

# **PFC CONSULTING LIMITED**

**(A Wholly Owned Subsidiary of Power Finance Corporation Limited)**

## **13<sup>TH</sup> ANNUAL REPORT** **(2020-21)**

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# Corporate Information

## BOARD OF DIRECTORS

1. Shri R.S. Dhillon : Chairman
2. Shri P.K. Singh : Director
3. Smt. Parminder Chopra : Director

## CGM (IN-CHARGE)

Shri Manoj Kumar Rana

## COMPANY SECRETARY

Shri Manish Kumar Agarwal

## SUBSIDIARIES

Tanda Transmission Co. Ltd.  
Shongtong Karcham-Wangtoo Transimission Ltd.  
Bijawar-Vidarbha Transmission Ltd.  
Vapi II-Lakhimpur Transmission Ltd.  
Bikaner-Khetri Transmission Ltd.  
Bhuj-II Transmission Ltd.  
Karur Transmission Ltd.  
Koppal-Narendra Transmission Ltd.  
Ananthpuram Kurnool Transmission Ltd.  
Khetri-Narela Transmission Ltd.  
Bhadla Sikar Transmission Ltd.  
Nangalbibra-Bongaigaon Transmission Ltd.  
Kishtwar Transmission Ltd.  
Khavda-Bhuj Transmission Ltd.  
Mohanlalganj Transmission Ltd.

## STATUTORY AUDITORS

M/s. Khanna & Annadhanam, Chartered Accountants

## BANKERS:

Yes Bank Ltd.  
State Bank of India Ltd  
The Ratnakar Bank Ltd.  
Allahabad Bank  
Dena Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
Kotak Mahindra Bank Ltd.  
IDFC Bank Ltd.  
Punjab National Bank

## REGISTERED OFFICE:

First Floor, "Urjanidhi", 1, Barakhamba Lane  
Connaught Place New Delhi 110001

## CORPORATE OFFICE:

9<sup>th</sup> Floor ('A' Wing)  
Statesman House Building  
Barakhamba Road  
Connaught Place  
New Delhi 110001  
Tel: 011-23443900  
Fax: 011-23443900

## WEBSITE:

[www.pfcclindia.com](http://www.pfcclindia.com)

## PFC CONSULTING LIMITED

(A Wholly Owned Subsidiary of Power Finance Corporation Limited)

### BOARD'S REPORT 2020-21

To

The Members,

The Directors have pleasure in presenting the 13<sup>th</sup> Board Report on the performance of your Company for the Financial Year ended 31<sup>st</sup> March, 2021 together with Audited Financial Statements, Auditor's Report thereon and comments of Comptroller & Auditor General of India.

### FINANCIAL HIGHLIGHTS

(Figures in ₹ Lakh)

Sl. No.	Particulars	2020-21	2019-20	% Change
1.	Total Income	7,446	11,807	(37%)
2.	Total Expenditure	3,774	3,961	(5%)
3.	Profit Before Tax	3,672	7,845	(53%)
4.	Provision for Tax			
	- Current Tax	1,016	1,846	
	- Income tax adjustment for earlier years	-	-	
	- Deferred Tax	(54.30)	185	
5.	Profit After Tax	2,710	5,815	(53%)
6.	Profit brought forward from previous years	5,992.21	9,159.44	
7.	Interim Dividend (including dividend distribution tax)	-	9,041.65	
8.	Final Dividend (including dividend distribution tax)	1,355	-	
9.	Accumulated Profit carried to Balance Sheet	4,567.21	5,992.21	

### FINANCIAL PERFORMANCE

#### **i) Revenue**

During the financial year under review, the total income of the Company has decreased from ₹11,867 Lakh to ₹7,446 Lakh showing decrease of 37% from the previous year. The main reason for decrease in income is transfer/award of Independent Transmission Projects to successful developers. During the FY 2020-21 only 2 (Two) ITPs were transferred as compared to 5(Five) transferred/awarded in FY 2019-20. However, the income from consultancy assignments (other than from fee on transfer of ITPs and manpower charges) increased from ₹2,440 Lakh to ₹ 3,088 Lakh.

During the year, the Company has earned other income of ₹660.40 Lakh as compared to ₹664.00 lakh of previous year.

## ii) Expenses

During the Financial Year 2020-21, the Company had incurred total expenditure of ₹3,774 Lakh as against the total expenditure of ₹3,961 Lakh incurred last year.

## iii) Profit

During the financial year 2020-21, your company earned Profit before Tax of ₹ 3,672 Lakh as compared to ₹ 7,845 Lakh for the financial year 2019-20 showing decrease of 53%. The main reason decrease in profit is transfer/award of ITPs. During the FY 2020-21 income of only Rs.1,370 Lakh received as compared to Rs.5,992 Lakh received in FY 2019-20 from transfer/award of ITPs.

## iv) Dividend

In compliance of the provisions of Guidelines for Capital Restructuring of Central Public Sector Enterprises (CPSE) dated 27<sup>th</sup> May 2016 issued by Deptt. of Investment & Public Asset Management (DIPAM), Govt. of India, the Board of Directors in its meeting held on 29<sup>th</sup> November, 2021 recommended dividend amounting to Rs.1,355 lakh i.e. @50% of the PAT for approval of shareholders.

## v) Share Capital

During the financial year 2020-21, the paid-up share capital is ₹ 5,22,460/- (Rupees Five Lakh, Twenty Two Thousand, Four Hundred and Sixty only) comprising of 52,246 equity shares of ₹10/- each. The entire paid up share capital of the Company is held by Power Finance Corporation Limited (PFC) and its nominees.

## OPERATIONAL HIGHLIGHTS

Your company has been established to provide Consultancy Services in Power Sector including development of Ultra Mega Power Projects (UMPPs) and Independent Transmission Projects (ITPs). The operational highlights of PFC Consulting Limited (PFCCL) for the year under review are as follows:

- i. MAHAGENCO has appointed PFCCL to Carry out comparison of various options to utilize the coal rejects generated from washing of coal at Gare Palma Sector-II coal mine, dist:-Raigarh, MAHAGENCO.
- ii. MPPMCL has appointed PFCCL for Energy Portfolio Management of MP Power Management Company Limited.
- iii. PFC has appointed PFCCL for development of Distribution Sector Information Aggregation & Analytics Portal.
- iv. Ministry of Power appointed PFCCL as nodal agency for conducting bidding under SHAKTI Policy B(ii)-Fourth round for the allocation of Coal to Power Generating Company.
- v. Himachal Pradesh State Electricity Board Limited has appointed PFCCL for implementing Smart Metering in Shimla and Dharamshala Town of HP.
- vi. PFCCL is carrying out implementation of Smart Metering in the Union Territory of Puducherry.

- vii. PFCCL has entered into an MoU with NLC and TANGEDCO for development of Ultra Mega Renewable Energy Power Park in the State of Tamil Nadu.
- viii. PFCCL is assisting Ministry of Power, Govt. of India in the process of Privatisation of Power Departments of:
  - Dadra & Nagar Haveli
  - Daman & Diu
  - Jammu & Kashmir
  - Ladakh
  - Chandigarh
  - Andaman & Nicobar Islands
  - Puducherry and Lakshadweep.
- ix. PFCCL appointed as Bid Process Coordinator (BPC) for eight (8) new Transmission Schemes to be implemented through tariff based Competitive Bidding Process. Eight (8) Special Purpose Vehicle (SPVs) were incorporated as a wholly owned subsidiary of PFCCL for the development of the said Transmission Schemes.
- x. UPPTCL has appointed PFCCL for Providing services of Consultant and Bid Process Coordinator (BPC) for selection of Developer for implementation of TBCB of 400/220/132 kV GIS Substation, Mohanlalganj (Lucknow) with associated 400kV lines, and other 765kV & 400kV LILO lines at 765kV GIS Substation Rampur and 400kV LILO (Quad moose on Monopole) at 400kV GIS Substation Sector 123 Noida (Mohanlalganj Transmission Ltd.), Special Purpose Vehicle (SPVs) was incorporated as a wholly owned subsidiary of PFCCL for the development of the said Transmission Project.
- xi. PFCCL appointed as Project Management Agency for preparation of Action Plan and Detailed Project Report for Revamped Reforms Based and Result Linked Distribution Sector Scheme by APSPDCL, APEPDCL, APCPSCL, WBSEDCL, UPCL, Power Department, Govt. of Sikkim.

### **ULTRA MEGA POWER PROJECTS (UMPPs)**

Government of India through Ministry of Power launched the initiative of Ultra Mega Power Projects (UMPPs) i.e. 4,000 MW super critical thermal power projects (both pit head and imported coal based) in November 2005 with the objective to develop large capacity power projects in India. Power Finance Corporation Ltd (PFC) has been appointed as the Nodal Agency to facilitate the development of these projects. PFC has authorized PFC Consulting Ltd. to undertake the entire work of UMPPs. CEA is the technical partner for the development of the UMPPs.

So far 17 (seventeen) UMPPs have been envisaged to be located at Madhya Pradesh (Sasan), Gujarat (Mundra), Andhra Pradesh (Krishnapatnam), Jharkhand (Tilaiya), Chhattisgarh, Karnataka, Maharashtra (Munge), Tamil Nadu (Cheyyur), Odisha (Sundargarh), Bihar (Banka), Uttar Pradesh, 2nd UMPP in Andhra Pradesh, 2 Additional UMPPs in Odisha and 2nd UMPP in Tamil Nadu, Gujarat and Jharkhand (Deoghar).

Till date, Nineteen (19) Special Purpose Vehicles (SPVs) have been established by the PFC for UMPPs. Out of these, fourteen (14) SPVs (Operating SPVs) were incorporated to undertake preliminary site investigation activities necessary for conducting the bidding process for the projects. These SPVs shall be transferred to successful bidder(s) selected through Tariff Based International Competitive Bidding Process for implementation and operation. Five (5) additional SPVs (Infra SPVs) were incorporated for holding the land for power plant and land for coal blocks in case of domestic coal based UMPPs (Odisha, Bihar, Deoghar and Tilaiya UMPP and Cheyyur UMPP). These SPVs would be transferred to the respective procurers of power from these projects.

Out of these 19 (nineteen) SPVs, 4 (Four) SPVs have been transferred to the successful bidders and the status of rest of the SPVs are given below:.

Sl. No.	UMPP	Status	Fuel
1.	Orissa Integrated Power Ltd., Sundergarh UMPP, Odisha  Odisha Infrapower Limited (Infra SPV)	On Fast Track	Domestic Coal Based
2.	Deoghar Mega Power Ltd., Jharkhand 2 <sup>nd</sup> UMPP  Deoghar Infra Limited (Infra SPV)	In Pipe Line	Domestic Coal Based
3.	Bihar Mega Power Ltd., Bihar UMPP  Bihar Infrapower Limited (Infra SPV)	In Pipe Line	Domestic Coal Based
4.	Coastal Tamil Nadu Power Limited*  Cheyyur Infra Limited (Infra SPV)	All the procurers opted out from the Project	Domestic Coal Based
5.	Coastal Karnataka Power Ltd. Karnataka UMPP** (SPV not yet incorporated)	Karnataka (Lead Procurer) requested for closure of the Project	Imported Coal Based
6.	Sakhigopal Integrated Power Company Ltd., Odisha 1 <sup>st</sup> Additional UMPP@	Domestic Coal Based	Domestic Coal Based
7.	Ghogarpalli Integrated Power Company Ltd., Odisha 2 <sup>nd</sup> Additional UMPP@	Domestic Coal Based	Domestic Coal Based
8.	Uttar Pradesh UMPP@ (SPV not yet incorporated)	Domestic Coal Based	Domestic Coal Based
9.	Gujarat 2 <sup>nd</sup> UMPP@ (SPV not yet incorporated)	Imported Coal Based	Imported Coal Based
10.	Tamil Nadu 2 <sup>nd</sup> UMPP@ (SPV not yet incorporated)	Imported Coal Based	Imported Coal Based

Jharkhand Integrated Power Limited (JIPL) an SPV for development of Tilaiya UMPP was awarded/transferred to Reliance Power Limited (RPL) on 07.08.2009. However, due to non-availability of land from Procurers, Reliance Power Ltd issued notice for termination of the PPA. Procurers accepted the termination notice and SPV was taken over by Lead Procurer (Jharkhand Urja Vikas Nigam Ltd) for re-bidding of the Project. Jharkhand Infrapower Limited (Infra SPV) was established as an Infra SPV for holding the land for Tilaiya UMPP.

\*All the procurers of the UMPP have withdrawn from the Project. TANGEDCO has shown interest in acquiring the SPV (Coastal Tamil Nadu Power Limited) established for the UMPP.

\*\* Govt. of Karnataka requested for discontinuation of the development of Karnataka, UMPP under Coastal Karnataka Power Limited.

@ Letters sent by MoP to respective State Govts. for closure of these UMPPs.

As per the direction of MoP, PFC/PFCCL has initiated necessary steps for closure/Striking off the name of Coastal Maharashtra Mega Power Limited, Chhattisgarh Surguja Power Limited and

Tatiya Andhra Mega Power Limited from the records of Registrar of Companies. Requisite forms for striking off the name will be filed with RoC shortly.

### INDEPENDENT TRANSMISSION PROJECTS (ITPs)

In addition to the UMPPs, Ministry of Power has also initiated Tariff Based Competitive Bidding Process for development and strengthening of Transmission system with an objective to promote competitive procurement of transmission services and encourage private investments in transmission lines.

Ministry of power appoints a Bid Process Coordinator (BPC) for each such transmission project. The BPC undertakes 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 and bidding process for selection of the developer for the project.

Till date, 40 (forty) Special Purpose Vehicles (SPVs), 2 by PFC and other 38 (thirty eight) by PFC Consulting Limited were established as wholly owned subsidiaries for ITPs. Out of these 40(forty) SPVs, Three SPVs were liquidated/ got Striked off the name from the records of Registrar and 26 (twenty six) SPVs were transferred to the successful bidders till date.

During the year under review, MoP appointed PFC Consulting Limited as Bid Process Coordinator (BPC) for the following new Transmission Schemes:

Sl. No.	Scheme Name	Name of SPV and Date of Incorporation	Status of the Bidding
1.	Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-D	Sikar-II Aligarh Transmission Limited 17 <sup>th</sup> May, 2020	SPV transferred to M/s Powergrid Corporation of India Limited (the successful bidder) on 08.06.2021.
4.	Transmission scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh	Anantpuram Kurnool Transmission Limited 13 <sup>th</sup> May, 2020	On the advice of CEA and MNRE, the bid process was kept on abeyance as no connectivity / LTA applications are received.
5.	Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-E	Bhadla-Sikar Transmission Limited 13 <sup>th</sup> May, 2020	On the advice of CEA bid process put on hold.
6.	Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-F	Bikaner-II Bhiwadi Transco Limited 12 <sup>th</sup> May, 2020	SPV transferred to M/s Powergrid Corporation of India Limited (the successful bidder) on 25.03.2021.
7.	Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-G	Khetri-Narela Transmission Limited 15 <sup>th</sup> May, 2020	The RfP bid submission date has been extended and the last date for submission is on 21.12.2021.



8.	Establishment of new 220/132kV substation at Nangalbibra	Nangalbibra - Bongaigaon Transmission Limited 9 <sup>th</sup> April, 2021	After completion of bidding process LoI is issued to M/s Sterlite Grid 26 Limited.
9.	Transmission System for Evacuation of Power from Pakaldul HEP in Chenab Valley HEPs - Connectivity System	Kishtwar Transmission Limited 15 <sup>th</sup> April, 2021	The RfP bid submission date has been extended and the last date for submission is on 15.12.2021.
10.	Transmission Scheme for Evacuation of 3 GW RE Injection at Khavda P.S. under Phase-I	Khavda - Bhuj Transmission Limited 17 <sup>th</sup> May, 2021	RfP bid evaluation is under process.

MoP have de-notified the schemes for Tanda Transmission Company Limited, Shongtong Karcham-Wangtoo Transmission Limited and Bijawar-Vidarbaha Transmission Limited. The process for striking off the name of SPV from the records of Registrar of Companies (ROC) have been initiated.

#### CLIENT BASE

Your company is on its path to become a premier consulting organisation in the Power Sector. The client base includes Public i.e. State/Central Owned Power Sector Utilities (SPSUs/CPSUs) as well as Private entities (IPPs), State Electricity Regulatory Commissions and State Governments. The profile of clients to whom PFCCL has rendered its services are as follows:

Clients	No.
State Utilities	41
Licensees/ IPPs	13
Public Sector Undertakings	9
State Governments	8
Regulatory Commissions	3
Central Govt. departments/Ministries	2
Total	76

PFCCL has worked on over 158 assignments for 76 Clients spread across 27 States/UTs namely Arunachal Pradesh, Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Odisha, Puducherry, Punjab, Rajasthan, Telangana, Tripura, Uttar Pradesh Manipur, West Bengal, Uttrakhand and Sikkim

#### SUBSIDIARIES

##### Incorporation of Subsidiary

During the period under view to till date, Nine (9) new companies have been incorporated for development of Transmission schemes. Theses SPVs were transferred to the successful bidder after completion of bidding process. The details are as follows:

- (i) Bikaner-II Bhiwadi Transco Limited (BBTL was incorporated on 12<sup>th</sup> May, 2020) for development of "Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-F". After completion of bid

process the SPV was transferred to M/s Powergrid Corporation of India Limited (Successful Developer) on 25.03.2021.

- (ii) Sikar-II Aligarh Transmission Limited (SATL was incorporated on 17<sup>th</sup> May, 2020) for development of "Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-D". After completion of bid process the SPV was transferred to M/s Powergrid Corporation of India Limited (Successful Developer) on 08.06.2021.
- (iii) Anantpuram Kurnool Transmission Limited was incorporated on 13<sup>th</sup> May, 2020 for Transmission scheme for Solar Energy Zone in Ananthapuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh
- (iv) Bhadla-Sikar Transmission Limited was incorporated on 13<sup>th</sup> May, 2020 for Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-E
- (v) Khetri-Narela Transmission Limited was incorporated on 15<sup>th</sup> May, 2020 for Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-G
- (vi) Nangalbibra - Bongaigaon Transmission Limited (NBTL was incorporated on 9<sup>th</sup> April, 2021) for "Establishment of new 220/132kV substation at Nangalbibra". After completion of bid process Letter of Intent was issued to M/s Sterlite Grid 26 Limited (the Successful bidder).
- (vii) Khavda-Bhuj Transmission Limited (KBTL was incorporated on 17<sup>th</sup> May, 2021) for development of "Transmission Scheme for Evacuation of 3 GW RE Injection at Khavda P.S. under Phase-I". The RfP bid for selection of developer is under evaluation.
- (viii) Kishtwar Transmission Limited (KTL was incorporated on 15<sup>th</sup> April, 2021) for development of "Transmission System for Evacuation of Power from Pakaldul HEP in Chenab Valley HEPs - Connectivity System".
- (ix) Mohanlalganj Transmission Limited (MTL was incorporated on 8<sup>th</sup> June, 2021) for implementation of TBCB of 400/220/132 kV GIS Substation, Mohanlalganj (Lucknow) with associated 400kV lines, and other 765kV & 400kV LILO lines at 765kV GIS Substation Rampur and 400kV LILO (Quad moose on Monopole) at 400kV GIS Substation Sector 123 Noida. After the completion of bid process M/s Powergrid Corporation of India Limited was selected as successful bidder.

### **Transfer of Subsidiaries**

During the period under view to till date, the Company has transferred three (03) of its wholly owned subsidiary as per the detail given below:

Sl.No	Name of SPV	Successful Bidder	Date of Transfer
1.	Vapi II - North Lakhimpur Transmission Limited	Sterlite Grid 13 Limited	23.06.2020
2.	Bikaner-II Bhiwadi Transco Limited	Power Grid Corporation of India Limited	25.03.2021
3.	Sikar-II Aligarh Transmission Limited	Power Grid Corporation of India Limited	08.06.2021

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries is attached to the financial statements of the Company in Form AOC-1.

Further, in accordance with provisions of section 136 of the Companies Act 2013, the financial statements of the Company and separate financial statements in respect of subsidiary Companies are available on the website of the Company.

### JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has entered into an Memorandum of Understanding (MoU) with NLC India and TANGEDCO for establishment of Joint Venture Company for development of Ultra Mega Renewable Energy Power Park in the State of Tamil Nadu. The JV Company is yet to be incorporated.

### DIRECTORS

Since the date of last Boards' Report, following changes were made in the constitution of the Board of the Company:

- Pursuant to the office order issued by PFC, Shri Rajiv Ranjan Jha was appointed as Director on the board of the Company w.e.f. 12<sup>th</sup> November, 2021.

Pursuant to the provisions of Section 161(1) of the Companies Act 2013, Shri Rajiv Ranjan Jha will hold office upto the date of ensuing Annual General Meeting. The Board recommends that Shri Rajiv Ranjan Jha may be appointed as a Director, liable to retire by rotation.

In accordance with provisions of section 152(6) of the Companies Act, 2013, Shri R. S. Dhillon, Chairman shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment.

Shri P. K. Singh, Director of the Company has superannuated from the services of PFC w.e.f. 31st January, 2022 and accordingly ceased to be the director of the Company.

Consequent to the aforesaid changes, presently the Board of Directors of the Company comprises of the following:

1. Shri R.S. Dhillon : Chairman / CMD, PFC
2. Smt. Parminder Chopra : Director / Director (Finance), PFC
3. Shri Rajiv Ranjan Jha : Director / Director (projects), PFC

### MEETINGS OF BOARD OF DIRECTORS

Eight (8) Board meetings were held during the financial year 2020-21, as against the requirement of minimum four meetings in a year. The details of Board meetings are given below:

S. No	Date of Board Meeting	Board Strength	No. of Directors Present
1	26 <sup>th</sup> May, 2020	04	04
2	16 <sup>th</sup> June, 2020	03	03
3	28 <sup>th</sup> July, 2020	03	03
4	10 <sup>th</sup> August, 2020	03	03
5	11 <sup>th</sup> December, 2020	03	03
6	12 <sup>th</sup> January, 2021	03	03
7	05 <sup>th</sup> March, 2021	03	03
8	31 <sup>st</sup> March, 2021	03	03

## CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE OF BOARD OF DIRECTORS

During the financial year 2020-21, two (02) meetings of CSR Committee were held. The details of Committee meetings are given below:

S. No	Date of Meeting	Committee Strength	No. of Members Present
1	26 <sup>th</sup> May, 2020	03	03
3	31 <sup>st</sup> March, 2021	03	03

## HUMAN RESOURCES DEVELOPMENT

The management lays increasing emphasis on Human Resources Development. The employees being the main asset of the Company were continuously trained to keep pace with the fast changing environment by continuously assessing their training needs.

## AUDITOR'S REPORT

M/s. KPMC & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for the financial year 2020-21 by the Comptroller & Auditor General of India.

The Statutory Auditors have audited the accounts of the Company for the FY 2020-21 and have given their report without any qualification, reservation, adverse remark or disclaimer. The copy of the audit report is annexed herewith.

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL (C&AG) 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.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- Such accounting policies have been selected, applied consistently and judgments & estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of Companies Act 2013 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts are prepared on a going concern basis;
- The company has laid down internal financial controls to be followed and that such internal financial controls are adequate and were operating effectively; and
- The company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OF THE COMPANIES ACT.

The Statutory Auditor of the Company during the course of audit for FY 2019-20 has highlighted certain irregularities/ misappropriations in some of the transactions related to business promotions, official hospitality and related allocation of expenses to subsidiaries/ fellow subsidiary companies. Statutory Auditor of the Company vide its letter dated 25.06.2020 reported the matter to Board of Directors of PFCCL under Section 143(12) of the Companies Act, 2013 and MCA.

Based on this letter of Statutory Auditor, investigation was initiated against some of the employees as per the applicable rules and regulations. As per the investigation, one of the employees of PFCCL has been awarded major penalty and further investigation is under way.

## STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

During the year, Company has complied with the applicable provisions of the Secretarial Standards.

## MEMORANDUM OF UNDERSTANDING (MoU)

Your Company has entered into Memorandum of Understanding (MoU) with its holding company, Power finance Corporation Limited for the Financial Year 2020-21.

## OFFICIAL LANGUAGE

The use of Hindi in Company's official work was emphasized.

## PUBLIC DEPOSITS

The Company has not accepted any public deposit during the year ended 31<sup>st</sup> March, 2021 as covered under the provisions of Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

Your company has successfully transferred one SPV to the successful developers after completion of the bidding process. Further, your Company is appointed as Project Management Agency for preparation of Action Plan and Detailed Project Report for Revamped Reforms Based and Result Linked Distribution Sector Scheme by various state power distribution utilities.

## PARTICULARS OF EMPLOYEES

The Company is a wholly owned subsidiary of PFC and all the employees working for the Company are the employees of PFC. However, during the year all employees related payments to such employees of PFC assigned to work for PFCCL were made and borne by the Company.

No employee in the Company has received remuneration equal to or exceeding the limits prescribed under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Accordingly, no statement containing details of employees is required to be attached.

## DISCLOSURE ON THE SEXUAL HARRASEMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

In line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 "Internal Complaint Committee" has been constituted in the company for redressal of complaint(s) relating to sexual harassment of women employees. The committee is headed by a senior women official of PFC and includes a representative from All India Women's Education Fund Association as one of its member. PFCCL follows the anti-sexual harassment stance as outlined in the Conduct, Discipline and Appeal Rules of our parent Company i.e. PFC. During the financial year 2020-21, no complaint of sexual harassment was received by the company.

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure I** in Form AOC-2 and the same forms part of this report.

### PARTICULARS OF LOANS, INVESTMENT AND GUARANTEE

Particulars of loans, guarantees and investment have been disclosed in the financial statement.

### EXTRACT OF THE ANNUAL RETURN

Pursuant to the provisions under section 92 (3) of Companies Act 2013, extract of Annual Return is given in **Annexure – II** in the prescribed Form MGT-9, which forms part of this report.

### CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is also available on the website of the Company.

As per the decision of Board of PFCCL, PFCCL has to utilize its CSR budget in the scheme shortlisted by PFC (Holding Company). The Board of Directors of the Company has approved the CSR budget of Rs.1,04,56,445/- for 'Training, research and Entrepreneurship Development in Smart Grid through Indian Institute Of Technology, Kanpur (IITK). As there is no demand raised by IITK the whole amount were deposited in a Special Bank Account as per the provisions of Section 135 of the Companies Act, 2013.

### RISK MANAGEMENT

The Company actively identifies evolving risks keeping in view its nature of operations and takes timely action to address and manage risks.

### CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Department of Public Enterprises. Further, Quarterly Compliance Report on Corporate Governance is also submitted to the Ministry of Power as per the requirements of DPE Corporate Governance Guidelines.

The Report on Corporate Governance as stipulated under the DPE Guidelines forms an integral part of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under DPE Guidelines, is presented in a separate section forming part of the Annual Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO

As the Company's operations do not involve any manufacturing or processing activities, there are no significant particulars relating to conservation of energy, technology absorption, under the Companies (Accounts) Rule, 2014.

The particulars as required under the provisions of section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules 2014 in respect of conservation of energy and technology absorption has been furnished in **Annexure IV**.

## ACKNOWLEDGEMENT

The Directors put on record their gratitude to the Central Government, various State Governments and their respective agencies for the assistance, co-operation and encouragement they extended to the Company. The Company, in particular, is thankful to the Comptroller & Auditor General of India, the Ministry of Power, Government of India, the Statutory Auditors, Bankers, Power Finance Corporation Limited and the employees for their unstinted co-operation.

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

sd/-

**(Ravinder Singh Dhillon)**

**Chairman**

**DIN: 00278074**

**Date: -23.03.2022**

**Place: New Delhi**