	24.03.2014	100%	100%	0.05
(xi)	Odisha Infrapower Limited	27.03.2014	100%	100%	0.05
	Total				**0.55**

* Board of Directors of the Company, in its 322nd meeting held on 14th August, 2014, decided for winding up Tatiya Andhra Mega Power Limited, subject to approval of Ministry of Power, Government of India.

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.

Following fellow subsidiaries (wholly owned subsidiary of PFCCL) has been transferred to successful bidder(s) on completion of the bidding process:

Sl. No.	Name of the Company	Date of Transfer
	Subsidiary Companies:	
1.	DGEN Transmission Company Ltd. (wholly owned subsidiary company of PFCC Limited)	17.03.2015

Further, seven subsidiary companies (wholly owned subsidiaries of PFCCL) 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	Proportion of Shareholding as on		Amount (₹ in crore)
			31.03.2015	31.03.2014	
	Subsidiary Companies:				
1.	Ballabhgarh-GN Transmission Company Limited	21.10.2013	100%	100%	0.05
2.	Tanda Transmission Company Limited	21.10.2013	100%	100%	0.05
3.	Mohindergarh-Bhiwani Transmission Limited*	23.12.2014	100%	--	0.05
4.	Raipur-Rajnandgaon-Warora Transmission Limited*	23.12.2014	100%	--	0.05
5.	Sipat Transmission Limited*	23.12.2014	100%	--	0.05
6.	Chhattisgarh-WR Transmission Limited*	24.12.2014	100%	--	0.05
7.	South-Central East Delhi Power Transmission Limited*	18.02.2015	100%	--	0.05
	Total				**0.35**

* Incorporated as wholly owned subsidiary of PFCCL during FY 2014-15

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:

(A) The details are as follows-

(₹ in crore)

S. No	Particulars	As on 31.03.2015	As on 31.03.2014
(i)	Default guarantees issued in foreign currency - US $ 0.74 million (as on 31.03.2014 US $ 4.14 million)	4.69	25.07
(ii)	Guarantees issued in domestic currency	262.84	299.20
(iii)	Claims against the Company not acknowledged as debts	0.04	0.04
(iv)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	813.07	2,274.96
	Total	**1,080.64**	**2,599.27**

(B) Additional demands raised by the Income Tax Department totaling to ₹ 64.41 crore (as on 31.03.2014 ₹ 49.87 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 ₹ 85.47 crore (as on 31.03.2014 ₹ 79.26 crore). The same are being contested. The Management does not consider it necessary to make provision, as the probability of tax liability devolving on the Company is negligible.

4. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) aggregating to ₹ 78.50 crore for Assessment Years 2001-02 to 2012-13 (as on 31.03.2014 ₹ 55.10 crore for Assessment Years 2001-02 to 2011-12) have been provided for and are being contested by the Company.

5. Estimated amount of contract remaining to be executed on account of capital contracts, not provided for, is ₹ 0.33 crore (as on 31.03.2014 Nil).

6. Ministry of Corporate Affairs (MoCA), Government of India, vide its Circular No. 6/3/2001 – CL.V dated 18.04.2002 prescribed adequacy of Debenture Redemption Reserve (DRR) as 50% of the value of debentures issued through public issue; subsequently, the MoCA through its circular No. 11/02/2012-CL-V(A) dated 11.02.2013 modified the adequacy of DRR to 25%. In this regard, the Company has requested the MoCA for clarification, which is awaited.

Meanwhile, The Companies (Share Capital and Debentures) Rules, 2014, with effect from 01.04.2014, also stated that for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, the adequacy of DRR will be 25% of the value of debentures issued through public issue as per present SEBI (Issue and Listing of Debt Securities) Regulations, 2008, and no DRR is required in the case of privately placed debentures.

In view of above, the Company is creating DRR for public issue of bonds / debentures @ 50% for the issues for which prospectuses had been filed before 11.02.2013 and @ 25% for the subsequent public issues.

7. Foreign currency actual outgo and earning:

(₹ in crore)

S. No.	Description	During FY ended 31.03.2015	During FY ended 31.03.2014
A.	Expenditure in foreign currency		
i)	Interest on loans from foreign institutions*	206.75	230.47
ii)	Financial & Other charges*	118.89	9.56
iii)	Traveling Expenses	0.38	Nil
iv)	Training Expenses	0.18	0.25
B.	Earning in foreign currency	7.64	0.07

*excluding withholding tax

8. (A) As per the Accounting Standard - 'Related Party Disclosures' (AS 18), notified by the Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follows:

(i) Subsidiaries including companies promoted as Special Purpose Vehicles (SPVs) for Ultra-Mega Power Projects (UMPPs) and Joint Ventures (JVs):

S. No.	Name of the Companies	S. No.	Name of the Companies
A	**Subsidiary Companies***	**B**	**Joint Venture***
(i)	PFC Consulting Limited	(i)	National Power Exchange Limited
(ii)	PFC Green Energy Limited	(ii)	Energy Efficiency Services Limited
(iii)	PFC Capital Advisory Services Ltd		
(iv)	Power Equity Capital Advisors (Private) Limited		
C	**Subsidiary Companies promoted as SPVs for UMPPs***	**D**	**Subsidiaries of PFCCL***
(i)	Coastal Maharashtra Mega Power Limited	(i)	DGEN Transmission Company Limited (Till March 17, 2015) (Formerly DGEN & Uttrakhand Transmission Company Limited)
(ii)	Orissa Integrated Power Limited	(ii)	Patran Transmission Company Limited (Till November 13,2013)
(iii)	Coastal Karnataka Power Limited	(iii)	Purulia Kharagpur Transmission Company Limited (Till December 09,2013)
(iv)	Coastal Tamil Nadu Power Limited	(iv)	Darbhanga Motihari Transmission Company Limited (Till December 10,2013)
(v)	Chhattisgarh Surguja Power Limited	(v)	RAPP Transmission Company Limited till March 12, 2014
(vi)	Sakhigopal Integrated Power Company Limited	(vi)	Ballabhgarh-GN Transmission Company Limited
(vii)	Ghogarpalli Integrated Power Company Limited	(vii)	Tanda Transmission Company Limited
(viii)	Tatiya Andhra Mega Power Limited	(viii)	Sipat Transmission Limted
(ix)	Deoghar Mega Power Limited	(ix)	Raipur-Rajnandgaon-Warora Transmission Limited
(x)	Cheyyur Infra Limited.	(x)	Mohindergarh- Bhiwani Transmission Limited
(xi)	Odisha Infrapower Limited	(xi)	Chhatisgarh-WR Transmission Limited
		(xii)	South Central East Delhi Power Transmission Limited

*Govt. controlled entities as per AS-18.

(ii) Key managerial personnel (KMP):

Name	Period
PFC Limited	
Shri M K Goel, CMD, CEO and holding additional charge of Director (Commercial) $	with effect from 22.01.2015 (A/N)
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 Manohar Balwani, CS	with effect from 01.04.2014#
Subsidiary Companies	
Shri C Gangopadhyay, CEO, PFCCL	with effect from 03.12.2013
Shri C Gangopadhyay, Director, PECAP	with effect from 13.10.2009
Shri D Ravi, Director, PECAP	with effect from 29.03.2010
Shri A. Chakravarti, Director, PECAP	with effect from 11.10.2011
Shri A. Chakravarti, CEO, PFCGEL	with effect from 14.09.2012
Shri R. K. Chandiok, CFO, PFCGEL	from 15.05.2014 to 10.02.2015##
Smt. Rachna Singh, CS, PFCGEL	with effect from 01.04.2014 ###
Joint Venture Entities	
Shri Saurabh Kumar, Managing Director, EESL	with effect from 07.05.2013
Shri P Thakkar, Chairman, EESL	with effect from 10.12.2013

$ Chairman in PFCCL, PFCGEL and PFC CAS also
$$ Director in PFCCL, PFCGEL and PFC CAS also
Joined the Company on 11.04.2013, KMP from 01.04.2014 as per Companies Act 2013.
Joined PFCGEL on 01.02.2014, KMP from 15.05.2014 as per Companies Act 2013.
Joined PFCGEL on 26.12.2011, KMP from 01.04.2014 as per Companies Act 2014.

(B) Transactions with Related Parties

Managerial remuneration of KMP for the year ended 31.03.2015 is ₹ 3.74 crore (previous year ended 31.03.2014 ₹ 2.83 crore)

9. Disclosure as required by Clause 32 of Listing Agreements:

(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	Amount as on 31.03.2015*	Amount as on 31.03.2014*	Maximum during the FY ended 31.03.2015	Maximum during the FY ended 31.03.2014
Coastal Maharashtra Mega Power Limited	8.99	7.88	9.10	7.88
Orissa Integrated Power Limited	105.29	92.97	111.77	106.62
Coastal Karnataka Power Limited	3.81	3.32	3.81	3.33
Coastal Tamil Nadu Power Ltd.	70.13	57.00	70.13	57.00
Chhattisgarh Surguja Power Limited	75.23	68.37	75.23	68.42
Sakhigopal Integrated Power Company Limited	5.54	4.50	5.54	4.50
Ghogarpalli Integrated Power Company Limited	4.79	3.89	4.67	3.89
Tatiya Andhra Mega Power Limited	8.37	11.28	11.65	11.30
Deoghar Mega Power Ltd	6.12	5.00	6.12	5.01
Cheyyur Infra Limited	0.01	0.01	0.01	0.01
Odisha Infra Power Ltd.	0.11	0.01	0.11	0.01
Subsidiaries Of PFCCL	2.34	2.79	2.79	2.79
Total	**290.73**	**257.02**	**300.93**	**270.76**

*Amount is in the nature of advances, does not include any loan.

(ii) The details of amounts 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	Amount as on 31.03.2015	Amount as on 31.03.2014	Maximum during the FY ended 31.03.2015	Maximum during the FY ended 31.03.2014
Coastal Maharashtra Mega Power Limited	59.79	56.47	59.79	56.47
Orissa Integrated Power Limited	72.57	67.57	72.57	67.57
Coastal Tamil Nadu Power Limited	68.72	63.72	68.72	63.72
Chhattisgarh Surguja Power Limited	66.17	61.16	66.17	61.16
Sakhigopal Integrated Power Company Limited	23.69	22.24	23.69	22.24
Ghogarpalli Integrated Power Company Limited	22.44	21.08	22.44	21.08
Tatiya Andhra Mega Power Limited	24.91	27.02	27.48	27.02
Total	**338.29**	**319.26**	**340.86**	**319.26**

(iii) To Firms / companies in which directors are interested : Nil

(iv) Where there is no repayment schedule or repayment beyond seven years : Nil

(v) Where no interest or interest as per Section 186 of the Companies Act, 2013 : Nil

(B) Investment by the loanee in the shares of PFC / Subsidiaries : Nil

10. Investment made in equity shares of Coal India Ltd.:

During the year, the Company has subscribed to 1,39,64,530 fully paid equity shares of Coal India Limited (CIL) of face value of ₹ 10/- per share under Offer for Sale route. The shares have been subscribed at a cost of ₹ 358.58/- per share aggregating to ₹500.74 crore.

11. Interest Differential Fund (IDF) – KFW

The agreement between KFW and the Company provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. The total fund accumulated as on 31.03.2015 is ₹ 58.38 crore (as on 31.03.2014 ₹ 54.63 crore), after transferring exchange difference of ₹ 14.11 crore (as on 31.03.2014 ₹ 16.56 crore).

12. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Liabilities in Foreign Currencies	Foreign Currency (in millions)	
	31.03.2015	31.03.2014
USD	1,128	792
EURO	19	21
JPY	24,209	36,807

13. As required under AS-19, the disclosure with respect to various leases are as under:

(A) Asset under finance lease after 01.04.2001:

(i) The gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date and the value of unearned financial income are given in the table below:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total of future minimum lease payments recoverable (Gross Investments)	392.95	433.52
Present value of lease payments recoverable	212.27	242.54
Unearned finance income	**180.68**	**190.98**
Maturity profile of total of future minimum lease payments recoverable (Gross Investment):-		
Not later than one year	30.06	54.34
Later than one year and not later than 5 years	107.98	102.87
Later than five years	254.91	276.31
Total	**392.95**	**433.52**

Break up of present value of lease payments recoverable:-		
Not later than one year	10.06	33.15
Later than one year and not later than 5 years	36.18	33.11
Later than five years	166.03	176.28
Total	**212.27**	**242.54**

ii) The Company had sanctioned an amount of ₹ 88.90 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). The sanction was reduced to ₹ 88.85 crore in December 2006. The gross investment stood at the level of ₹ 1.78 crore as on 31.03.2015 (₹ 4.21 crore as on 31.03.2014). The lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as a primary period and 5 years as a 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 the year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). The gross investment stood at ₹ 4.43 crore as on 31.03.2015 (₹ 22.53 crore as on 31.03.2014). The lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as a primary period and a maximum of another 10 years as a 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 the year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). The gross investment stood at ₹ 7.62 crore as on 31.03.2015 (₹ 1.96 crore as on 31.03.2014). The 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 a primary period and a maximum of 9 years and 11 months as a secondary period.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in the year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). The gross investment stood at ₹ 379.12 crore as on 31.03.2015 (₹ 404.82 crore as on 31.03.2014). The lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as a primary period and a maximum of 7 years as a secondary period.

(B) Operating Lease:

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 includes ₹ 5.11 crore (during year ended 31.03.2014 ₹ 4.71 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 as under:

(₹ in crore)

Future minimum lease rent payments	Year ended 31.03.2015	Year ended 31.03.2014
	Office & Accommodations	Office & Accommodations
Not later than one year	2.30	2.80
Later than one year and not later than 5 years	0.31	0.40
Later than 5 years	0.00	0.00
Total	**2.61**	**3.20**

14. Subsidy under Accelerated Generation & Supply Programme (AG&SP):

(A) The Company claimed subsidy from Govt. of India at net present value calculated at indicative interest rates in accordance with the 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 the actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However, on the basis of the 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 the net excess amount of ₹ 7.02 crore and ₹ 61.32 crore as on 31.03.2015 (₹ 6.32 crore and ₹ 74.53 crore as on 31.03.2014) 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 the respective scheme.

(B) The balance under the head Interest Subsidy Fund shown as liability, represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following : -

Particulars	As on 31.03.2015	As on 31.03.2014
Opening balance of Interest Subsidy Fund (As on 1st day of the Financial Year)	123.87	145.78
Add : - Received during the period	--	--
: - Interest credited during the period	9.42	10.70
: - Refund by the borrower due to non – commissioning of project in time	--	--
Less : Interest subsidy passed on to borrowers	21.94	32.61
Refunded to MoP:		
(a) Estimated net excess against IX Plan	--	--
(b) Due to non- commissioning of Project in time	--	--
(c) Estimated net excess against X Plan	--	--
Closing balance of interest subsidy fund	**111.35**	**123.87**

15. The Company had exercised the option under para 46A of the AS-11 - 'The Effects of Changes in Foreign Exchange Rates', to amortize the exchange differences on the long term foreign currency monetary items over their tenure. Consequently, as on 31.03.2015 the debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) amounting to ₹ 380.56 crore (as on 31.03.2014 ₹ 709.21 crore) is shown on the "Equity and Liabilities" side of the balance sheet under the head "Reserve and Surplus", as a separate line item

16. Implementation of GoI Scheme:

(A) Re-structured Accelerated Power Development and Reforms Programme (R – APDRP):

(i) The Company is the Nodal Agency for operationalisation and associated service for implementation of the R – APDRP under which projects are being taken up in two parts. Part – A includes the projects for establishment of baseline data and IT applications for energy accounting as well as IT based customer care centers. Part – B includes regular distribution strengthening projects. GoI provides 100% loan for Part A and up to 25% (up to 90% for special category States) loan for Part – B. Balance funds for Part – B projects can be raised by the utilities from PFC / REC / multi-lateral institutions and / or own resources. The loans under Part A- along with interest thereon are convertible into grant as per applicable guidelines. Similarly, up to 50% (up to 90% for special category states) of the loan against Part –B project would be convertible into grant as per applicable guidelines. Enabling activities of the programme are covered under Part – C.

Amounts received from the Government of India 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 the borrowers.

The details are furnished below:

(₹ in crore)

Particulars	Amount recoverable from borrowers & payable to GOI		R – APDRP Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
A. GoI Loan under R-APDRP (Principal)						
Opening balance as on 1st day of the Financial Year	7,315.85	6,694.63	0.00	0.00	0.00	0.25
Additions during the period	578.47	640.00	578.47	640.00	0.00	0.00
Recoveries / refunds / changes during the period	(206.48)	(18.78)	(578.47)	(640.00)	0.00	(0.25)
Closing balance (A)	**7,687.84**	**7,315.85**	**0.00**	**0.00**	**0.00**	**0.00**
B. Interest Accrued but not due (Int. earned on FD)						
C. Interest on loan under R-APDRP						
(i) Accrued but not due						
Opening Balance	1,605.09	1,327.94				
Additions during the period	673.90	627.24				
Transfer to Accumulated Moratorium Interest	298.41	(340.43)				
Transfer to Interest Accrued and Due	(13.51)	(9.66)				
Closing Balance	2,563.89	1,605.09				

(ii) Accrued and due						
Opening Balance	3.69	0.00				
Additions During the period	16.59	9.66				
Recoveries & refunds to GoI / Changes due to extension of project completion period	(16.60)	(5.97)				
Closing Balance	3.68	3.69				
Interest on loan under R-APDRP (C) = (i + ii)	**2,567.57**	**1,608.78**				
D. Accumulated Moratorium Interest						
Opening Balance	**338.92**	**0.00**				
Additions During the period	(301.58)	340.43				
Recoveries & refunds to GoI / Changes due to extension of project completion period	1.51	(1.51)				
Closing Balance (D)	**38.85**	**338.92**				
E.Interest on Accumulated Moratorium Interest						
(i) Accrued but not due						
Opening Balance	1.42	0.00				
Additions During the period	(0.92)	4.48				
Transfer to accrued and due	(0.35)	(3.06)				
Closing Balance	0.15	1.42				
(ii) Accrued and due						
Opening Balance	2.21	0.00				
Additions During the period	(1.88)	3.06				
Recoveries & refunds to GoI / Changes due to extension of project completion period	0.85	(0.85)				
Closing Balance	1.18	2.21				
Interest on Accumulated Moratorium Int. (E) = (i + ii)	**1.33**	**3.63**				
F. Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest						
(i) Interest on Interest						
Opening Balance	0.00	-				
Additions During the period	0.11	-				
Recoveries / refunds / changes during the period	(0.06)	-				
Closing Balance	0.05	-				
(ii) Interest on " Interest on Accumulated Moratorium Interest"		-				
Opening Balance	0.00	-				
Additions During the period	0.02	-				
Recoveries / refunds / changes on account of extension of project completion period during the FY	0.00	-				
Closing Balance	0.02	-				
(iii) Penal Interest		-				
Opening Balance	0.00	-				
Additions During the period	0.15	-				
Recoveries / refunds / changes on account of extension of project completion period during the FY	(0.10)	-				
Closing Balance	0.05	-				
Interest on Interest, Interest on "Interest on Accumulated Moratorium Interest" and Penal Interest. (F) = (i + ii + iii)	**0.12**	**-**				
Closing Balance (A+B+C+D+E+F)	**10,295.71**	**9,267.18**	**0.00**	**0.00**	**0.00**	**0.00**

(ii) In line with the R – APDRP scheme approved by MoP, GoI, vide Office Memorandum No. 14 / 03 / 2008 – APDRP dated 20th August, 2010, till 31.03.2013, Nodal Agency Fees under R – APDRP had been accounted for @ 1% of the sanctioned project cost in three stages - 0.40% on sanction of the project, 0.30% on disbursement of the 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). Further, actual expenditure, including expenditure allocable on account of PFC manpower, incurred for operationalising the R– APDRP were reimbursed / reimbursable by Ministry of Power, Government of India. As per Office Memorandum No. 14 / 03 / 2008 – APDRP dated 20th August, 2010 of the MoP, GoI, the total amount receivable against the nodal agency fee plus the reimbursement of actual expenditure will not exceed ₹ 850 crore or 1.7 % of the likely outlay under Part A & B of R – APDRP, whichever is less.

Ministry of Power (MoP) vide letter dated 15.07.2013 informed that as per Department of Expenditure (DoE), Nodal Agency Fee for R-APDRP scheme for 12th plan may be restricted to 0.5% of the sanctioned project cost or actual expenditure, whichever is less.

Pursuant to various correspondence with MoP, a revised proposal was submitted to MoP vide letter dated 26.12.2014, wherein Company agreed to restrict its claims only to reimbursements of actual expenditure in line with norms indicated by Department of Expenditure (DoE) through MoP communication dated 15.07.2013 excluding Company's own manpower (Salary only) / administrative charges during XII / XIII Plan under R-APDRP. MoP vide letter dated 05.01.2015 directed the Company to intimate its final claim based on revised proposal of the Company. The Company, vide letter dated 02.02.2015, submitted its claim including balance claim pertaining to XIth plan and claim for the period from 01.04.2012 to 31.12.2014 (earlier shown as other expenses of the Company). The claim of the Company has been approved by MoP vide its letter dated 31.03.2015.

Accordingly, the Company has reversed Nodal Agency Fee for R-APDRP scheme for XIIth plan (upto FY 2013-14) amounting to ₹ 35.86 crore and has not recognized the fee pertaining to the current year.

As on 31.03.2015, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by PFC is as under:-

(₹ in crore)

Particulars	During the FY ended 31.03.2015	During the FY ended 31.03.2014	Cumulative up-to	
			31.03.2015	31.03.2014
Nodal agency fee *	(36.38)#	18.50	127.41	163.79
Reimbursement of expenditure	41.20**	(21.81)	103.06	61.86
Total	**4.82**	**(3.31)**	**230.47**	**225.65**

*Exclusive of Service Tax

#Reversal for XIth & XIIth Plan ₹ 1.41 crore and ₹ 35.86 crore respectively, net of fee booked ₹ 0.89 crore for XIth Plan disbursement.

** Net of claim for FY 2012-13 to FY 2013-14 ₹ 36.91 crore (Accounted for as other expenses of the Company earlier and reversed as amount recoverable from MoP, GoI during the year), reversal / rectification ₹ (4.93) crore in respect of current and earlier years, and claim for FY 14-15 ₹ 9.22 crore .

(B) Integrated Power Development Scheme (IPDS)

Govt. of India (GoI) has launched IPDS for the Urban areas with the (i) Strengthening of Sub-transmission and Distribution network in urban areas including provisioning of solar panels on Govt. buildings including Net-metering, (ii) Metering of feeders / distribution transformers / consumers in urban areas and (iii) IT enablement of distribution sector and strengthening of distribution network, as per CCEA approval dated 21.06.2013 for completion of the targets laid down under R-APDRP for XIIth and XIIIth Plans by subsuming R-APDRP in IPDS and carrying forward the approved outlay for R-APDRPto IPDS.

As per guidelines, approved by IPDS Monitoring Committee, constituted by Ministry of Power (MoP), GoI, the Company has been designated as the Nodal Agency for operationalization and implementation of the scheme under the overall guidance of the MoP. The role of the Nodal agency is mentioned in IPDS scheme which inter-alia includes administration of GoI grant to the eligible utilities which can be recalled / pre closed subject to certain conditions mentioned in the IPDS guidelines.

The Company will be eligible for 0.5% of the total project cost approved by Monitoring Committee or award cost, whichever is lower, as nodal agency fee to be claimed / accrued as under:

i. 1st installment: 40% of the nodal agency fee (i.e. 40% of 0.5% of approved project cost) in the financial years in which the projects are approved by the Monitoring Committee under IPDS.
ii. 2nd installment: 30% of the nodal agency fee (i.e. 30% of 0.5% of approved project cost) on award of approved projects.
iii. 3rd installment: 20% of the nodal agency fee (i.e. 20% of 0.5% of approved project cost) after one year of claiming 2nd installment.
iv. 4th installment: 10% of the nodal agency fee (i.e. 10% of 0.5% of approved project cost) after completion of works.

The details are furnished below :

(₹ in crore)

Particulars	Amount of GoI grant administered to the eligible utilities		IPDS Grant		Amount payable to GOI (Interest earned on Fixed Deposit)	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Opening balance as on 1st day of the Financial Year	-	-	0.00	-	0.00	-
Additions during the period	-	-	50.00	-	0.01	-
Recoveries / refunds / changes during the period	-	-	0.00	-	0.00	-
Closing balance (A)	-	-	50.00*	-	0.01*	-

*Appearing as amount payable to GOI

17. The Company has been creating provision @ 0.25% of the outstanding standard loan assets (excluding outstanding restructured standard loan assets on which separate provision has been started during the year). As on 31.03.2015, the Standard Asset provision stands at ₹ 486.79 crore (₹ 469.48 crore as on 31.03.2014).

18. The Company being a Government owned Non-Banking Financial Company is exempt from the RBI directions relating to Prudential Norms. 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. Further, RBI vide its letter dated 03.04.2014 has allowed exemption from credit concentration norms in respect of exposure to Central / State Government entities till 31.03.2016.

The Company follows its own prudential norms approved by the Ministry of Power (MoP), Govt.of India (GoI) (including revisions approved by BoD in its meeting held on 09.03.2015 subject to the approval of MoP) which inter-alia includes norms for Restructuring / Reschedulement / Renegotiation (R/R/R) of loans which allows (i) two times restructuring before COD, (ii) exemption to the loans having central / state government guarantee and loans to government department, and (iii) dispensation not to consider extension of repayment schedule without sacrifice as restructuring for government sector borrowers. For R/R/R norms, RBI has advised the Company to follow the instructions contained in RBI circular DNBS.CO.PD.No. 367/03.10.01/2013-14 dated 23.01.2014, vide its letter dated 03.04.2014 inter-alia allowing maximum period of delay in DCCO for which a loan can be restructured. The matter regarding applicability of RBI's R/R/R norms was taken up with RBI. In this regard, RBI vide its letter dated 11.06.2014 has allowed exemption 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. Further, 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, the 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.

The Company vide its letter dated 03.07.2014 has communicated the manner of its implementation to RBI, further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination.

Pending decision by RBI regarding implementation of R/R/R norms, the Company is following its own norms read with the manner of implementation as stated above.

Accordingly, the Accounting policy related to Prudential Norms on R/R/R has been amended during the year ended 31.03.2015 which inter-alia requires provision @ 2.75% on restructured standard assets. Thus, during the year ended 31.03.2015 a provision has been made amounting to ₹ 564.44 crore, on qualifying loans. As on 31.03.2015, these loans comprise of private sector loan ₹ 20,524.91 crore and Govt. Sector loan Nil. Consequently, profit for the year ended 31.03.2015 has been reduced by ₹ 513.12 crore, after considering the existing provision on standard loan assets on these restructured loans.

19. (A) The Classification of Loan Assets (Gross) as per the Company's Prudential Norms is as under:

(₹ in crore)

S. No.	Asset Classification	As on 31.03.2015		As on 31.03.2014	
		Principal Outstanding	Provision as per Norms on Principal Outstanding	Principal Outstanding	Provision as per Norms on Principal Outstanding
(i)	Standard Assets	1,94,716.30	486.79	1,76,043.03	440.11
(ii)	Restructured Standard Assets	20,524.91	564.44	11,749.32	29.37
(iii)	Sub-standard Assets	1,209.37	120.93	103.83	10.38
(iv)	Doubtful Assets	1,145.34	343.60	1,114.97	222.99
(v)	Loss Assets	8.92	8.92	8.92	8.92
	Grand Total	**2,17,604.84**	**1,524.68**	**1,89,020.07**	**711.77**

(B) The details of provisions made as per Prudential Norms of the Company on loan assets and other assets are as under:

(₹ in crore)

S. No.	Particulars	During the FY ended 2014-15	During the FY ended 2013-14
(i)	Provision on Standard Assets	17.31	336.69
(ii)	Provision on Restructured Standard Assets	564.44	0.00
(iii)	Provision on NPAs (Loan Assets)	231.16	120.82
(iv)	Provision on NPAs (Other Assets)	30.16	12.44
	Total	**843.07**	**469.95**

(C) Provision for shortfall in security of Restructured / Rescheduled / Renegotiated (R/R/R) Loans:

The Restructured Standard Assets as on 31.03.2015 includes 3 loan assets amounting to ₹2,753.50 crore, classified as unsecured. These loans carry adequate security as on 31.03.2015 in form of charge on assets etc., but require completion of full security creation process as per the sanction terms. Hence, these are classified as unsecured. As these loans carry adequate security coverage as on 31.03.2015, there is no short fall in security. Provision on these R/R/R assets has been created @2.75% and no further provision for any shortfall in security is required.

20. Details of Restructured Accounts

(₹ in crore)

S. N.	Type of Restructuring#		Under CDR / SME Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured accounts as on April 01, 2014	No. of borrowers	-	-	-	-	-	9	2	2	0	**13**	9	2	2	0	**13**
		Amount outstanding (Restructured facility)	-	-	-	-	-	11749.32	103.83	1114.97	0	**12968.12**	11749.32	103.83	1114.97	0	**12968.12**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	103.83	0	**103.83**	0.00	0.00	103.83	0	**103.83**
		Provision Thereon	-	-	-	-	-	0.00	10.38	243.76	0	**254.14**	0.00	10.38	243.76	0	**254.14**
2	Movement of balance in account appearing in opening balance	No. of borrowers	-	-	-	-	-	9	0	2	0	**11**	9	0	2	0	**11**
		Amount outstanding (Restructured facility)	-	-	-	-	-	1692.88	0.00	5.49	0	**1698.37**	1692.88	0.00	5.49	0	**1698.37**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	65.95	0	**65.95**	0.00	0.00	65.95	0	**65.95**
		Provision Thereon	-	-	-	-	-	369.66	0.00	143.31	0	**512.97**	369.66	0.00	143.31	0	**512.97**
3	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	6	0	0	0	**6**	6	0	0	0	**6**
		Amount outstanding (Restructured facility)	-	-	-	-	-	7082.71	0.00	0.00	0	**7082.71**	7082.71	0.00	0.00	0	**7082.71**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	194.77	0.00	0.00	0	**194.77**	194.77	0.00	0.00	0	**194.77**
4	Up gradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	0	0	0	0	**0**	0	0	0	0	**0**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
5	Restructured Standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-1	0	0	0	**-1**	-1	0	0	0	**-1**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
6	Down gradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	0	-1	1	0	**0**	0	-1	1	0	**0**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	-27.20	24.88	0	**-2.32**	0.00	-27.20	24.88	0	**-2.32**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	-2.72	7.46	0	**4.74**	0.00	-2.72	7.46	0	**4.74**
7	Write-offs restructured accounts during the year	No. of borrowers	-	-	-	-	-	0	0	0	0	**0**	0	0	0	0	**0**
		Amount outstanding (Restructured facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
		Provision Thereon	-	-	-	-	-	0.00	0.00	0.00	0	**0.00**	0.00	0.00	0.00	0	**0.00**
8	Restructured accounts as on March 31, 2015	No. of borrowers	-	-	-	-	-	14	1	3	0	**18**	14	1	3	0	**18**
		Amount outstanding (Restructured facility)	-	-	-	-	-	20524.91	76.63	1145.34	0	**21746.88**	20524.91	76.63	1145.34	0	**21746.88**
		Amount outstanding (Other facility)	-	-	-	-	-	0.00	0.00	169.78	0	**169.78**	0.00	0.00	169.78	0	**169.78**
		Provision Thereon	-	-	-	-	-	564.44	7.66	394.53	0	**966.63**	564.44	7.66	394.53	0	**966.63**

21.The status of net deferred tax assets / liabilities as per Accounting Standard 22 Accounting for Taxes on Income is given below :

(₹ in crore)

Description	As on 31.03.2015	As on 31.03.2014
(A) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	11.34	24.11
(ii) Preliminary Expenses	0.31	0.46
(iii) Employee related Provision	0.65	0.00
(B) Deferred Tax Liabilities (-)		
(i) Depreciation	(0.32)	(1.49)
(ii) Lease income	(72.19)	(79.95)
(iii) Amortization	(0.60)	(0.83)
(iv) Unamortized Exchange Loss (Net)	(127.46)	(215.30)
Net Deferred Tax liabilities (-)/Assets (+)	**(188.27)**	**(273.00)**

22. In compliance with Accounting Standard – 20 on Earning Per Share issued by the Institute of Chartered Accountants of India, the calculation of Earnings Per Share (basic and diluted) is as under:-

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Net Profit after tax used as numerator (₹ in crore)	6004.40	5,461.84
Weighted average number of equity shares used as denominator (basic)	132,00,40,704	132,00,31,803
Diluted effect of outstanding Stock Options	0.00	7,525
Weighted average number of equity shares used as denominator (diluted)	132,00,40,704	132,00,39,328
Earning per share (basic) (₹)	45.49	41.38
Earning per share (diluted) (₹)	45.49	41.38
Face value per share (₹)	10	10

23. The Company, its subsidiaries and Joint ventures (except one of the subsidiary, PFC Consulting Limited) where principal amount due is ₹ 0.02 crore (as on 31.03.2014 ₹ 0.10 crore) have no outstanding liability towards Micro, Small and Medium enterprises.
24. Leasehold land is not amortized, as it is a perpetual lease.
25. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below: -

S. No.	Exchange Rates	As on 31.03.2015	As on 31.03.2014
(i)	USD / INR	63.06	60.49
(ii)	JPY / INR	0.5263	0.5903
(iii)	EURO / INR	68.42	83.48

In case of specific provision in the loan agreement for a rate other than SBI TT selling rate, the rate has been taken as prescribed in the respective loan agreement.

26. Disclosures as per Accounting Standard –15 :-

A. Provident fund

The Company pays fixed contribution to 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 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 take place in this regard in the near future and hence no further provision is considered necessary.

B. Gratuity

The Company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by an employee subject to a maximum amount of ₹ 10 lakh.

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 accrue 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.

The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation.

The summarised position of various defined benefits recognized in the statement of profit and loss account, balance sheet are as under {Figures in brackets ( ) are as on 31.03.2014}

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Current service cost	1.43 (1.35)	0.52 (0.45)	2.14 (1.89)
Interest cost on benefit obligation	1.53 (1.29)	1.00 (0.76)	1.76 (1.63)
Expected return on plan assets	-1.54 (-1.28)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-1.21 (-0.50)	2.11 (1.54)	1.16 (2.65)
Expenses recognised in Statement of Profit & Loss Account*	0.21 (0.86)	3.63 (2.75)	5.06 (6.17)

* During the year expenses includes ₹0.02 crore (as on 31.03.2014 ₹0.07 crore), ₹0.42 crore (as on 31.03.2014 ₹0.58 crore) and ₹0.34 crore (as on 31.03.2014 ₹0.11 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) The amount recognized in the Balance Sheet:

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Present value of obligation as on 31.03.2015 (i)	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)
Fair value of plan assets as on 31.03.2015 (ii)	19.15 (17.12)	0.00 (0.00)	(0.00) (0.00)
Difference (ii) – (i)	-0.21 (-0.86)	-14.58 (-11.75)	-23.42 (-20.66)
Net asset / (liability) recognized in the Balance Sheet	-0.21 (-0.86)	-14.58 (-11.75)	-23.42 (-20.66)

iii) Changes in the present value of the defined benefit obligations

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Present value of obligation as on 01.04.2014	17.98 (16.16)	11.75 (9.50)	20.66 (20.39)
Interest cost	1.53 (1.29)	1.00 (0.76)	1.76 (1.63)
Current service cost	1.43 (1.35)	0.52 (0.45)	2.14 (1.89)
Benefits paid	-0.47 (-0.51)	-0.80 (-0.50)	-2.30 (-5.90)
Net actuarial (gain)/loss on obligation	-1.11 (-0.31)	2.11 (1.54)	1.16 (2.65)
Present value of the defined benefit obligation as at 31.03.2015	19.36 (17.98)	14.58 (11.75)	23.42 (20.66)

iv) Changes in the fair value of plan assets

(₹ in crore)

Particulars	Gratuity	PRMS	Leave
Fair value of plan assets as on 01.04.2014	17.12 (14.67)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	1.54 (1.28)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	0.86 (1.48)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-0.47 (-0.51)	0.00 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	0.09 (0.20)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as on 31.03.2015	19.14 (17.12)	0.00 (0.00)	0.00 (0.00)

v) One percent increase / decrease in the inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 2.09 crore

Cost decrease by 1% ₹ (2.19) crore

vi) During the year, the Company has provided liability towards contribution to the Gratuity Trust of ₹ 0.21 crore, to PRMS of ₹ 3.63 crore, to ave ₹ 5.06 crore and to pension Nil (during the year ended 31.03.2014 towards contribution to the Gratuity Trust of ₹ 0.86 crore, to PRMS of ₹ 2.75 crore, to leave ₹ 6.17 crore and to pension ₹nil crore). Above amount includes ₹ 0.02 crore (as on 31.03.2014 ₹ 0.07 crore), ₹ 0.42 crore (as on 31.03.2014 ₹0.58 crore) and ₹ 0.34 crore (as on 31.03.2014 ₹ 0.11 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

G. Other Employee Benefits:-

During the year, provision of ₹ 0.01 crore (during the year ended 31.03.2014 ₹ -0.05 crore) has been made for Economic Rehabilitation Scheme (ERS) for Employees and provision of ₹ 0.92 crore has been made for Long Service Award (LSA) for employees (during the year ended 31.03.2014 ₹ 0.74 crore) on the basis of actuarial valuation made at the end of the year by charging / crediting the statement of profit and loss.

H. Details of the Plan Asset:- Gratuity

The details of the plan assets at cost, as on 31.03.2015 are as follows:-

(₹ in crore)

S.No.	Particulars	Year ended 31.03.2015	Year ended 31.03.2014
(i)	Government Securities	10.91	9.69
(ii)	Corporate bonds / debentures	7.54	6.82
	Total	**18.45**	**16.51**

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%

* The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

I. Till FY 2013-14, the employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of Company's employees working in PFCCAS, PFC GEL and PFCCL on deputation / secondment basis were being allocated on actuarial basis and recognized as recoverable (from these subsidiaries) by the Company. During the FY 2014-15, the practice has been changed with effect from 01.01.2007, whereby amount recoverable from subsidiaries, on account of above stated employee benefits, has been mutually worked out at a fixed percentage of employee cost.

J. Other Disclosure:

(₹ in crore)

Gratuity*	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as on	19.36	17.98	16.16	14.03	12.69
Fair value of plan assets as on	19.14	17.12	14.67	12.95	10.57
Surplus/(Deficit)	(0.21)	(0.86)	(1.48)	(1.08)	(2.13)
Experience adjustment on plan liabilities (loss)/ gain	1.10	0.31	0.31	0.23	(0.79)
Experience adjustment on plan assets (loss)/gain	1.64	0.26	0.02	0.17	0.19

(₹ in crore)

PRMS	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as on	14.58	11.75	9.50	8.33	7.13
Experience adjustment on plan liabilities (loss)/ gain	(2.12)	(1.54)	(0.16)	(0.78)	(0.17)

(₹ in crore)

Leave	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as on	23.42	20.66	20.39	17.74	15.47
Experience adjustment on plan liabilities (loss)/ gain	(1.18)	(2.63)	(1.50)	(0.58)	(0.65)

(₹ in crore)

LSA	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as on	4.49	4.04	3.71	3.33	2.75
Experience adjustment on plan liabilities (loss)/ gain	0.67	0.46	0.80	-	-

(₹ in crore)

ERS	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as on	1.24	1.24	1.31	1.24	1.26
Experience adjustment on plan liabilities (loss)/ gain	0.38	0.46	0.43	-	0.40

(₹ in crore)

Baggage Allowance	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Present value of obligation as on	0.10	0.09	0.08	0.07	0.05
Experience adjustment on plan liabilities (loss)/ gain	0.02	0.01	0.01	-	-

*The Company's best estimate of the contribution towards gratuity for the financial year 2015-16 is ₹0.68 crore. Actual return on plan assets during the year ended 31.03.2015 is ₹1.64 crore (previous year ₹1.47 crore). Further, the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

27. Details of provision as required in Accounting Standard – 29, {Figures in brackets ( ) are as on 31.03.2014}, are as under :

(₹ in crore)

Provision for	Opening Balance (as on 1st April of the FY) (1)	Addition during the year (2)	Paid / adjusted during the year (3)	Closing Balance 4 = (1+2-3)
Post-Retirement Medical Scheme	11.75 (9.50)	3.63 (2.75)	0.80 (0.50)	14.58 (11.75)
Gratuity	0.88 (1.48)	0.21 (0.88)	1.01 (1.48)	0.08 (0.88)
Provision for super annuation benefit (Pension)	0.08 (0.15)	0.00 (0.00)	0.01 (0.07)	0.07 (0.08)
Leave Encashment	20.73 (20.41)	5.20 (6.22)	2.37 (5.90)	23.56 (20.73)
Economic Rehabilitation Scheme for employee	1.24 (1.31)	0.01 (-0.05)	0.01 (0.02)	1.24 (1.24)
Bonus / Incentives / Base Line Compensation	20.19 (29.83)	12.09 (12.44)	19.83 (22.08)	12.45 (20.19)
Baggage Allowances	0.09 (0.08)	0.01 (0.01)	0.00 (0.00)	0.10 (0.09)
Service Award	4.04 (3.71)	0.92 (0.74)	0.47 (0.41)	4.49 (4.04)
Income Tax	4,639.16 (3,420.56)	2,529.69 (2,103.77)	945.96 (885.17)	6,222.89 (4,639.16)
Proposed Final Dividend	26.40 (132.00)	79.20 (26.40)	26.40 (132.00)	79.20 (26.40)
Proposed Corporate Dividend Tax	4.49 (22.43)	16.12 (4.49)	4.49 (22.43)	16.12 (4.49)

28. Pursuant to the requirements of the Companies Act 2013, followed by clarification from Department of Public Enterprises (DPE), the Company amended its CSR and Sustainability policy during the year. Accordingly, during the year, a CSR provision amounting to ₹ 118.50 crore (previous year ₹ 63.23 crore including reversal of CSR and SD reserve amounting to ₹ 18.85 crore as on 31.03.2013) has been made at the rate 2% of the average net Profit Before Tax (PBT) of the Company earned during the three immediately preceding financial years. During the FY 2014-15, an amount of ₹ 50.75 crore (previous year ₹ 46.52 crore) has been disbursed against CSR activities.

    As on 31.03.2015, the CSR and SD provisions stands at ₹ 114.46 crore (previous year ₹ 32.33 crore) after adjusting an amount of ₹ 36.37 crore (previous year ₹ 30.90 crore) during the year on account of CSR claims.

29. Disclosure as per Accounting Standard - 1 on 'Disclosure of Accounting Policies' During the year, following changes in Part – B- Consolidated Significant accounting policies have been made:

    (i) Policy no. C 1, Basis for Preparation of Financial Statements, has been aligned with the Companies Act, 2013. There is no financial impact due to this change.

    (ii) Policy no. C 2.7, regarding adjustment of repayment against earliest disbursement is deleted since the same is covered under Policy no. C 2.6. There is no financial impact due to this change.

    (iii) Policy no. C 4.3, Fixed assets / Depreciation, has been aligned with the Companies Act, 2013. There is no financial impact due to this change. The financial impact on account of change in estimate has been disclosed at note 35.

    (iv) Policy no. C 5.1, Intangible Assets / Amortization, has been aligned with the presentation followed by the Company. There is no financial impact due to this change.

    (v) Policy no. C 6, Investments, has been modified to bring in more clarity. There is no financial impact due to this change.

    (vi) Policy no. C 7.4 (ii) (a) has been modified to avoid overlapping with policy no. C 7.3 (iii). There is no financial impact due to this change.

(vii) Policy no. C 7.7.(i), Restructuring, Reschedulement or Renegotiation of term(s) of loan, has been aligned with the changes in the Prudential Norms of the Company. There is no financial impact due to this change.

(viii) Policy no. C 7.7.(vii), Eligibility for Upgradation of Restructured / Rescheduled / Renegotiated Sub-standard Infrastructure loan, has been aligned with the changes in the Prudential Norms of the Company. There is no financial impact due to this change.

(ix) Policy no. C 7.7.(xii), regarding provisioning on Restructured / Rescheduled / Renegotiated standard asset, has been added to align with the changes in the Prudential Norms of the Company. The financial impact has been disclosed at note 18 supra.

(x) Policy no. C 10, Accounting of Government of India Schemes, has been amended to align with the nature of transaction governed under the policy related to GoI schemes such as RAPDRP, IPDS. There is no financial impact due to this change.

(xi) Policy no. C 11, R-APDRP Fund, has been deleted since the same is covered under amended Policy no. C 10. There is no financial impact due to this change.

(xii) Policy no. C 12.5, regarding income on development of Request for Qualification (RFQ) document / Request for Proposal (RFP) document, has been deleted since the same is no more relevant. There is no financial impact due to this change.

(xiii) Policy no. C 16, Cash and Cash Equivalents, has been added to bring in more clarity. There is no financial impact due to this change.

30. (A) Interim Dividend

The Board of Directors in their 330th meeting held on 27.02.2015 declared interim dividend at the rate of 85% i.e. ₹ 8.50/- per equity share of ₹10/- each amounting to ₹1,122.04 crore for the FY 2014-15.

(B) Proposed Final Dividend

The final dividend proposed for the year is as follows:

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
On Equity Shares of ₹ 10 each		
-Amount of Dividend proposed (₹ in crores)	79.20	26.40
-Rate of Dividend	6.00%	2.00%
-Dividend per equity share (₹)	0.60	0.20

C) 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. The particulars of dividends paid / payable to non-resident shareholders (including Foreign Institutional Investors) are as under:

Particulars	Interim Dividend		Final Dividend	
Year to which the dividend relates	2013-14	2012-13	2013-14	2012-13
Number of non-resident shareholders	2,359	2,421	2,460	2,452
Number of shares held by them of Face Value of ₹ 10 each	14,36,22,601	14,63,82,692	15,81,53,992	15,42,59,825
Gross amount of Dividend in (₹ in crore)	126.39	87.83	3.16	15.43

31. 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 the 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. The response in this regard is still awaited.

Meanwhile, the Company vide letter dated 19.02.2015 has again requested CERSAI to remove the practical difficulties in entering the data in the web portal of CERSAI. The response is still awaited.

32. As required under Section 205C of the Companies Act, 1956, ₹ 0.21 crore (Previous Year ₹Nil) became due and was transferred to the Investor Education and Protection Fund (IEPF) during the year ended on 31.03.2015. However, an amount of ₹ 0.56 crore (Previous Year ₹ 0.56 crore) remains unpaid pending completion of transfer formalities by the claimants.

33. During the year, letters were sent to various parties for seeking confirmation of balances. Confirmation from few parties is awaited and in one case which is sub-judice.

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, 2015.

35. The value of invoices raised by one of the subsidiaries pursuant to execution of contract agreement/ issue of letter of award in respect whereof no income have been recognised and no amount received have been set off from assets and liabilities amounting to ₹ 7.33 crore (Previous year ₹ 4.40 crore) respectively.

36. The Disclosure requirement in respect of subsidiary companies and joint venture has been disclosed to the extent available from their unaudited accounts.

37. Effective from 1st April 2014, depreciation on 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 per Companies Act, 2013. In respect of life expired assets, an amount of ₹ 1.93 crore (net of deferred tax) has been charged to retained earnings as per Companies Act, 2013.

38. The Company, its subsidiaries and joint ventures does not have more than one reportable segment in terms of Accounting Standard 17 on Segment Reporting.

39. Previous year's figures have been re-grouped / re-arranged, wherever practicable to make them comparable.

40. Figures have been rounded off to the nearest crore of rupees with two decimals.

41. EESL, one of the JV of the Company follows different accounting policy in respect to depreciation. Depreciation is charged by EESL as per straight line method in accordance with Schedule II of Companies Act 2013 whereas the Company and all other subsidiaries and JVs 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.

42. Additional Disclosures in accordance with RBI Directions on Corporate Governance in respect of NBFCs in the group i.e. PFC Limited and PFC Green Energy Limited.

(A) Reference may be made to Note Part - B for Significant Accounting Policies.

(B) Investments

(₹ in crore)

Sl. No.	Particulars			As on 31.03.2015	As on 31.03.2014
(1)	Value of Investments				
	(i)	Gross Value of Investments			
		(a)	In India	852.38	352.17
		(b)	Outside India	0.00	0.00
	(ii)	Provisions for Depreciation			
		(a)	In India	1.06	0.00
		(b)	Outside India	0.00	0.00
	(iii)	Net Value of Investments			
		(a)	In India	851.32	352.17
		(b)	Outside India.	0.00	0.00
(2)	Movement of provisions held towards depreciation on investments.				
	(i)	Opening balance		0.00	0.15
	(ii)	Add : Provisions made during the year		1.06	0.00
	(iii)	Less : Write-off / write-back of excess provisions during the year		0.00	0.15
	(iv)	Closing balance		1.06	0.00

(C) Derivatives

I. Forward Rate Agreement / Interest Rate Swap in respect of Loan Liabilities:

(₹ in crore)

Sl. No.	Particulars	As on 31.03.2015	As on 31.03.2014
(i)	The notional principal of swap agreements	9,541.10	11,442.78
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	74.47	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	N/A	N/A
(iv)	Concentration of credit risk arising from the swaps	N/A	N/A
(v)	The fair value of the swap book	42.13	(407.83)

II. The Company does not hold any exchange traded Interest Rate (IR) derivatives (Previous year Nil).

III. Qualitative disclosures on Risk Exposure in Derivatives:

a. The Company has put in place Currency Risk Management policy to manage and hedge risks associated with foreign currency borrowing. The said policy prescribes the structure and organization for management of associated risks.

b. The Company enters into derivatives transactions to mitigate exchange rate risk in foreign currency liabilities and interest rate risk in rupee and foreign currency liabilities. A system for reporting and monitoring of risks is in place.

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 on 31.03.2015		As on 31.03.2014	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging[1]	1,595.42	9,541.10	2,662.71	11,442.78
(ii)	Marked to Market Positions (MTM)				
	a) Asset (+MTM)	12.86	86.05	90.44	4.37
	b) Liability (-MTM)	294.66	43.92	269.49	412.20
(iii)	Credit Exposure	Nil	Nil	Nil	Nil
(iv)	Unhedged Exposures[2]	8,830.84	6,608.82	7,397.24	3,892.76

[1] Interest rate derivatives include derivatives on Rupee liabilities of ₹7,964.60 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 ₹1,008.96 crore (Previous year ₹1,482.01 crore)

(D) Disclosures related to Securitisation

I. The Company has not entered into any securitization transaction during the year and there is no exposure on account of securitisation as on 31.03.2015 (Previous year Nil).

II. The Company has not sold any financial assets to Securitisation / Reconstruction Company for asset construction during the year ended 31.03.2015 (Previous Year Nil).

III. The Company has not undertaken any assignment transaction during the year ended 31.03.2015 (Previous Year Nil).

IV. The Company has neither purchased nor sold any non-performing financial assets during the year ended 31.03.2015 (Previous Year Nil)

(E) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

(₹ in crore)

Particulars	Up to 30 / 31 days	Over 1 month & up to 2 Months	Over 2 months & up to 3 Months	Over 3 months & up to 6 Months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances[1]	2,774.17	289.41	409.98	3,309.26	9,013.01	36,690.98	40,174.08	1,24,630.60	2,17,291.49
Investments	0.00	0.00	0.00	0.00	504.04	0.00	0.00	347.29	851.33
Borrowings[2]	6,009.67	4,154.50	2,885.00	302.80	10,212.78	41,704.41	40,714.85	72,416.83	1,78,400.84
Foreign Currency assets	7.90	0.00	0.00	14.59	16.41	37.67	92.06	144.72	313.35
Foreign Currency liabilities	4.51	0.00	6.52	1,576.50	463.64	3,084.13	1,614.63	2,980.72	9,730.65

[1] Rupee Loan Assets

[2] Rupee Liabilities

(F) Exposures

I. The Company does not have any exposure to real estate sector.

II. Exposure to Capital Market:

(₹ in crore)

Sl. No.	Particulars	Amount as on 31.03.2015	Amount as on 31.03.2014
(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);	844.70	344.49
(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;	1,076.71	200.00
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances (excluding loans where security creation is under process);	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	2,097.82	1,317.44
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	7.68	7.68
	Total Exposure to Capital Market	**4,026.91**	**1,869.61**

III. Details of financing of parent company products:

The Company does not have a parent company.

IV. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

The Company has not exceeded its prudential exposure limits against Single Borrower / Group Borrower Limits during FY 2014-15 and FY 2013-14.

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 on 31.03.2014 (Previous Year Nil).

(G) Registration obtained from other financial sector regulators

The Company is a Government Company and is registered with RBI as NBFC-ND-IFC (Non-Banking Finance Company – Non Deposit Accepting - Infrastructure Finance Company).

(H) Disclosure of Penalties imposed by RBI and other regulators

During the year ended 31.03.2015 (Previous Year), no penalty has been imposed on the Company by SEBI and RBI.

(I) 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 on 31.03.2015:

Sl. No.	Rating Agency	Rating	Outlook
1.	Fitch Ratings	BBB-	Stable
2.	Standard & Poor (S&P)	BBB-	Stable[(1)]
3.	Moody's	Baa3	Stable

[(1)]During the year ended 31.03.2015, S&P has revised its outlook from Negative to Stable.

(J) 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-29 of notes to accounts regarding prior period items and changes in accounting policies respectively.

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

Reference may be made to significant accounting policy number 2.1 of Part B of notes to accounts.

(L) The Company is preparing Consolidated Financial Statements in accordance with Accounting Standard – 21. Reference may be made to Part C – 2 & 2.1 of notes to accounts in this regard.

(M) Provisions and Contingencies

(₹ in crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	During the FY ended 31.03.2015	During the FY ended 31.03.2014
Provisions for depreciation on Investment	1.06	(0.15)
Provision towards NPA	261.32	133.26
Provision made towards Income Tax	2,516.17	2,087.30
Provision on Standard Assets	17.31	336.69
Provision on Restructured Standard Assets	564.44	0.00

(N) Draw Down from Reserves

Reference may be made to Part C-35 of notes to accounts in this regard.

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

a. Concentration of Deposits (for deposit taking NBFCs)

The Company is a non-deposit accepting NBFC.

b. Concentration of Advances:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Advances to 20 largest borrowers	1,34,557.86	1,23,477.26
Percentage of Advances to 20 largest borrowers to Total Advances of the company	61.84	65.32

c. Concentration of Exposures:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Exposure to twenty largest borrowers / customers	2,02,894.88	2,08,425.14
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	55.86	61.08

d. Concentration of NPAs:

(₹ in crore)

Particulars	As on 31.03.2015	As on 31.03.2014
Total Exposure to top four NPA accounts	2,228.64	1,218.80

e. Sector-wise NPAs

The Company is a Government Company engaged in extending financial assistance to power sector. As on 31.03.2015, the percentage of NPAs to total loan assets stand at 0.87% (Previous year 0.52%).

(P) Movement of NPAs in respect of Loan Assets

(₹ in crore)

Sl. No.	Particulars	FY 2014-15	FY 2013-14
(i)	Net NPAs to Net Advances (%)	0.87	0.52
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	1,227.71	1,134.52
	(b) Additions during the year	2,482.92	1,418.44
	(c) Reductions during the year	1,347.00	1,325.25
	(d) Closing balance	2,363.63	1,227.71
(iii)	Movement of Net NPAs		
	(a) Opening balance	985.42	1,013.04
	(b) Additions during the year	2,229.69	1,261.69
	(c) Reductions during the year	1,324.93	1,289.31
	(d) Closing balance	1,890.18	985.42
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	242.29	121.48
	(b) Provisions made during the year	365.63	253.34
	(c) Write-off / write-back of excess provisions	134.47	132.53
	(d) Closing balance	473.45	242.29

(Q) The Company does not have any Overseas Assets in the form of Joint Ventures and Subsidiaries.

(R) Reference may be made to Part C-8(A)(b) of notes to accounts for list of Off-balance Sheet SPVs sponsored by the Company.

(S) Customer Complaints for FY 2014-15

Sl. No.	Particulars	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

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 N.K. Bhargava & Co.
Chartered Accountants
Firm Regn. No. 000429N

Sd/-
(N.K. BHARGAVA)
PARTNER
Membership No - 080624

For K.B.Chandna & Co.
Chartered Accountants
Firm Regn. No. 000862N

Sd/-
(V.K. GUREJA)
PARTNER
Membership No - 016521

Place : New Delhi
Date : 28.05.2015

POWER FINANCE CORPORATION LIMITED
CIN L65910DL1986GOI024862
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in crore)

	Particulars	Year Ended 31.03.2015		Year Ended 31.03.2014	
I	**Cash Flow from Operating Activities :-**				
	Net Profit before Tax and Extraordinary items	**8,445.88**		**7,624.42**	
	ADD: Adjustments for				
	Loss on Sale of Assets (net)	(0.03)		0.08	
	Depreciation / Amortization	7.93		5.23	
	Amortization of Zero Coupon Bonds & Commercial Papers	47.50		102.74	
	Foreign Exchange Translation Loss	222.64		414.06	
	Diminution in value of investments	1.06		(0.15)	
	Provision for Contingencies	843.07		469.95	
	Dividend on investment	(31.46)		(2.14)	
	Provision for CSR Expenditure & Sustainable Expenditure	117.49		63.23	
	Provision for interest under IT Act	4.32		5.22	
	Provision for Retirement Benefits / Other Welfare Expenses / Wage revision	21.99		9.80	
	Interest Received	(14.26)		(13.21)	
	Interest Paid	0.12		0.01	
	Operating profit before working Capital Changes:	**9,666.25**		**8,679.24**	
	Increase / Decrease :				
	Loans Disbursed (Net)	(28,568.92)		(28,516.88)	
	Other Current Assets	(772.62)		(1,409.83)	
	Foreign Currency Monetary Item Translation Difference A/c	328.65		(231.24)	
	Liabilities and provisions	374.57		986.23	
	Cash flow before extraordinary items	**(18,972.07)**		**(20,492.48)**	
	Extraordinary items	0.00		0.00	
	Cash Inflow / Outflow from operations before Tax	(18,972.07)		(20,492.48)	
	Income Tax paid	(2,475.24)		(2,038.83)	
	Income Tax Refund	5.74		57.97	
	Net Cash flow from Operating Activities		**(21,441.57)**		**(22,473.34)**
II.	**Cash Flow From Investing Activities :**				
	Sale / adjustment of Fixed Assets	0.19		0.17	
	Purchase of Fixed Assets	(40.90)		(2.81)	
	Increase / decrease in Capital Works in Progress	(1.60)		0.00	
	Investments in Subsidiaries	(0.20)		0.00	
	Interest Received	14.25		13.21	
	Dividend on investments	31.46		2.14	
	Other Investments	(495.11)		(3.51)	
	Net Cash Used in Investing Activities		**(491.91)**		**9.20**
III.	**Cash Flow From Financing Activities :**				
	Issue of Equity Shares	0.00		0.44	
	Issue of Bonds (including premium) (Net)	32,857.60		21,143.54	
	Raising of Long Term Loans (Net)	(7,863.06)		5,465.00	
	Foreign Currency Loans (Net)	566.33		67.27	
	Interest Paid	(0.12)		0.00	
	Commercial paper (Net)	805.00		(3,650.00)	
	Loan Against Fixed Deposits / Working Capital Demand Loan / OD / CC / Line of Credit (Net)	1,928.17		(3,819.77)	
	Interest Subsidy Fund	(12.52)		(21.91)	
	Unclaimed Bonds (Net)	(0.57)		(0.17)	
	Payment of Final Dividend (including Corporate Dividend Tax) of Previous year	(30.89)		(154.43)	
	Payment of Interim Dividend (including Corporate Dividend Tax) of Current year	(1,346.14)		(1,359.05)	
	Net Cash in-flow from Financing Activities		**26,903.80**		**17,670.92**

	Net Increase / Decrease in Cash & Cash Equivalents		**4,970.32**		**(4,793.22)**
	Add : Cash & Cash Equivalents at beginning of the financial year		**62.88**		**4,856.10**
	Cash & Cash Equivalents at the end of the year #		**5,033.20**		**62.88**
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	138.25	138.30	3.22	3.27
ii)	Cheques in hand		0.01		58.36
iii)	Imprest with postal authority		0.00		0.00
iv)	Fixed Deposits with Scheduled Banks (original maturity up to three months)		4894.89		1.25
	Sub Total (I)		**5033.20**		**62.88**
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.	1.36		1.50	
b)	IPDS :				
	Balances in current account with schedule banks	5.00		0.00	
	Fixed Deposits with Banks	45.00	51.36	0.00	1.50
ii)	Fixed Deposits with Scheduled Banks (original maturity more than three months but up to twelve months)		282.80		395.11
iii)	Fixed Deposits with Scheduled Banks (original maturity more than twelve months)		93.27		27.36
	Sub Total (II)				
	Total Cash and Bank Balance at the end of the year. (I+II)		**5460.63**		**486.85**

 # Includes ₹ 11.03 crore (Previous year ₹ 2.87 crore) share of Jointly Controlled Entity.

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**
(MANOHAR BALWANI)	**R. NAGARAJAN**	**M.K. GOEL**
Company Secretary	Director (Finance)	Chairman & Managing Director
	DIN - 00701892	DIN - 00239813

Signed in terms of our report of even date attached

For N.K. Bhargava & Co.	For K.B.Chandna & Co.
Chartered Accountants	Chartered Accountants
Firm Regn. No. 000429N	Firm Regn. No. 000862N
Sd/-	**Sd/-**
(N.K. BHARGAVA)	**(V.K. GUREJA)**
PARTNER	PARTNER
Membership No - 080624	**Membership No - 016521**

Place : New Delhi
Date : 28.05.2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POWER FINANCE CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Power Finance Corporation Limited** (hereinafter referred to as 'the Holding Company') its subsidiaries (hereinafter together referred as "the Group") and its jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of 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 and consolidated cash flows of the Group including 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 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 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 provision 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 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 term of their report 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 31st March, 2015 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 notes to the consolidated financial statements:

Note No. 18 of Note Part-C of consolidated other notes to accounts, regarding application of prudential norms stipulated by Reserve Bank of India in respect of Restructuring / Reschedulement / Renegotiation (R/R/R) for the financial year 2014-15 for reasons indicated therein.

Our opinion is not modified in respect of above matter.

Other Matters

(a) We did not audit the financial statements of four subsidiaries and one jointly controlled entity, whose financial statements reflect total assets of ₹ 492.51 crore as at 31st March, 2015, total revenues of ₹ 88.00 crore and net cash flows amounting to ₹ 2.53 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors 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, insofar as it relates to the aforesaid subsidiaries and jointly controlled entity is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of one jointly controlled entity whose financial statements reflect total assets of ₹ 79.00 crore as at 31st March, 2015, total revenues of ₹ 17.59 crore and net cash flows amounting to ₹ 7.04 crore for the year ended on that date, as considered in the consolidated financial statements.

These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of 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 / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, 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 31st March, 2015 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 companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 3 (A)(iii) & B of part C-consolidated other notes on account to the consolidated financial statements.

ii. Provisions have been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note A-5 to the consolidated financial statements in respect of such items as it relates to the Group and jointly controlled entities.

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 companies incorporated in India.

For N.K. Bhargava & Co.
Chartered Accountants
Firm's Regn. No.: 000429N

Sd/-
N.K. Bhargava
Partner
Membership No.: 080624

For K.B. Chandna & Co.
Chartered Accountants
Firm's Regn. No. 000862N

Sd/-
V.K. Gureja
Partner
Membership No.: 016521

Place : New Delhi
Date : 28.05.2015

Annexure to Independent Auditor's Report

(Refer to our Report of even date on Other Legal and Regulatory Requirements)

Our comments on Companies (Auditor's Report) Order, 2015 include four subsidiaries and one jointly controlled entity, the financial statements of which have been audited by other auditors. However, it does not include comments on one jointly controlled entity, the financial statements of which are unaudited.

(i) (a) The group and a jointly controlled entity have maintained proper records showing full particulars including quantitative details and situation of fixed assets, wherever applicable.

(b) As explained to us, the management carries out the physical verification of fixed assets annually, wherever applicable. In our opinion, the frequency of physical verification is reasonable having regard to the size of the group and a jointly controlled entity and nature of their assets. As explained to us, no material discrepancies were noticed by the management on such physical verification.

(ii) In accordance with the nature of the business, the group and a jointly controlled entity do not have any inventory. Thus, clause 3(ii) of the Companies (Auditor's Report) Order, 2015 is not applicable.

(iii) As explained to us and verified from books and records, the group and a jointly controlled entity have 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. Accordingly, clauses 3(iii) (a) and (b) of the Companies (Auditor's Report) Order, 2015 are not applicable.

(iv) Having regard to the nature of business, we report that activities of the group and a jointly controlled entity do not include purchase of inventory and sale of goods. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the group and a jointly controlled entity and nature of their business with regards to purchase of fixed assets and services rendered by them. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system with regard to purchase of fixed assets and services rendered by them.

(v) According to the information and explanations given to us, the group and a jointly controlled entity have 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 group and a jointly controlled entity

(vii) In respect of statutory dues, on the basis of information and explanations given to us and on the basis of examination of the records, we report that:

(a) The group and a jointly controlled entity are regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Service Tax, Wealth Tax and Value Added Tax and other material statutory dues as applicable to them and there are no undisputed amounts payable in respect of aforesaid dues outstanding for a period of more than six months as on 31st March, 2015.

(b) According to information and explanations given to us, there are no dues of Income tax / Sales Tax / Wealth Tax / Service Tax / Value Added Tax or Cess etc., which have not been deposited by the group and a jointly controlled entity on account of any dispute.

(c) Based on our audit procedures and according to the information and explanations given to us, the group and a jointly controlled entity have transferred to Investor Education and Protection Fund (IEPF), in accordance with the relevant provisions of the Companies Act, 1956 (1 to 1956), wherever applicable. The amount has been transferred to such fund within time.

(viii) The group does not have any accumulated losses and has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year except Power Equity Capital Advisors (P) Ltd (PECAP, a subsidiary) which has incurred a cash loss of ₹ 3,368/- during the financial year but did not incur any cash loss during the immediate preceding financial year. PECAP does not have any accumulated loss as on 31.03.2015.

Further, National Power Exchange Limited (NPEL, a jointly controlled entity) has accumulated losses of ₹ 6,26,76,278.92 as on 31st March, 2015 which is less than 50% of its total net worth. NPEL has not incurred any cash loss during the financial year, however, it has incurred cash loss of ₹ 3,88,980.00 in the immediately preceding financial year.

(ix) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the holding company has not defaulted in repayment of dues to financial institutions, banks or debenture holders. This clause is not applicable to subsidiaries and a jointly controlled entity.

(x) The holding company has given guarantees in connection with loans taken by others from banks or financial institutions. According to information and explanations given to us we are of the opinion that, the terms and conditions of the guarantees given are not prima-facie prejudicial to the interest of the Company. This clause is not applicable to subsidiaries and a jointly controlled entity.

(xi) According to the information and explanations given to us, the Term Loans taken by the holding company have been utilized for the purpose for which they were obtained. This clause is not applicable to subsidiaries and a jointly controlled entity.

(xii) To the best of our knowledge and according to the information and explanations given to us no fraud on or by the group and a jointly controlled entity have been noticed or reported during the course of our audit.

For N.K. Bhargava & Co.
Chartered Accountants
Firm's Regn. No.: 000429N

Sd/-

N.K. Bhargava
Partner
Membership No.: 080624

For K.B. Chandna & Co.
Chartered Accountants
Firm's Regn. No. 000862N

Sd/-

V.K. Gureja
Partner
Membership No.: 016521

Place : New Delhi
Date : 28.05.2015

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 2015

The preparation of Consolidated Financial Statements of Power Finance Corporation Limited for the year ended 31 March, 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 28 May 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with Section 129(4) of the Act of the Consolidated Financial Statements of Power Finance Corporation Limited for the year ended 31 March 2015. We conducted a supplementary audit of the financial statements of Power Finance Corporation Limited and PFC Consulting Limited, but did not conduct supplementary audit of the financial statements of Subsidiaries, Associate Companies and Jointly Controller Entities listed in the Annexure for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

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

Sd/-
(Tanuja S. Mittal)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board - III,
New Delhi

Place : New Delhi
Dated : 31 July 2015

Annexure

List of Subsidiaries, Associate Company and Jointly Controlled Entities whose financial statement are not audited by the Comptroller and Auditor General of India:

A. Subsidiaries incorporated in India:

1. PFC Green Energy Limited
2. PFC Capital Advisory Services Limited
3. 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: L65910DL1986G01024862
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 29th Annual General Meeting of the Company being held on Thursday, the September 24, 2015 at 10:00 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.

The Route Map for Weightlifting Auditorium,
Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-110003

POWER FINANCE CORPORATION LIMITED

CIN: L65910DL1986G01024862

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 a 29th Annual General meeting of the Company, to be held on Thursday, the September 24, 2015 at 10:00 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:

S.No.	Resolution	For	Against
Ordinary Business			
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015, the Reports of the Board of Directors and Auditors thereon		
2	To confirm interim dividend and declare final dividend for the year 2014-15.		
3	To appoint a Director in place of Shri B. N. Sharma (DIN:01221452), who retires by rotation and being eligible, offers himself for re-appointment		
4	To fix the remuneration of the Statutory Auditors		
Special Business			
5.	Raise funds upto ₹ 60,000 crore through issue of bonds/Debentures/notes/debt securities on Private Placement basis		

Signed this..... day of..... 20.....

Signature of shareholder _____ Signature of Proxy holder(s) _____ (Affix Revenue Stamp of appropriate value)

NOTE: This form of Proxy in order to be effective should be duly completed, stamped and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Annual General Meeting.

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POWER FINANCE CORPORATION LTD.

(A Govt. of India Undertaking)

Regd. Office : 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi - 110 001

Tel.: 011-23456000, Fax : 011-23412545, Website : http://www.pfcindia.com

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