



पावर फाइनेंस कॉर्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2008 प्रमाणित)

(ISO 9001:2008 Certified)

Fax No.: 022-26598237/38, 022- 66418125/26/24

CIN: - L65910DL1986GOI024862

No:1:05:138:II:CS

Date: 29th May, 2014

National Stock Exchange of India Limited,
Listing Department,
Exchange Plaza,
Bandra – Kurla Complex,
Bandra (E), MUMBAI – 400 051.

Kind Attn.: Ms. Rehana Dsouza, Asstt. Vice President.

SUB: Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31st March, 2014 and Recommendation of Final Dividend for the Financial Year 2013-14.

Madam,

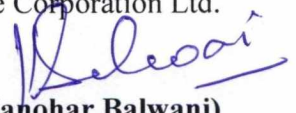
Further to our earlier communication dated 06th May, 2014, we would like to inform you that, the Board of Directors of Power Finance Corporation Ltd. in its meeting held on 27.05.2014 i.e. today have considered and approved the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31st March, 2014 and have also recommended a final dividend of ₹ 0.20 per share (face value of ₹10/- each), in addition to already paid interim dividend of ₹ 8.80 per share (face value of ₹10/- each), thereby making total dividend of ₹ 9 per share (face value of ₹10/- each) for the financial year 2013-14.

The Final Dividend ₹ 0.20 per share (face value of ₹10/- each), if declared at the ensuing 28th Annual General Meeting, would be paid to the shareholders within 30 days from the date of AGM.

Please find enclosed herewith the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31st March, 2014 alongwith Auditors Report in prescribed format.

Thanking you,

Yours faithfully,
For Power Finance Corporation Ltd.


(Manohar Balwani)
Company Secretary
mb@pfcindia.com

Encl: As above

POWER FINANCE CORPORATION LIMITED, NEW DELHI.

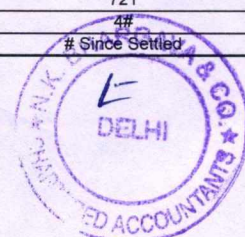
Part I: STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2014

(₹ 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							
	Pending at the beginning of the quarter			Equity Shares		Debt Securities		
	Received during the quarter			1		4		
	Disposed off during the quarter			37		721		
	Remaining unresolved at the end of the quarter			36		721		
				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.								



5	The Company has been creating provision for standard assets in phases with effect from FY 2012-13, in three years period @ 0.0833% p.a. in order to bring it to 0.25% on 31st March 2015 in line with the accounting policy introduced during the financial year 2012-13. Further, RBI vide its letter dated 25-07-2013 has directed that provision may be made @ 0.25% ab-initio for all new assets. Accordingly, the Company has changed its accounting policy to create provision @ 0.25% for all new standard assets created in the current year, while finalisation of half yearly financial statements as at 30.09.2013. The Board of Directors in their meeting held on 27.03.2014 decided to accelerate the provisioning for Standard Assets, so as to bring it to 0.25% as on 31.03.2014 instead of on 31.03.2015. Accordingly, the accounting policy has been changed, during the quarter ended as at 31.03.2014, with effect from 01.04.2013 to create provision for standard assets @0.25% of the outstanding as at the end of year. As on 31.03.2014, the Standard Asset provision stands at ₹ 46,942 lacs (₹ 13,279 lacs as on 31.03.2013). Due to this change in accounting policy, the profits for the quarter and year ended 31.03.2014 has decreased by ₹ 11,781 lacs and ₹ 15,647 lacs respectively.
6	During the financial year 2013-14, Government of India (GoI) has set up a fund called Goldman Sachs CPSE Exchange Traded Scheme ("GS CPSE BeES") launched by Goldman Sachs Asset Management (India) Private Limited (AMC). Accordingly, in March 2014, Government of India, Ministry of Power, acting through Department of Disinvestment, has disinvested 1,21,06,076 equity shares of face value of ₹ 10/- each by selling it to the AMC. After disinvestment, the holding of Government of India in the paid up equity share capital of the Company has come down from 73.71% to 72.80%.
7	Till 31.12.2013, 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 incurred for operationalising the R– APDRP were reimbursed by Ministry of Power, Government of India. 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. Further, based on Ministry of Power (MoP) letter dated 15.07.2013, the Company has submitted a proposal (vide our letter dated 22.08.2013) for consideration of Nodal Agency Fee @ 0.50% on R-APDRP sanctions and reimbursement of actual expenditure incurred under R– APDRP (excluding PFC man power expenditure) from XII plan onwards. The proposal is under consideration of MoP. Pending finalisation, nodal agency fee / reimbursement of expenditure for 12th plan has been accounted for during the year (with effect from 01.04.2012) on provisional basis as indicated by DoE through MoP communication dated 15.07.2013. Accordingly, Nodal agency fee income amounting to ₹ 1,850 lacs (₹ 1,843 lacs for FY 2013-14 and ₹ 7 lacs for FY 2012-13) has been recognised during the quarter. Further, ₹ 4,259 lacs (including ₹ 2,181 lacs of FY 2012-13 earlier booked as recoverable from MoP, GoI) on account of expenditure allocable to R-APDRP has been accounted for and included in other expenses.
8	The Company being a Government owned Non-Banking Financial Company follows prudential norms duly approved by the Ministry of Power (MoP), Government of India (GoI). RBI vide letter dated 3rd April 2014 has allowed the exemption from credit concentration norms in respect of exposure to Central / State Government entities till 31.03.2016 and for the matter relating to Restructuring / Reschedulement / Renegotiation (R/R/R), 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. In this regard the Company vide letter dated 25.04.2014 has submitted an implementation strategy to comply with RBI directions on R/R/R of assets for the consideration of RBI and also stated that PFC will follow the restructuring provisions contained in its extant prudential norms till such time RBI may issue further instructions in this respect. MoP, GoI, vide its letter dated 15.05.2014 has also requested RBI to consider the implementation strategy as communicated by the Company. The response from RBI is awaited. In view of the above, management is of the view that revised norms on R/R/R are not applicable to the Company for financial year 2013-14
9	The Board of Directors, in their meeting held on 04.02.2014, approved interim dividend of 88% i.e. ₹ 8.8/- per equity share of ₹ 10/- each amounting to ₹ 1,16,164 lac for the FY 2013-14. The interim dividend has been paid on 07.02.2014. The Board of Directors has recommended a final dividend of 2% i.e. ₹ 0.2/- per equity share of ₹ 10/- each amounting to ₹ 2,640 lac (including final dividend on options granted to employee under the Company's employees stock option plan titled as "PFC-ESOP-2010") for the FY 2013-14, subject to shareholder's approval in the Annual General Meeting. The total dividend (including interim dividend) for the FY 2013-14 is ₹ 9/- per equity share of ₹ 10/- each.
10	During the quarter ended 31.03.2014, the company has allotted 732 equity shares of ₹ 10/- each under the Employee Stock Option Scheme resulting in increase in equity share capital by ₹ 0.07 lacs and securities premium reserve by ₹ 1.18 lacs.
11	Tax Expenses includes current year tax provision and earlier years' tax expenses / adjustments.
12	Figures for the quarter ended 31.03.2014 are the balancing figures between unaudited figures for the nine months ended 31.12.2013 and audited figures for the year ended 31.03.2014.
13	Figures for the previous period have been regrouped / rearranged wherever necessary, in order to make them comparable.
Place : New Delhi Date : 27.05.2014	
(M K GOEL) Director (Commercial) and Chairman & Managing Director DIN - 00239813	



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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.

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 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

Place: Delhi

Date: 27.05.2014

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

(V.K.Gureja)

Partner

Membership No - 016521