

POWER FINANCE CORPORATION LIMITED, NEW DELHI.

Part I: STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2014

(₹ in Lacs)

Sl. No.	PARTICULARS	STANDALONE QUARTER ENDED			STANDALONE YEAR ENDED		CONSOLIDATED YEAR ENDED	
		31-03-2014	31-12-2013	31-03-2013	31-03-2014	31-03-2013	31-03-2014	31-03-2013
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)	(Audited)	(Audited)
1)	Income from Operations							
	(a) Income from Operations	549,875	534,086	456,456	2,097,871	1,692,291	2,098,045	1,692,290
	(b) Other Operating Income	13,361	19,966	10,439	54,371	34,323	63,408	38,852
	Total Income from Operations	563,236	554,052	466,895	2,152,242	1,726,614	2,161,453	1,731,142
2)	Expenses							
	(a) Interest, Finance and Other Charges	355,759	345,226	290,178	1,374,813	1,116,045	1,375,602	1,116,472
	(b) Employee Benefit Expenses	1,642	2,076	2,342	7,956	8,094	9,101	9,082
	(c) Depreciation / Amortization	122	124	145	493	570	523	596
	(d) Other Expenses	6,921	1,816	1,773	14,653	5,842	15,254	6,240
	Total Expenses	364,444	349,242	294,438	1,397,915	1,130,551	1,400,480	1,132,390
3)	Profit from Operations before Other Income and Exceptional Items (1-2)	198,792	204,810	172,457	754,327	596,063	760,973	598,752
4)	Other Income	373	679	139	1,504	641	1,469	600
5)	Profit from ordinary activities before Exceptional Items (3+4)	199,165	205,489	172,596	755,831	596,704	762,442	599,352
6)	Exceptional items	--	--	--	--	--	--	--
7)	Profit from Ordinary Activities before Tax (5+6)	199,165	205,489	172,596	755,831	596,704	762,442	599,352
8)	Tax Expense	58,024	52,058	43,183	214,056	154,744	216,258	155,578
	(a) Provision for Income Tax	66,043	63,234	47,355	208,613	141,508	210,821	142,390
	(b) Deferred Tax Liability / Deferred Tax Asset (-)	-8,019	-11,176	-4,172	5,443	13,236	5,437	13,188
9)	Net Profit from Ordinary activities after tax (7-8)	141,141	153,431	129,413	541,775	441,960	546,184	443,774
10)	Extraordinary items (Net of tax expense)	--	--	--	--	--	--	--
11)	Net Profit for the period (9-10)	141,141	153,431	129,413	541,775	441,960	546,184	443,774
12)	Paid-up Equity Share Capital (Face value of share is ₹ 10)	132,004	132,004	132,002	132,004	132,002	132,004	132,002
13)	Reserves excluding Revaluation reserves (As per audited balance Sheet as at 31st March)	--	--	--	2,605,457	2,225,613	2,620,223	2,235,970
14)	Earnings Per Share (EPS) (in ₹)							
	(a) Basic and Diluted EPS (before Extraordinary items)	10.69	11.62	9.80	41.04	33.48	41.38	33.62
	(b) Basic and Diluted EPS (after Extraordinary items)	10.69	11.62	9.80	41.04	33.48	41.38	33.62

Part II : SELECT INFORMATION FOR THE QUARTER AND YEAR MONTHS ENDED 31st MARCH 2014

A	Particulars of Shareholding							
1	Public Shareholding :							
	Number of Shares	359,085,115	346,978,307	346,953,346	359,085,115	346,953,346	359,085,115	346,953,346
	Percentage of Shareholding	27.20%	26.29%	26.28%	27.20%	26.28%	27.20%	26.28%
2	Promoters Shareholding							
	(a) Pledged / Encumbered							
	Number of Shares	--	--	--	--	--	--	--
	Percentage of Shares (as a % of the total shareholding of Promoter)	--	--	--	--	--	--	--
	Percentage of Shares (as a % of Total Share capital of the Company)	--	--	--	--	--	--	--
	(b) Non - Encumbered							
	Number of Shares	960,955,589	973,061,665	973,061,665	960,955,589	973,061,665	960,955,589	973,061,665
	Percentage of Shares (as a % of the total shareholding of Promoter)	100%	100%	100%	100%	100%	100%	100%
	Percentage of Shares (as a % of Total Share capital of the Company)	72.80%	73.71%	73.72%	72.80%	73.72%	72.80%	73.72%
B	Investor Complaints							
	Particulars			Equity Shares		Debt Securities		
	Pending at the beginning of the quarter			1		4		
	Received during the quarter			37		721		
	Disposed off during the quarter			36		721		
	Remaining unresolved at the end of the quarter			2*		4#		
				* 1 since settled		# Since Settled		



(₹ In Lacs)

STATEMENT OF STANDALONE & CONSOLIDATED ASSETS AND LIABILITIES (AUDITED)

A	EQUITY AND LIABILITIES	Standalone		Consolidated	
		As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
1	Shareholders' Funds				
	(a) Share capital	132,004	132,002	132,004	132,002
	(b) Reserves and surplus	2,605,457	2,225,613	2,620,223	2,235,970
	Sub total - Shareholders' Funds	2,737,461	2,357,615	2,752,227	2,367,972
2	Non-current liabilities				
	(a) Long-term borrowings	14,249,157	12,115,086	14,249,157	12,115,086
	(b) Deferred tax liabilities (net)	27,422	21,979	27,300	21,863
	(c) Other Long-term Liabilities	34,762	53,980	34,762	53,981
	(d) Long Term Provisions	47,304	16,233	47,319	16,235
	Sub-total - Non-current liabilities	14,358,645	12,207,278	14,358,538	12,207,165
3	Current liabilities				
	(a) Current maturity of long term borrowing	1,540,900	961,208	1,540,900	961,208
	(b) Short-term borrowing	131,449	870,997	131,473	870,997
	(c) Other Current Liabilities	626,175	506,382	626,859	507,044
	(d) Short Term Provisions	21,780	19,399	21,974	19,550
	Sub-total - Current liabilities	2,320,304	2,357,986	2,321,206	2,358,799
	TOTAL - EQUITY AND LIABILITIES	19,416,410	16,922,879	19,431,971	16,933,936
B	ASSETS				
1	Non-current assets				
	(a) Fixed assets	7,063	7,434	7,226	7,495
	(b) Non-current investments	34,834	15,766	2,360	2,303
	(c) Long-term loans and advances	16,879,211	14,252,417	16,881,619	14,252,417
	(d) Other Non Current Assets	20,968	37,607	23,798	39,965
	Sub-total - Non-current assets	16,942,076	14,313,224	16,915,003	14,302,180
2	Current assets				
	(a) Current investments	383	383	383	383
	(b) Cash and Bank Balances	6,014	475,381	45,944	495,748
	(c) Current Maturities of Long-term loans	1,804,295	1,545,585	1,804,375	1,545,585
	(d) Short -term loans	239,618	241,611	239,618	241,611
	(e) Other Current Assets	424,024	346,695	426,648	348,429
	Sub-total - Current assets	2,474,334	2,609,655	2,516,968	2,631,756
	TOTAL - ASSETS	19,416,410	16,922,879	19,431,971	16,933,936

Notes :-

1	The above financial results for the quarter and year ended 31.03.2014 have been reviewed and recommended by the Audit committee of Directors and approved by the Board of Directors in their respective meetings held on 26.05.2014 and 27.05.2014. The same has been audited by the Statutory Auditors of the Company.
2	The Company's main business is to provide finance for power sector. As such, there is no other separate reportable segment as per the Accounting Standard 17 - 'Segment Reporting', issued by the Institute of Chartered Accountants of India.
3	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. Pending receipt of clarification, 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.
4	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 31.03.2014 the balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 70,921 lacs (as on 31.03.2013 ₹ 47,797 lacs) and shown on the "Equity and Liabilities" side of the balance sheet under the head "Reserve and Surplus", as a separate line item.



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**Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company
Pursuant to the Clause 41 of the Listing Agreement**

To,
The Board of Directors of Power Finance Corporation Ltd.

We have audited the financial results of Power Finance Corporation Ltd. which includes unaudited financial results for the quarter ended March 31, 2014 and year to date audited financial results for the year ended March 31, 2014, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2014 and the published year to date figure upto December 31, 2013, being the date of the end of the third quarter of the current financial year. Our responsibility is to express an opinion on these financial results based on our audit of such financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, notified under the Companies Act, 1956, Accounting Standards referred to in sub section (3C) of section 211 of Companies Act 1956, other accounting principles generally accepted in India, our audit of the annual financial statements as at and for the year ended March 31, 2014; and the relevant requirements of clause 41 of the Listing Agreement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the financial results give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter and year ended as at March 31, 2014



Emphasis of Matter

Without qualifying our opinion, attention is drawn to the note no. 8 of the financial results, regarding application of Prudential Norms stipulated by Reserve Bank of India in respect of Restructuring / Reschedulement / Renegotiation (R/R/R) for the financial year 2013-14 for reasons indicated therein.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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



(N.K. Bhargava)

Partner

Membership No.080624

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



(V.K. Gureja)

Partner

Membership No - 016521

Place: Delhi

Date: 27.05.2014

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**Auditor's Report on Consolidated Financial Year to Date Results of the Company
Pursuant to the Clause 41 of the Listing Agreement**

To,
The Board of Directors of Power Finance Corporation Ltd.

We have audited the consolidated financial results of Power Finance Corporation Ltd. for the year ended 31st March, 2014, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such Consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS)-21 "Consolidated Financial Statements", Accounting Standard (AS)-27 "Financial reporting of interest in joint ventures" notified under sub section (3C) of section 211 Companies Act, 1956, other accounting principles generally accepted in India, our audit of the annual consolidated financial statements as at and for the year ended March 31, 2014; and the relevant requirements of clause 41 of the Listing Agreement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of four subsidiaries (Audited by other Auditors) and two Joint Venture entities (Unaudited–subject to Audit) included in the consolidated financial year to date results, whose consolidated financial statements reflect total assets of ₹ 487.88 crore as at 31st March, 2014 and total revenue of ₹ 92.69 crore for the year 1st April, 2013 to 31st March, 2014. These financial statements and other financial information have been audited (in case of subsidiaries) by other auditors and certified by management (in case of Joint ventures) whose report(s) have been furnished to us, and our opinion on the financial year to date results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors (in case of subsidiaries) and certification of management (in case of Joint ventures).

In our opinion and to the best of our information and according to the explanations given to us, these consolidated financial year to date results include the financial year to date results of the following entities:

- | | |
|---|---------------------|
| - PFC Consulting Ltd. | Ownership – 100.00% |
| - PFC Green Energy Ltd | Ownership – 100.00% |
| - PFC Capital Advisory Services Ltd | Ownership – 100.00% |
| - Power Equity Capital Advisors Private Limited | Ownership – 100.00% |
| - National Power Exchange Ltd. | Ownership – 16.66% |
| - Energy Efficiency Services Ltd. | Ownership – 25.00% |



Opinion

In our opinion and to the best of our information and according to the explanations given to us the consolidated financial results give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the year ended as at March 31, 2014

Emphasis of Matter

Without qualifying our opinion, attention is drawn to the note no. 8 of the financial results, regarding application of Prudential Norms stipulated by Reserve Bank of India in respect of Restructuring / Reschedulement / Renegotiation (R/R/R) for the financial year 2013-14 for reasons indicated therein.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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(V. K. Gureja)

Partner

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Place: Delhi

Date: 27.05.2014