
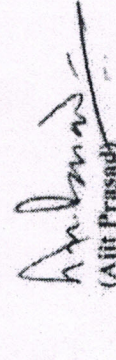
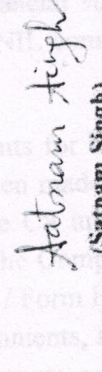


FORM A

1. Name of the Company	Power Finance Corporation Limited
2. Annual financial statements for the year ended	31 st March, 2013
3. Type of Audit observation	<p>Matter of Emphasis</p> <p>The Statutory Auditors of the Company have audited the financial statements for the FY 2012-13 and have issued audit report without any qualification. However, they have drawn attention in their audit report as given below:-</p> <p>"Without qualifying our opinion, attention is drawn to the note no.12 of Note part C- notes on accounts, regarding presentation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)."</p> <p>The note no.12 of Note part C- notes on accounts as being referred in the matter of emphasis is as given below:-</p> <p>"The Company had exercised the option under para 46A of the amended 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 31.03.2013, ₹477.97 crore (as on 31.03.2012 ₹515.41 crore) has been carried forward in the Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and shown on the assets side of the balance sheet, as a separate line item.</p> <p>As per the recent announcement dated 30.03.2013 of the ICAI, the debit or credit balance in FCMITDA should be shown on the "Equity and Liabilities" side of the balance sheet under the head "Reserves and Surplus", as a separate line item.</p> <p>The Company has requested (vide letter dated 09.05.2013) for clarification from the Government of India, Ministry of Corporate Affairs (MoCA) on the applicability of ICAI announcement. The clarification is awaited.</p> <p>Pending receipt of clarification from the MoCA, the FCMITDA is continued to be shown on the asset side of the balance sheet, as a separate line item, in line with presentation made in previous year."</p> <p>Appeared first time in FY 2012-13</p>
4. Frequency of observation	


(R. Nagarajan)
Director (Finance)


(Ajit Prasad)
Audit Committee Chairman

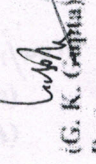

(Satnam Singh)
Chairman & Managing Director

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


(N. K. Bhargava)
Partner
Membership No. 080624



For Raj Har Gopal & Co., Chartered Accountants
Firm Regd. No. 002074N


(G. K. Gupta)
Partner
Membership No. 81085

