



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)

No:1:05:138:I:CS

Date: 25.05.2016

National Stock Exchange of India Limited, Listing Department, Exchange Plaza, Bandra – Kurla Complex, Bandra (E) <u>MUMBAI – 400 051.</u>	Bombay Stock Exchange Limited, Department of Corporate Services, Floor – 25, PJ Towers, Dalal Street, <u>MUMBAI – 400 001.</u>
Kind Attn.: Ms. Rehana Dsouza, Asstt. Vice President	Kind Attn.: Mr. Iyer Gopalkrishnan, GM, Corporate Services.
Fax No.: 022-26598237/38, 022- 66418125/26/24	Fax No.:022- 22723121 , 022-2722037/39/41/61

Sub: Audited Financial Results for the period ended 31.03.2016 and final dividend for the FY 2015-16.

Dear Sir/Madam,

In furtherance to our communication dated 18.05.2016, this is to inform that the Board of Directors of the company in its meeting held today i.e. on 25th May, 2016 have approved the financial results for the period ended 31.03.2016 and has also recommended declaration of final dividend of Rs. 0.60/- per share (face value of Rs. 10/- each) for the financial year 2015-16 at the 30th Annual General Meeting (AGM).

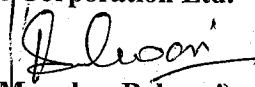
The said recommended final dividend of Rs. 0.60/- per share (face value of Rs. 10/- each), if declared by the shareholders in the ensuing 30th AGM, shall be paid to the shareholders within 30 days from the date of AGM.

Please find enclosed herewith the audited financial results for the period ended 31.03.2016 alongwith auditors report, Debenture Trustee Certificate and prescribed Form- A.

This is submitted for your information and record.

Thanking you.

Yours faithfully,
For Power Finance Corporation Ltd.


(Manohar Balwani)
Company Secretary
Email: mb@pfcindia.com

POWER FINANCE CORPORATION LIMITED

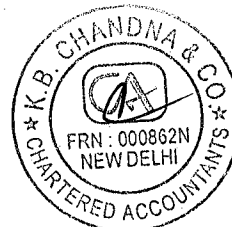
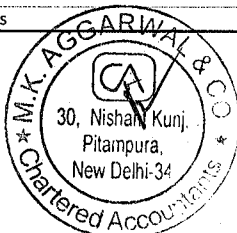
URJANIDHI, 1, BARAKHAMBHA LANE, CONNAUGHT PLACE, NEW DELHI. Website: <http://www.pfcindia.com>

CIN L65910DL1986GOI024862

Part-I: STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2016

(₹ in Crore)

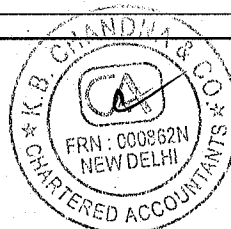
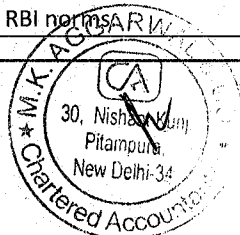
Sl. No.	PARTICULARS	STANDALONE QUARTER ENDED			STANDALONE YEAR ENDED		CONSOLIDATED YEAR ENDED	
		31-03-2016 (Audited)	31-12-2015 (Un-audited)	31-03-2015 (Un-audited)	31-03-2016 (Audited)	31-03-2015 (Audited)	31-03-2016 (Audited)	31-03-2015 (Audited)
1)	Income from Operations							
	(a) Interest Income	6,608.14	6,870.58	6,331.18	27,079.44	24,586.10	27,099.83	24,589.98
	(b) Other Operating Income	96.85	120.70	59.35	394.21	276.27	680.38	363.95
	Total Income from Operations (Net)	6,704.99	6,991.28	6,390.53	27,473.65	24,862.37	27,780.21	24,953.93
2)	Expenses							
	(a) Interest, Finance and Other Charges (including Provisions)	4,779.95	4,622.61	4,194.68	18,212.83	16,314.60	18,385.24	16,326.86
	(b) Employee Benefit Expenses	21.43	23.48	19.42	90.37	85.81	106.63	101.47
	(c) Depreciation and Amortization	1.74	1.68	1.60	6.17	6.09	20.08	7.92
	(d) Other Expenses	14.09	11.11	6.91	194.28	123.12	206.72	130.81
	Total Expenses	4,817.21	4,658.88	4,222.61	18,503.65	16,529.62	18,718.67	16,567.06
3)	Profit from Operations before Other Income and Exceptional Items (1-2)	1,887.78	2,332.40	2,167.92	8,970.00	8,332.75	9,061.54	8,386.87
4)	Other Income	82.00	2.82	31.92	90.66	45.48	105.56	59.00
5)	Profit from ordinary activities before Exceptional Items (3+4)	1,969.78	2,335.22	2,199.84	9,060.66	8,378.23	9,167.10	8,445.87
6)	Exceptional items	--	--	--	--	--	--	--
7)	Profit from Ordinary Activities before Tax (5+6)	1,969.78	2,335.22	2,199.84	9,060.66	8,378.23	9,167.10	8,445.87
8)	Tax Expense	710.13	752.90	639.08	2,947.18	2,418.90	2,983.10	2,441.47
	(a) Provision for Income Tax							
	Current Year	677.04	735.95	684.63	2,822.26	2,502.42	2,857.89	2,525.38
	Earlier Years	12.54	0.00	0.46	12.11	0.46	12.11	(0.18)
	(b) Deferred Tax Liability / (Deferred Tax Asset)	20.55	16.95	(46.01)	112.81	(83.98)	113.10	(83.73)
9)	Net Profit from Ordinary activities after tax (7-8)	1,259.65	1,582.32	1,560.76	6,113.48	5,959.33	6,184.00	6,004.40
10)	Extraordinary items (Net of tax expense - Nil)	--	--	--	--	--	--	--
11)	Net Profit for the period (9-10)	1,259.65	1,582.32	1,560.76	6,113.48	5,959.33	6,184.00	6,004.40
12)	Share of Profit / (loss) of associates.	--	--	--	--	--	--	--
13)	Minority Interest	--	--	--	--	--	--	--
14)	Net Profit after taxes, minority interest and share of profit / (loss) of associates (11+12+13)	1,259.65	1,582.32	1,560.76	6,113.48	5,959.33	6,184.00	6,004.40
15)	Paid-up Equity Share Capital (Face value of share is ₹ 10)	1,320.04	1,320.04	1,320.04	1,320.04	1,320.04	1,320.04	1,320.04
16)	Reserves excluding Revaluation reserves (As per audited balance Sheet as at 31st March)	--	--	--	34,445.99	30,899.17	34,708.27	31,091.31
17)	Earnings Per Share (EPS) (Face value ₹ 10/- each) (not annualised)							
	(a) Basic and Diluted EPS (before Extraordinary items) (in ₹)	9.54	11.99	11.83	46.31	45.15	46.85	45.49
	(b) Basic and Diluted EPS (after Extraordinary items) (in ₹)	9.54	11.99	11.83	46.31	45.15	46.85	45.49
18)	Debt Equity Ratio	--	--	--	5.61	5.83	--	--
19)	Debenture Redemption Reserve	--	--	--	1,172.55	856.28	--	--
20)	Networth	--	--	--	35,766.03	32,219.21	--	--
	See accompanying notes to the Financial Results							



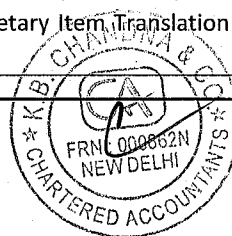
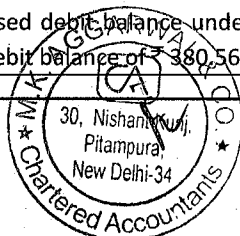
(₹ In Crore)					
Part-II: STANDALONE AND CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (AUDITED)					
A	EQUITY AND LIABILITIES	Standalone		Consolidated	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
1	Shareholders' Funds				
	(a) Share capital	1,320.04	1,320.04	1,320.04	1,320.04
	(b) Reserves and surplus	34,445.99	30,899.17	34,708.27	31,091.31
	Sub total - Shareholders' Funds	35,766.03	32,219.21	36,028.31	32,411.35
2	Non-current liabilities				
	(a) Long-term borrowings	172,549.70	164,973.46	172,614.57	164,995.41
	(b) Deferred tax liabilities (net)	302.06	189.25	301.96	188.27
	(c) Other Long-term Liabilities	548.75	333.81	548.85	333.81
	(d) Long Term Provisions	1,229.28	963.61	1,230.59	963.97
	Sub-total - Non-current liabilities	174,629.79	166,460.13	174,695.97	166,481.46
3	Current liabilities				
	(a) Current maturity of long term borrowing	20,363.17	18,735.28	20,474.00	18,735.28
	(b) Short-term borrowing	7,571.57	4,064.41	7,571.57	4,064.41
	(c) Trade Payables	0.00	0.00	69.65	17.04
	(d) Other Current Liabilities	7,500.77	6,660.15	7,564.86	6,672.68
	(e) Short Term Provisions	805.44	525.23	815.39	529.43
	Sub-total - Current liabilities	36,240.95	29,985.07	36,495.47	30,018.84
	TOTAL - EQUITY AND LIABILITIES	246,636.77	228,664.41	247,219.75	228,911.65
B	ASSETS				
1	Non-current assets				
	(a) Fixed assets	64.07	65.79	245.11	103.92
	(b) Non-current investments	2,266.73	347.28	1,819.23	23.80
	(c) Long-term loans and advances	200,036.08	197,842.91	200,380.71	197,930.34
	(d) Other Non Current Assets	314.98	224.72	375.51	318.91
	Sub-total - Non-current assets	202,681.86	198,480.70	202,820.56	198,376.97
2	Current assets				
	(a) Current investments	410.74	504.04	410.74	504.04
	(b) Trade Receivables	0.00	0.00	111.21	28.59
	(c) Cash and Bank Balances	78.45	5,070.80	301.55	5,367.36
	(d) Current Maturities of Long-term loans	33,622.15	16,312.09	33,634.42	16,313.83
	(e) Short-term loans & advances	3,803.96	3,006.00	3,792.38	3,006.00
	(f) Other Current Assets	6,039.61	5,290.78	6,148.89	5,314.86
	Sub-total - Current assets	43,954.91	30,183.71	44,399.19	30,534.68
	TOTAL - ASSETS	246,636.77	228,664.41	247,219.75	228,911.65

Notes :-

1	The above financial results for the quarter and year ended 31.03.2016 have been reviewed and recommended by the Audit committee of Directors and approved by the Board of Directors in their meetings held on 25.05.2016. The same have been audited by the Joint Statutory Auditors of the Company.
2	Interest, Finance and Other charges at 2(a) above, includes provisions made during the quarter and year ended 31.03.2016 in respect of: (i) NPA ₹ 641.70 Crore and ₹ 933.70 Crore respectively (corresponding previous quarter and year ₹ 47.81 Crore and ₹ 261.33 Crore respectively). Gross NPAs as at 31.03.2016 ₹ 7,520.21 Crore (as at 31.03.2015 ₹ 2,534.34 Crore), (ii) Standard Assets ₹ (207.41) Crore and ₹ 110.85 Crore respectively (corresponding previous quarter and year ₹ 25.61 Crore and ₹ 17.15 Crore respectively), (iii) Restructured Standard Assets ₹ 103.00 Crore and ₹ 564.77 Crore respectively (corresponding previous quarter and year ₹ 202.89 Crore and ₹ 564.43 Crore respectively). The qualifying Restructuring / Reschedulement / Renegotiation (R/R/R) loans outstanding as at 31.03.2016 amount to ₹ 21,479.20 Crore in private sector and ₹ 10,783.78 Crore in Govt. Sector (₹ 20,524.91 crore in private sector and Nil in Govt. Sector as at 31.03.2015), and (iv) Provision for Diminution in value of investments ₹ 56.07 Crore and ₹ 96.26 Crore respectively (corresponding previous quarter and year ₹ 1.06 Crore and ₹ 1.06 Crore respectively). As regards provision on Standard Assets as per RBI norms, the Company is required to enhance provision in a phased manner from 0.25% on 31.03.2015 to 0.40% by 31.03.2018. Acceleration of this provision by 0.10%, applicable for FY 2016-17 & FY 2017-18, but made during quarter and half year ended 30.09.2015 has been further reviewed and the provision has been aligned to the applicable rate of provision as on 31.03.2016, i.e. 0.30% as per RBI norms.



3	For R/R/R norms, RBI vide its letter dated 11.06.2014 – (i) has exempted the Company 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, and (ii) has directed that 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, 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. For implementing RBI's directions dated 11.06.2014, Company vide its letter dated 03.07.2014 has communicated its implementation strategy to RBI, which has been further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that i) all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R, ii) project loans to generating companies already sanctioned up to 31.03.2015 are to be governed by MoP approved R/R/R Norms and iii) Non Project loans will be governed by RBI norms on R/R/R w.e.f. 01.04.2015. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination. Company has not received any further directions from RBI in the matter and accordingly, Company is implementing the RBI norms in line with RBI directions dated 11.06.2014 read with manner of implementation communicated to RBI as stated above. As regards R/R/R loans on which restructuring provisioning as per RBI norms is applicable, the Company is required to enhance provision in a phased manner from 2.75% on 31.03.2015 to 3.50%, 4.25% and 5% by 31.03.2016, 31.03.2017 and 31.03.2018 respectively. Acceleration of this provision to 4.25% made during quarter and nine months ended 31.12.2015 has been further reviewed and the provision has been aligned to the applicable rate of provision as on 31.03.2016, i.e. 3.50% as per RBI directions.
4	For credit concentration norms, RBI vide its letter dated 03.04.2014, has allowed exemption in respect of exposure to Central / State Government entities till 31.03.2016. The Company, vide its letter dated 22.01.2016 has requested RBI to extend the exemption further till 31.03.2020 and has inter-alia informed that the Company will continue to follow its own credit concentration norms for Central / State Government entities till such time any further directions are received from RBI. In this regard, RBI, vide letter dated 22.04.2016, received on 28.04.2016, has directed the Company (i) that exposure in excess of levels currently permitted under RBI's credit concentration norms may be continued only in respect of already entered into agreements / sanctioned limits, up to their maturity, (ii) not to take any fresh position in respect of such exposure or enter into fresh agreements which do not conform to the RBI exposure norms, and (iii) that fresh sanctions to existing borrowers or new loans in excess of RBI's credit concentration norms shall be permitted provided there is a guarantee from the Central Government / State Government concerned and the same is a part of the concerned Government's borrowing programme. However, the matter has again been taken up with RBI for allowing extension in exemption to the Company from the applicability of RBI's credit concentration norms on Government sector entities upto 31.03.2022, vide letter dated 17.05.2016.
5	For asset classification, in pursuance to RBI directions dated 30.06.2015 and 10.12.2015 issued subsequent to RBI circular DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10.11.2014, Company's prudential norms have been suitably amended. For operationalisation of these directions, the Company has communicated its understanding to RBI vide letters dated 13.08.2015 and 13.01.2016. Accordingly, during the year, a loan asset (excluding lease asset) has been recognized as NPA, if it remained overdue for a period of 6 months or more, however, as at 31.03.2016 it has been recognized as NPA if it remained overdue for a period of 5 months or more.
6	In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower has obtained an ad-interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015. The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset has been re-classified from restructured sub-standard to restructured standard asset and the NPA provision amounting to ₹ 339.99 Crore made in the account during the year has been reversed. The matter is sub-judice and in last hearing held in Jan 2016 matter has again been adjourned and stay stands extended accordingly. Further, based on the subsequent legal opinion sought by the Company in respect of amount which became overdue on 15.10.2015 and 15.01.2016, the Company continues to maintain asset classification as standard.
7	During the current quarter, Company has subscribed to 50,000 equity shares of face value of ₹ 10/- each at par amounting to ₹ 0.05 Crore, in subsidiary incorporated during the quarter ended 31.12.2015 i.e. Jharkhand Infra Power Limited.
8	During the year, three subsidiaries (Independent Transmission Projects) of PFCL (wholly owned subsidiary of the Company) i.e. Sipat Transmission Limited, Raipur-Rajnadaon-Warora Transmission Limited & Chhattisgarh-WR Transmission Limited have been transferred to the successful bidders on 23.11.2015.
9	The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 31.03.2016 the unamortised debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 739.74 Crore (as at 31.03.2015 debit balance of ₹ 380.56 Crore).



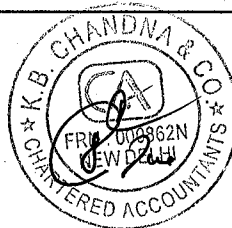
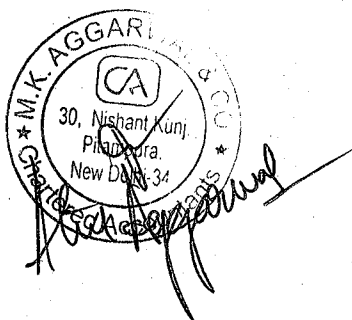
10	The Board of Directors has recommended a final dividend @ 6% on the paid up equity capital i.e. ₹ 0.60 per equity share of ₹ 10/- each amounting to ₹ 79.20 Crore for the FY 2015-16 subject to shareholders' approval in forthcoming Annual General Meeting. Accordingly, total dividend for FY 2015-16 stands at 139% (including 133% interim dividend declared and paid earlier) of the paid up equity capital i.e. ₹ 13.90 per equity share of ₹ 10 each.
11	During the quarter, Company has applied for 9,90,00,000 equity shares of Energy Efficiency Services Limited (EESL) (a joint venture entity) of face value ₹ 10/- per share aggregating to ₹ 99 Crore. Shares have been allotted on 25.04.2016.
12	The Company raises funds through various instruments including series of non-convertible bond issues. During the year, the Company has not defaulted in servicing of its borrowings. As regards non-convertible Rupee denominated bonds, the previous due date for payment of interest and principal were 31.03.2016 and 17.03.2016 respectively.
13	As per Section 135 of the Companies Act, 2013 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two per cent of the average net Profit before Tax (PBT) of the Company earned during the three immediately preceding financial years in accordance with its CSR policy. Accordingly, during the year ended 31.03.2016, expenditure of ₹ 157.93 Crore (Previous year ₹ 35.52 Crore) has been incurred on Corporate Social Responsibility activities.
14	Ratings assigned by domestic rating agencies during the year, for 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. During the year, the international credit rating agencies Moody's, Fitch and Standard and Poor's have given to Company, long term currency issuer ratings of Baa3, BBB- and BBB- respectively, which are at par with sovereign rating for India. There has been no change in the credit rating during the year.
15	Redeemable preference shares as at 31.03.2016 stand at Nil (Previous year Nil).
16	The identification of business segment is done in accordance with the system adopted for internal financial reporting to the Board of Directors and management structure. The Company's primary business is to provide finance for power sector which in the context of Accounting Standard - 17 is considered the only primary business segment. Hence, no segmental reporting is required.
17	Consolidated financial year to date results of the Company include the financial year to date audited results of PFC Consulting Ltd, PFC Green Energy Ltd, PFC Capital Advisory Services Ltd, Power Equity Capital Advisors Pvt. Ltd (wholly owned subsidiaries), National Power Exchange Ltd (joint venture entity) and unaudited results of Energy Efficiency Services Ltd (joint venture entity).
18	Figures for the quarter ended 31.03.2016 & 31.03.2015 are the balancing figures between audited figures for the year ended 31.03.2016 & 31.03.2015 and unaudited figures for the nine months ended 31.12.2015 & 31.12.2014 respectively.
19	For all the secured bonds issued by the Company and outstanding as at 31.03.2016, 100% security cover has been maintained by way of mortgage on specified immovable properties and/or charge on the receivables of the Company.
20	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.



M.K. GOEL

Chairman & Managing Director
DIN - 00239813

Place : New Delhi
Date : 25.05.2016



M/s M.K. Aggarwal & Co.
Chartered Accountants,
30, Nishant Kunj, Pitam Pura,
New Delhi – 110034.
Ph.No. 011 47517171
E-mail: mka@mkac.in

M/s K. B. Chandna & Co.
Chartered Accountants,
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New Delhi – 110049
Ph. No. 011 26252762
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Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015

To

Board of Directors of Power Finance Corporation Limited

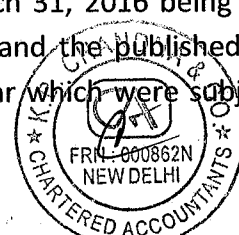
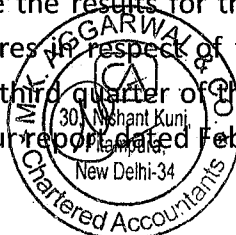
We have audited the accompanying Standalone Financial Results of **Power Finance Corporation Limited** (the 'Company') for the year ended March 31, 2016 (the 'Financial Results'), being submitted by the company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015. These Financial Results, which are the responsibility of the Company's management and approved by the Board of directors, have been prepared on the basis of related financial statements which is in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these Financial Results.

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 and disclosures in Financial Results. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Financial Results. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results:

- (i) are presented in accordance with the requirements of Regulation 33 and regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015; and
- (ii) give a true and fair view of the net profit and other financial information for the year to date results for the period from April 1, 2016 to March 31, 2016.

The Financial Results include the results for the quarter ended March 31, 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year which were subject to limited reviewed by us in terms of our report dated February 09, 2016.



EMPHASIS OF MATTER

We draw attention to the following matters in the notes to financial results:

- (a) Note no. 2 of financial results regarding realignment of provision made on standard assets as per RBI norms for the period ended 31.03.2016.
- (b) Note no. 3 of financial results, regarding prudential norms as stipulated by Reserve Bank of India with respect to Restructuring / Reschedulement / Renegotiation (R/R/R) and realignment of provision made on restructured standard assets as per RBI norms for the period ended 31.03.2016.

Our opinion is not modified in respect of above matters.

FOR M.K. AGGARWAL & CO.

Chartered Accountants

Firm's Registration No. 01411N

by the hand of


CA ATUL AGGARWAL

Partner

Membership No.099374

FOR K. B. CHANDNA & CO.

Chartered Accountants

Firm's Registration No. 00862N

by the hand of



CA SANJEEV CHANDNA

Partner

Membership No.087354

Date: 25.05.2016

Place: New Delhi

M/s M.K. Aggarwal & Co.
Chartered Accountants,
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New Delhi – 110034.
Ph. No. 011 47517171
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Chartered Accountants,
E-27, South Extension, Part-II,
New Delhi – 110049
Ph. No.011 26252762
E-mail: kbc.chandna@gmail.com

Auditor's Report on Year to Date Consolidated Financial Results of the Company Pursuant to the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015

To
Board of Directors of Power Finance Corporation Limited

We have audited the accompanying Consolidated Financial Results of **Power Finance Corporation Limited** (the 'Company') for the year ended March 31, 2016 (the 'Financial Results'), being submitted by the company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015. These Financial Results, which are the responsibility of the Company's management and approved by the Board of directors, have been prepared on the basis of related financial statements which is in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these Financial Results.

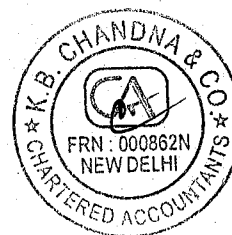
We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Financial Results. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Financial Results. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We did not audit the financial statements of four subsidiaries and two Joint Venture entities included in the year to date consolidated financial results, whose financial statements reflect total assets of ₹ 1042.82 Crore as at March 31, 2016 and total revenue of ₹ 322.05 crore for the year ended on that date. These financial statements and other financial information have been audited by other auditors, except in case of one of the joint venture whose financial statement has been certified by management, whose report(s) have been furnished to us, and our opinion on the year to date consolidated financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors and certification of management in the case of one of the Joint Venture.

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:

i. include the year to date financial results of the following entities:

- PFC Consulting Limited
- PFC Green Energy Limited



- PFC Capital Advisory Services Limited
- Power Equity Capital Advisors Private Limited
- National Power Exchange Limited
- Energy Efficiency Services Limited

- ii. have been presented in accordance with the requirements of Regulation 33 and regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015; and
- iii. give a true and fair view of the consolidated net profit and other financial information for the consolidated year to date results for the period from April 1, 2015 to March 31, 2016.

EMPHASIS OF MATTER

We draw attention to the following matters in the notes to financial results:

- (a) Note no. 2 of financial results regarding realignment of provision made on standard assets as per RBI norms for the period ended 31.03.2016.
- (b) Note no. 3 of financial results, regarding prudential norms as stipulated by Reserve Bank of India with respect to Restructuring / Reschedulement / Renegotiation (R/R/R) and realignment of provision, made on restructured standard assets as per RBI norms for the period ended 31.03.2016.

Our opinion is not modified in respect of above matters.

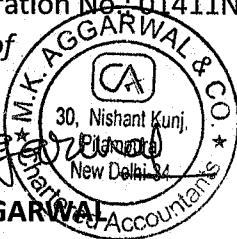
FOR M.K. AGGARWAL & CO.

Chartered Accountants

Firm's Registration No.: 01411N

by the hand of

Atul Aggarwal



CA ATUL AGGARWAL

Partner

Membership No.099374

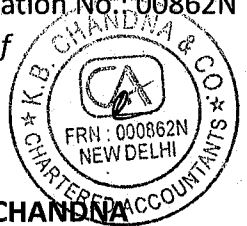
FOR K. B. CHANDNA & CO.

Chartered Accountants

Firm's Registration No.: 00862N

by the hand of

Sanjeev Chandna



CA SANJEEV CHANDNA

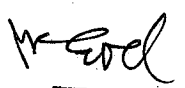
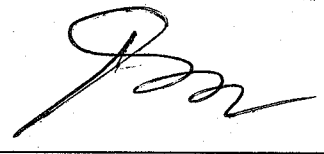
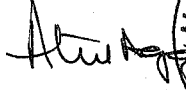
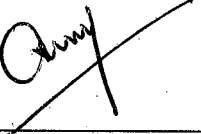
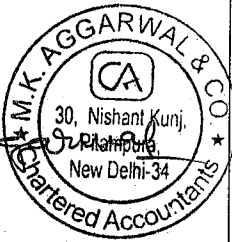
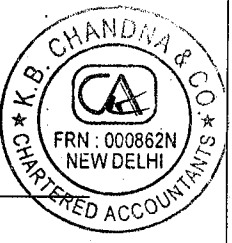
Partner

Membership No.087354

Date: 25.05.2016

Place: New Delhi

FORM A

1	Name of the Company	Power Finance Corporation Limited
2	Annual financial statements for the year ended	31 st March, 2016
3	Type of Audit observations	Emphasis of Matter on note no. 2 and note no. 3 of the financial results for the quarter and year ended 31 st March, 2016.
4	Frequency of observation	Audit observation on the matters covered at note no. 2 and note no. 3 of financial results for the quarter and year ended 31 st March, 2016 are appearing for the first time, except for the matter regarding RBI's prudential norms on Restructuring / Reschedulement / Renegotiation which is continuing since FY 2013-14.
5	To be signed by- - M.K. Goel Chairman & Managing Director R. Nagarajan Director (Finance) Joint Statutory Auditors of the Company - For M/s M.K. Aggarwal & Co. <i>Chartered Accountants</i> Firm's Registration No.: 01411N CA Atul Aggarwal - For M/s K.B. Chandna & Co. <i>Chartered Accountants</i> Firm's Registration No.: 00862N CA Sanjeev Chandna - Yogesh Garg Chairman of Audit Committee	 _____  _____  _____  _____  _____  



GDA Trustee

Believe in yourself... Trust us!



CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, GDA Trusteeship Limited ("Debenture Trustee") hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), provided to us by 'Power Finance Corporation Limited' for the Half year ended March 31, 2016.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For GDA Trusteeship Limited

S. B. Halawade

Authorized Signatory

Date: May 25, 2016

GDA Trusteeship Ltd.

Mumbai Office : Office No. 1, 2 and 3, 4th Floor, Rahimtoola House, 7, Homji Street, Fort, Mumbai 400 001 • Tel : +91-22-49220555 • Fax : +91-22-49220505

Regd Office : GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038 • CIN No. U74999PN1997PLC110262

Tel: +91-20-25280081 • Fax: +91-20-25280275 • Email : dt@gdatrustee.com • Web : www.gdatrustee.com

Bengaluru Office : D II - 207, Shriram White house, Netaji Subhashchandra Bose Road, 15th Cross, 6th Main, R. T. Nagar, IInd Block, Bengaluru - 560 032 • Tel: +91-80-2354 2436

Delhi Office : B-22, Ansal Chambers-1, 3 Bhikaji Kama Place, New Delhi - 110066 • Tel: +91-11-26163600

Date: May 25, 2016

**Power Finance Corporation Limited
Urjanidh, 1, Barakhamba Lane,
Connaught Place, New Delhi – 110001**

Sub: NOTING CERTIFICATE

We refer to your letter dated April 29, 2016 forwarding therewith Half Yearly Report for the half year ended 31.03.2016 for Series 132 to Series 144 issued in Private Placement to be submitted to the Stock Exchange and requesting us to issue Noting Certificate for the same as per regulation 52 (5) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 (LODR)

As requested, we hereby certify that we have taken note of the contents submitted by you.

For Milestone Trusteeship Services Pvt Ltd


Authorised Signatory

Regd. Office:

10, Rakesh Deep Building,
Yusuf Sarai Commercial Complex,
Gulmohar Enclave, New Delhi 110049
Tel: 011-41032929 Fax : 011-41035057
E-Mail: delhi_corporate@pnbisl.com

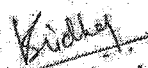
Date: 25.05.2016

Sub: CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

We, PNB Investment Services Limited, hereby confirm that we have received and noted the information as specified under regulation 52 (4) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, provided to us by Power Finance Corporation Ltd for the half year ended 31.03.2016.

This certificate is being issued pursuant to the requirement of regulation 52(5) of the above referred regulations, for onward submission to stock Exchange(s) by the Company.

For PNB Investment Services Limited


Authorised Signatory



ITCL

IL&FS Trust Company Limited

May 10, 2016

To,
Ms. Samidha Jain,
Additional General Manager,
Power Finance Corporation Limited,
'Urjanidhi', 1, Barakhamba Lane,
Connaught Place, New Delhi- 110001.

Dear Madam,

Sub: Half Yearly Certificate of Debenture Trustee for March 31, 2016

In compliance of the requirements of Chapter V, Regulation 52, Sub – Regulation (4) and (5) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for Non – Convertible Debt Securities we would like to state as under:

We, IL&FS Trust Company Limited ('ITCL'), are acting as a Debenture Trustee for Secured and Unsecured Redeemable Non Convertible, Non Cumulative, Taxable Bonds in nature of Debentures through private placement aggregating up to Rs. 22298.1 crores (Rs. 4351cr. + Rs. 800 cr. + Rs. 4283 cr. + Rs. 1000 cr. + Rs. 810 cr. + Rs. 2240 cr. + Rs. 150 cr. + Rs. 190 cr. + Rs. 1124.1 cr. + Rs. 1600 cr. + Rs. 4500 cr. + Rs. 750 cr. + Rs. 250 cr. + Rs. 250 c.) issued by Power Finance Corporation Limited.

With reference to above, we have received the following documents on May 10, 2016 and have noted its contents:

1. Half yearly communication ('HYC').
2. Statement of Unaudited Financial Results (Standalone) for the quarter and nine months ended 31st December, 2015.
3. CA Certificate dated 1st June, 2015.

This certificate has been signed and issued by us based on the documents (as mentioned above) submitted by you.

Thanking You

Sincerely,
For IL&FS Trust Company Limited


Authorized Signatory
Place: Mumbai



Regd. Office : IL&FS Financial Centre, Plot No. C - 22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, INDIA
Bangalore Office : IL&FS Trust Company Ltd., AL-Latheef, 1st Floor, No. 2 Union Street, Off Infantry Road, Bangalore - 560001, INDIA
New Delhi Office : IL&FS Trust Company Ltd., A-268, 1st Floor, Bhishm Pitamah Marg, Defence Colony, New Delhi - 110024, INDIA
Kolkata Office : IL&FS Trust Company Ltd., IL&FS Constantia, 3rd Floor, 11 Dr. U. N. Bramachari Street, Kolkata - 700017, INDIA

Corporate Identity Number (CIN) : U66020MH1995PLC095507

www.itclindia.com



(A wholly owned subsidiary of Punjab National Bank)

Regd. Office:

10, Rakesh Deep Building,
Yusuf Sarai Commercial Complex,
Gulmohar Enclave, New Delhi 110049
Tel: 011-41032929 Fax: 011-41035057
E-Mail: delhi_corporate@pnbisl.com

Date: 25.05.2016

Sub: CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

We, PNB Investment Services Limited, hereby confirm that we have received and noted the information as specified under regulation 52 (4) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, provided to us by Power Finance Corporation Ltd for the half year ended 31.03.2016.

This certificate is being issued pursuant to the requirement of regulation 52(5) of the above referred regulations, for onward submission to stock Exchange(s) by the Company.

For PNB Investment Services Limited

Authorised Signatory

Corporate Office: Dalamal House, 11th Floor, Nariman Point, Mumbai 400021. Tel: 022-43474031 Fax: 022-22840854

Email: mumbai_corporate@pnbisl.com

CIN: U65191DL2009GOI187146

Website: www.pnbisl.com



GDA Trustee

Believe in yourself... Trust us!



CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, GDA Trusteeship Limited ("Debenture Trustee") hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), provided to us by 'Power Finance Corporation Limited' for the Half year ended March 31, 2016.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For GDA Trusteeship Limited

S. B. Halawade

Authorized Signatory

Date: May 25, 2016

GDA Trusteeship Ltd.

Mumbai Office : Office No. 1, 2 and 3, 4th Floor, Rahimtoola House, 7, Hornji Street, Fort, Mumbai 400 001 • Tel : +91-22-49220555 • Fax : +91-22-49220505
Regd Office : GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038 • CIN No. U74999PN1997PLC110262

Tel: +91-20-25280081 • Fax: +91-20-25280275 • Email : dt@gdatrustee.com • Web : www.gdatrustee.com

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New Delhi Office : 110066 • Tel: +91-11-26163600

Date: May 25, 2016

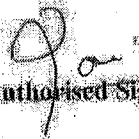
**Power Finance Corporation Limited
Urjanidh, 1, Barakhamba Lane,
Connaught Place, New Delhi – 110001**

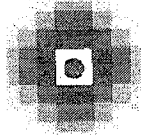
Sub: NOTING CERTIFICATE

We refer to your letter dated April 29, 2016 forwarding therewith Half Yearly Report for the half year ended 31.03.2016 for Tax Free Bond aggregating to Rs. 700 crores to be submitted to the Stock Exchange and requesting us to issue Noting Certificate for the same as per regulation 52 (5) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 (LODR)

As requested, we hereby certify that we have taken note of the contents submitted by you.

For Milestone Trusteeship Services Pvt Ltd


Authorised Signatory



ITCL

IL&FS Trust Company Limited

May 20, 2016

To,
Mr. Manohar Balwani
Company Secretary & Compliance Officer
Power Finance Corporation Limited,
Urjanidhi, 1 Barakhamba Lane, Connaught Place,
New Delhi, Delhi, 110001.

Dear Sir,

Sub: Half Yearly Certificate of Debenture Trustee for March 31, 2016

In compliance of the requirements of Chapter V, Regulation 52, Sub – Regulation (4) and (5) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for Non – Convertible Debt Securities we would like to state as under:

We, IL&FS Trust Company Limited ('ITCL'), are acting as a Debenture Trustee for Public Issue – Tax Free Bonds in nature of Secured, Redeemable NCD aggregating up to Rs. 4741.02 crores (Rs. 699.75 crores + Rs. 165.37 crores + Rs. 3875.90 crores) issued by Power Finance Corporation Limited.

With reference to above, we have received the following documents on May 20, 2016 and have noted its contents without verification

1. Half yearly communication for dissemination to Debenture Holders half year ending 31-03-2016
2. Limited Review Report of the unaudited financial results for the quarter and nine months ended 31st December, 2015
3. CA Certificate dated 7th September, 2015 certifying Security Coverage Ratio, Asset Coverage Ratio and Debt to Equity Ratio as on June 30, 2015

This certificate has been signed and issued by us based on the documents (as mentioned above) submitted by you.

Thanking You

Sincerely,
For IL&FS Trust Company Limited

M/ Authorized Signatory
Place: Mumbai



Regd. Office : IL&FS Financial Centre, Plot No. C - 22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, INDIA
Bangalore Office : IL&FS Trust Company Ltd., AL-Latheef, 1st Floor, No. 2 Union Street, Off Infantry Road, Bangalore - 560001, INDIA
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Corporate Identity Number (CIN) : U66020MH1995PLC095507

www.itclindia.com