



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

No:1:05:138:II:CS

Date: November 08, 2013

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: **Financial Results for the quarter and half year ended 30th September, 2013.**

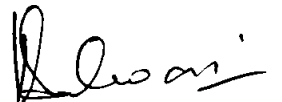
Madam,

In continuation to our earlier communication dated 23rd October, 2013, we would like to inform you that, the Board of Directors of Power Finance Corporation Ltd. in its meeting held on 08th November, 2013 have considered and approved the Financial Results (Standalone) for the quarter and half year ended 30th September, 2013.

Please find enclosed herewith the Financial Results (Standalone) for the quarter and half year ended 30th September, 2013 alongwith Statutory Auditors Report thereupon.

Thanking you,

Yours faithfully,
For Power Finance Corporation Ltd.


(Manohar Balwani)
Company Secretary

Encl: As above

Part I: STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2013

(₹ in Lac)

Sl. No.	PARTICULARS	STANDALONE QUARTER ENDED			STANDALONE HALF YEAR ENDED		STANDALONE YEAR ENDED
		30-09-2013	30-06-2013	30-09-2012	30-09-2013	30-09-2012	31-03-2013
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)	(Audited)
1)	Income from Operations						
	(a) Income from Operations	532,126	501,405	418,302	1,033,531	812,623	1,724,375
	(b) Other Operating Income	1,103	75	445	1,178	515	1,652
	Total Income from Operations	533,229	501,480	418,747	1,034,709	813,138	1,726,027
2)	Expenses						
	(a) Interest, Finance and Other Charges	347,519	326,309	272,183	673,828	534,184	1,116,045
	(b) Employee Benefit Expenses	1,929	2,309	1,934	4,238	3,822	8,094
	(c) Depreciation / Amortization	120	127	142	247	272	570
	(d) Other Expenses	5,159	757	1,429	5,916	2,267	5,842
	Total Expenses	354,727	329,502	275,688	684,229	540,545	1,130,551
3)	Profit from Operations before Other Income and Exceptional Items (1-2)	178,502	171,978	143,059	350,480	272,593	595,476
4)	Other Income	467	230	369	697	464	1,228
5)	Profit from ordinary activities before Exceptional Items (3+4)	178,969	172,208	143,428	351,177	273,057	596,704
6)	Exceptional items	--	--	--	--	--	--
7)	Profit from Ordinary Activities before Tax (5+6)	178,969	172,208	143,428	351,177	273,057	596,704
8)	Tax Expense	51,590	52,384	39,779	103,974	72,220	154,744
	(a) Provision for Income Tax	45,888	33,448	19,094	79,336	51,990	141,508
	(b) Deferred Tax Liability / Deferred Tax Asset (-)	5,702	18,936	20,685	24,638	20,230	13,236
9)	Net Profit from Ordinary activities after tax (7-8)	127,379	119,824	103,649	247,203	200,837	441,960
10)	Extraordinary items (Net of tax expense)	--	--	--	--	--	--
11)	Net Profit for the period (9-10)	127,379	119,824	103,649	247,203	200,837	441,960
12)	Paid-up Equity Share Capital (Face value of share is ₹ 10)	132,004	132,002	132,001	132,004	132,001	132,002
13)	Reserves excluding Revaluation reserves (As per audited balance Sheet as at 31st March)	--	--	--	--	--	2,273,410
14)	Earnings Per Share (EPS) (in ₹)						
	(a) Basic and Diluted EPS (before Extraordinary items)	9.65	9.08	7.85	18.73	15.22	33.48
	(b) Basic and Diluted EPS (after Extraordinary items)	9.65	9.08	7.85	18.73	15.22	33.48

Part II : SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2013

A	Particulars of Shareholding						
1	Public Shareholding :						
	Number of Shares	346,975,166	346,953,346	346,945,218	346,975,166	346,945,218	346,953,346
	Percentage of Shareholding	26.29%	26.28%	26.28%	26.29%	26.28%	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	973,061,665	973,061,665	973,061,665	973,061,665	973,061,665	973,061,665
	Percentage of Shares (as a % of the total shareholding of Promoter)	100%	100%	100%	100%	100%	100%
	Percentage of Shares (as a % of Total Share capital of the Company)	73.71%	73.72%	73.72%	73.71%	73.72%	73.72%

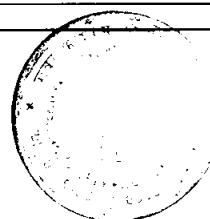
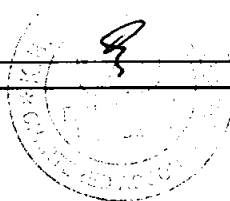
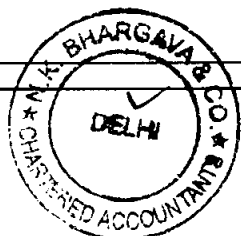
B	Investor Complaints		
	Particulars	Equity Shares	Debt Securities
	Pending at the beginning of the quarter	1	1
	Received during the quarter	21	430
	Disposed off during the quarter	21	429
	Lying unresolved at the end of the quarter	1*	2#
		* Pending	# Since Settled

STATEMENT OF STANDALONE ASSETS AND LIABILITIES (AUDITED)

A	EQUITY AND LIABILITIES	As at 30.09.2013	As at 31.03.2013
1	Shareholders' Funds		
	(a) Share capital	132,004	132,002
	(b) Reserves and surplus	2,520,794	2,273,410
	Sub total - Shareholders' Funds	2,652,798	2,405,412
2	Non-current liabilities		
	(a) Long-term borrowings	13,061,560	12,115,086
	(b) Deferred tax liabilities (net)	46,617	21,979
	(c) Other Long-term Liabilities	34,142	53,980
	(d) Long Term Provisions	26,516	16,233
	Sub-total - Non-current liabilities	13,168,835	12,207,278
3	Current liabilities		
	(a) Current maturity of long term borrowing	698,739	961,208
	(b) Short-term borrowing	690,706	881,977
	(c) Other Current Liabilities	569,406	506,382
	(d) Short Term Provisions	22,104	19,399
	Sub-total - Current liabilities	1,980,955	2,368,966
	TOTAL - EQUITY AND LIABILITIES	17,802,588	16,981,656
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	7,261	7,434
	(b) Non-current investments	25,518	18,718
	(c) Long-term loans and advances	15,144,394	14,249,464
	(d) Other Non Current Assets	155,789	85,499
	Sub-total - Non-current assets	15,332,962	14,361,115
2	Current assets		
	(a) Current investments	383	383
	(b) Cash and Bank Balances	2,654	475,381
	(c) Current Maturities of Long-term loans	1,810,112	1,545,585
	(d) Short-term loans	250,626	241,611
	(e) Other Current Assets	405,851	357,581
	Sub-total - Current assets	2,469,626	2,620,541
	TOTAL - ASSETS	17,802,588	16,981,656

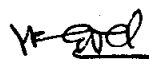
Notes :-

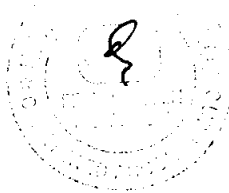
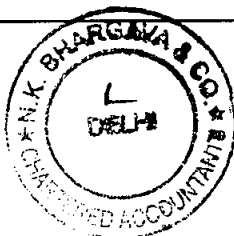
1	The above financial results for the quarter and half year ended 30.09.2013 have been reviewed and recommended by the Audit committee of Directors and approved by the Board of Directors in their respective meetings held on 07.11.2013 and 08.11.2013. The same has been audited by the Statutory Auditors 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	In line with Circular No. 6 / 3 / 2001 - CL.V dated 18.04.2002 of the Government of India, Ministry of Law, Justice Company Affairs, and Department of Company Affairs, the Company had been creating till FY 2011-12, Debenture Redemption Reserve (DRR) upto 50% of the value of debentures issued through public issue, over the maturity period of such debentures and no DRR in case of privately placed debentures. In recent Circular No 11/02/2012-CL-V(A) dated 11.02.2013, the Ministry of Corporate Affairs (MoCA) has prescribed that adequacy of DRR will be 25% of the value of debentures issued through public issue and no DRR is required in the case of privately placed debentures. In this regard, the Company has requested the MoCA for clarification, which is awaited. Pending receipt of clarification, the Company has created and maintained DRR in line with the Circular dated 18.04.2002.



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 30.09.2013, ₹ 1,24,367 lacs (as on 31.03.2013 ₹ 47,797 lacs) has been carried forward in the Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and shown on the asset side of the balance sheet, as a separate line item. As per the ICAI's announcement dated 30.03.2013, the debit or credit balance in FCMITDA should be shown on the "Equity and Liabilities" side of the balance sheet under the head "Reserve and Surplus", as a separate line item. The Company requested for a clarification on the applicability of ICAI announcement from the Government of India, Ministry of Corporate Affairs (MoCA), who replied by explaining the rationale given by the ICAI in their announcement, without stating whether the announcement was recommendatory or mandatory. Hence, the matter has been taken up again with MoCA through MoP. Pending receipt of clarification, the FCMITDA is continued to be shown on the assets side of the balance sheet, as a separate line item, in line with presentation made in previous year.
5	From FY 2012-13, as per the accounting policy, the Company has been creating provision for standard assets in phases in three years @ of 0.0833% p.a. in order to bring it to 0.25% by 31st March 2015. In July, 2013, RBI has advised that provision be made @ 0.25% for all new assets created. Accordingly, the Company has changed its accounting policy to create provision @ 0.25% for all new assets created in the current year. Due to this change in accounting policy, the profits for the quarter and half year ended 30.09.2013 have decreased by ₹ 2,249.00 lac (net of taxes).
6	The Company in its Annual General Meeting held on 26.09.2013 had approved the payment of final dividend for the FY 2012-13 @ ₹ 1/- per equity share of ₹ 10/- each amounting to ₹ 13,200.37 lacs; it was paid on 07.10.2013.
7	During the quarter ended 30.09.2013, the company has allotted 21,820 equity shares of ₹ 10/- each under the Employee Stock Option Scheme resulting in increase in equity share capital by ₹ 2.18 lacs and securities premium reserve by ₹ 35.73 lacs.
8	Tax Expenses includes current year tax provision and earlier years' tax expenses / adjustments.
9	Figures for the quarter ended 30.09.2013 are the balancing figures between audited figures for the half year ended 30.09.2013 and unaudited figures for the quarter ended 30.06.2013.
10	Figures for the previous period have been regrouped / rearranged wherever necessary, in order to make them comparable.

Place : New Delhi
Date : 08.11.2013


(M K GOEL)
CHAIRMAN AND MANAGING DIRECTOR
DIN - 00239813



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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 limited reviewed (unaudited) financial results for the quarter ended 30-Sep-2013 and year to date audited financial results for the period from 01-Apr-2013 to 30-Sep-2013, 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. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 133 of Companies Act 2013 (which has superseded section 211 (3C) of Companies Act 1956 w.e.f. 12th September 2013 in terms of clarification issued by the Ministry of Corporate Affairs vide circular no. 15/2013 dated 13.09.2013), and other accounting principles generally accepted in India.

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.

In our opinion and to the best of our information and according to the explanations given to us these quarterly and half yearly financial results:

- (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 half year ended as at 30th September, 2013

Without qualifying our opinion, attention is drawn to the note no. 4 regarding presentation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA).

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: New Delhi
Date: 08.11.2013

For K. B. Chandna & Co.
Chartered Accountants
Firm's Regn. No.: 000862N

(V.K. Gureja)
Partner
Membership No - 016521