



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:1:05:138:11:CS

Date: 3rd November, 2015

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, 022-22722037/39/41/61

Sub: Financial Results for the Quarter and half year ended 30th September, 2015 alongwith Limited Review Report thereupon.

Sir,

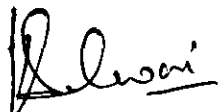
In continuation to our earlier communication dated 19th October, 2015, we would like to inform you that, the Board of Directors of Power Finance Corporation Ltd. in its meeting held on 3rd November, 2015 have considered and approved the Financial Results (Standalone) for the quarter and half year ended 30th September, 2015.

Please find enclosed herewith the Financial Results (Standalone) for the quarter and half year ended 30th September, 2015 alongwith Limited Review report thereupon.

Thanking you,

Yours faithfully,

For Power Finance Corporation Ltd.


(Manohar Balwani)
Company Secretary
mb@pfcindia.com

Enclosed: As above

POWER FINANCE CORPORATION LIMITED							
URJANIDHI, 1, BARAKHAMBA LANE, CONNAUGHT PLACE, NEW DELHI. Website: http://www.pfcindia.com							
CIN L65910DL1986GDI024862							
Part I: STATEMENT OF UNAUDITED FINANCIAL RESULTS (STANDALONE) FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2015							
(₹ in Lac)							
Sl. No.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30-09-2015	30-06-2015	30-09-2014	30-09-2015	30-09-2014	31-03-2015
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1)	Income from Operations						
	(a) Interest Income	689,140	670,932	615,390	1,360,072	1,197,066	2,458,610
	(b) Other Operating Income	13,062	4,597	8,706	17,659	12,657	27,522
	Total Income from Operations	702,202	675,529	624,096	1,377,731	1,209,723	2,486,132
2)	Expenses						
	(a) Interest, Finance and Other Charges (including Provisions)	452,537	428,483	417,055	881,020	797,403	1,631,355
	(b) Employee Benefit Expenses	2,243	2,303	2,388	4,546	4,541	8,581
	(c) Depreciation / Amortization	145	130	156	275	303	609
	(d) Other Expenses	1,247	15,661	2,789	16,908	5,916	12,312
	Total Expenses	456,172	446,577	422,388	902,749	808,163	1,652,857
3)	Profit from Operations before Other Income and Exceptional Items (1-2)	246,030	228,952	201,708	474,982	401,560	833,275
4)	Other Income	207	377	435	584	986	4,548
5)	Profit from ordinary activities before Exceptional Items (3+4)	246,237	229,329	202,143	475,566	402,546	837,823
6)	Exceptional items						
7)	Profit from Ordinary Activities before Tax (5+6)	246,237	229,329	202,143	475,566	402,546	837,823
8)	Tax Expense	76,707	71,708	61,285	148,415	116,862	241,890
	(a) Provision for Income Tax	71,607	69,277	61,369	140,884	119,892	250,288
	(b) Deferred Tax Liability / (Deferred Tax Asset)	5,100	2,431	(84)	7,531	(3,030)	(8,398)
9)	Net Profit from Ordinary activities after tax (7-8)	169,530	157,621	140,858	327,151	285,684	595,933
10)	Extraordinary items (Net of tax expense)						
11)	Net Profit for the period (9-10)	169,530	157,621	140,858	327,151	285,684	595,933
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)	169,530	157,621	140,858	327,151	285,684	595,933
15)	Paid-up Equity Share Capital (Face value of share is ₹ 10)	132,004	132,004	132,004	132,004	132,004	132,004
16)	Reserves excluding Revaluation reserves (As per audited balance Sheet as at 31st March)						3,089,917
17)	Earnings Per Share (EPS) (not annualised) (In ₹)						
	(a) Basic and Diluted EPS (before Extraordinary items)	12.84	11.94	18.67	24.78	21.64	45.15
	(b) Basic and Diluted EPS (after Extraordinary items)	12.84	11.94	10.67	24.78	21.64	45.15
Part II : SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2015							
A	Particulars of Shareholding						
1	Public Shareholding :						
	Number of Shares	425,116,338	359,114,303	359,085,115	425,116,338	359,085,115	359,085,115
	Percentage of Shareholding	32.20%	27.20%	27.20%	32.20%	27.20%	27.20%
2	Promoters and Promoter Group 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	894,924,366	960,926,401	960,955,589	894,924,366	960,955,589	960,955,589
	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)	67.80%	72.80%	72.80%	67.80%	72.80%	72.80%

B Investor Complaints		Quarter ended 30.09.2015	
Particulars	Equity Shares	Debt Securities	
Pending at the beginning of the quarter	1	4	
Received during the quarter	217	560	
Disposed off during the quarter	217	561	
Remaining unresolved at the end of the quarter	1*	3#	
	* Pending	# Since settled	

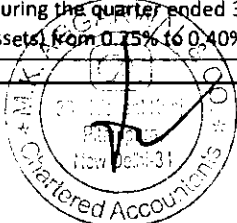
(₹ In lac)

STATEMENT OF ASSETS AND LIABILITIES (STANDALONE)

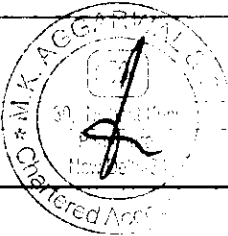
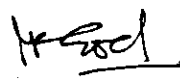
A EQUITY AND LIABILITIES		As at 30.09.2015 (Un-audited)	As at 31.03.2015 (Audited)
1	Shareholders' Funds		
	(a) Share capital	132,004	132,004
	(b) Reserves and surplus	3,394,683	3,089,917
	Sub-total - Shareholders' Funds	3,526,687	3,221,921
2	Non-current liabilities		
	(a) Long-term borrowings	16,533,599	16,497,346
	(b) Deferred tax liabilities (net)	26,456	18,925
	(c) Other Long-term Liabilities	37,316	33,381
	(d) Long Term Provisions	166,394	96,361
	Sub-total - Non-current liabilities	16,763,765	16,646,013
3	Current liabilities		
	(a) Current maturity of long term borrowing	2,000,177	1,873,528
	(b) Short-term borrowing	0	406,441
	(c) Other Current Liabilities	791,782	666,015
	(d) Short Term Provisions	49,764	52,523
	Sub-total - Current liabilities	2,841,643	2,998,507
	TOTAL - EQUITY AND LIABILITIES	23,132,095	22,866,441
B ASSETS			
1	Non-current assets		
	(a) Fixed assets	6,552	6,579
	(b) Non-current investments	37,243	34,728
	(c) Long-term loans and advances	20,189,463	19,784,291
	(d) Other Non Current Assets	23,814	22,472
	Sub-total - Non-current assets	20,257,072	19,848,070
2	Current assets		
	(a) Current investments	46,078	50,404
	(b) Cash and Bank Balances	8,960	507,080
	(c) Current Maturities of Long-term loans	1,883,080	1,631,209
	(d) Short-term loans	307,900	288,722
	(e) Other Current Assets	629,005	540,956
	Sub-total - Current assets	2,075,023	3,018,371
	TOTAL - ASSETS	23,132,095	22,866,441

Notes :-

1	The above financial results for the quarter and half year ended 30.09.2015 have been reviewed and recommended by the Audit committee of Directors and approved by the Board of Directors in their meetings held on 02.11.2015 and 03.11.2015 respectively. The same has been Limited Reviewed by the Statutory Auditors of the Company.
2	Interest Finance and Other charges at 2(a) of Part I above, includes provisions made during the quarter and half year ended 30.09.2015 on account of: (i) NPA ₹ 1824 Lac and ₹ 5873 Lac respectively (corresponding previous quarter and half year ₹ 9682 Lac and ₹ 21295 Lac respectively), (ii) Standard Assets ₹ 30393 Lac and ₹ 31037 Lac respectively (corresponding previous quarter and half year ₹ (2833) Lac and ₹ (1585) Lac respectively), (iii) Restructured Standard Assets ₹ 1564 Lac and ₹ 21698 Lac respectively (corresponding previous quarter and half year ₹ 21531 Lac and ₹ 21531 Lac respectively), and (iv) Provision for Diminution in value of investments ₹ 4326 Lac and ₹ 4326 Lac respectively (corresponding previous quarter and half year Nil). As regards provision on Standard Assets, RBI norms require the Company to enhance the provision in a phased manner to 0.40% by 31.03.2018. The Company, during the quarter ended 30.09.2015, has increased the provisioning on Standard Loan Assets (excluding outstanding restructured standard loan assets) from 0.75% to 0.40%.



	a) The Company being a Government owned Non-Banking Financial Company is exempt from the RBI directions relating to Prudential Norms. RBI has directed the Company, vide its letter dated 25.07.2013, to take steps to comply with RBI's Prudential Norms by 31.03.2016. Further, RBI vide its letter dated 03.04.2014 has allowed exemption from credit concentration norms in respect of exposure to Central / State Government entities till 31.03.2016. The Company follows its own prudential norms approved by the Ministry of Power (MoP), Govt. of India (GoI) (including revisions approved by BoD in its meeting held on 09.03.2015 subject to the approval of MoP which is awaited) which inter-alia includes norms for Restructuring / Reschedulement / Renegotiation (R/R/R) of loans which allows (i) two times restructuring before COD, (ii) exemption to the loans having central / state government guarantee and loans to government department, and (iii) dispensation not to consider extension of repayment schedule without sacrifice as restructuring for government sector borrowers. For revisions approved by BoD in its meeting held on 09.03.2015, MoP vide letter dated 02.09.2015 has informed the Company to strictly adhere to the directions / advice of RBI in making any amendment in prudential norms of the Company. The Company vide letter dated 27.10.2015 has again requested MoP to accord approval for the proposed amendments in prudential norms. For R/R/R norms, RBI has advised the Company to follow the instructions contained in RBI circular DNB5.CO.PD.No. 367/03.10.01/2013-14 dated 23.01.2014, vide its letter dated 03.04.2014 inter-alia allowing maximum period of delay in DCCO for which a loan can be restructured. The matter regarding applicability of RBI's R/R/R norms was taken up with RBI. In this regard, RBI vide its letter dated 11.06.2014 has allowed exemption 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. Further, 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, the 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. The Company vide its letter dated 03.07.2014 has communicated the manner of its implementation to RBI, further reiterated vide Company's letter dated 27.11.2014, inter-alia stating that all new project loans sanctioned with effect from 01.04.2015 to generating companies would be regulated by RBI norms on R/R/R. RBI vide its letter dated 04.02.2015 has informed that the Company's request is under examination. Pending decision by RBI regarding implementation of R/R/R norms, the Company is following its own norms read with the manner of implementation as stated above. b) During FY 2015-16, the Company is required to enhance provision on qualifying R/R/R loan assets from 2.75% to 3.50% and the aforesaid additional provision @ 0.75% has been made during the quarter ended 30.06.2015. A provision of ₹ 1564 Lac has been made during the quarter ended 30.09.2015 (corresponding quarter of previous year ₹ 21531 Lac). A provision of ₹ 21698 Lac has been made during the half year ended 30.09.2015 (corresponding period of previous year ₹ 21531 Lac). The qualifying R/R/R loans outstanding as on 30.09.2015 amount to ₹ 22,32,620 Lac in private sector and Nil in Govt. Sector (as on 31.03.2015 ₹ 20,52,491 Lac in private sector and Nil in Govt. Sector).
4	RBI vide letter dated 30.06.2015, received on 03.07.2015, has advised the Company that all loans including the outstanding stock of loans under consortium shall be governed by the asset classification norms as prescribed in Circular DNBR (PD) CC No. 002/03.10.001/2014-15 dated 10.11.2014. RBI has also informed that the asset classification norms that would be applicable to new loans under consortium shall be communicated shortly. Accordingly, the Company has amended its prudential norms w.e.f. 03.07.2015 so that the loan assets (excluding lease assets) outstanding as on 31.03.2016 and overdue for a period of 5 months or more will be classified as non-performing assets (NPA). The Company has communicated the manner of implementation of asset classification norms to RBI vide letter dated 13.08.2015. Accordingly, the additional provision, if any, will be accounted at the year end.
5	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 next hearing is scheduled to be held on 17.11.2015 and the stay stands extended accordingly. 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 ₹ 33,999 Lac made in the account during the quarter ended 30.06.2015 has been reversed in the same quarter.
6	During the current quarter, Bihar Mega Power Limited, a subsidiary company has been incorporated for developing Ultra Mega Power Project in the state of Bihar. Company has subscribed to 50,000 equity shares of face value of ₹ 10/- each at par amounting to ₹ 5 Lac. Company has also subscribed to 50,000 equity shares of face value of ₹ 10/- each at par amounting to ₹ 5 Lac in each of the subsidiaries incorporated during the quarter ended 30.06.2015 i.e. Deoghar Infra Limited and Bihar Infrapower Limited.
7	During the quarter ended 30.06.2015, Company has applied for 2,50,00,000 equity shares of Energy Efficiency Services Limited (EE5L) (a joint venture company) of face value ₹ 10/- per share at par aggregating to ₹ 2,500 Lac. Allotment of shares has been completed on 21.08.2015.
8	On 27th July 2015, President of India, acting through and represented by Ministry of Power, Government of India has sold 6,60,02,035 equity shares of face value of ₹ 10/- each representing 5% of the total paid up equity share capital of the Company, out of its shareholding of 72.80%, through "Offer for Sale" of shares by Promoters through the Stock Exchange mechanism. Post sale of shares, promoter shareholding stands at 67.80 % of the total paid up share capital of the Company.
9	The Company amortizes the exchange differences on the long term foreign currency monetary items over their tenure. Consequently, as on 30.09.2015 the unamortised debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 60,462 Lac (as on 31.03.2015 ₹ 38,056 Lac).

10	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.
11	Tax Expenses includes tax provision on year to date basis and earlier years' tax expenses / adjustments.
12	Figures for the quarter ended 30.09.2015 are the balancing figures between unaudited figures for the half year ended 30.09.2015 and unaudited figures for the quarter ended 30.06.2015.
13	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.
Place : New Delhi Date : 03.11.2015   M.K. GOEL Chairman & Managing DIN - 00239813	

M/s M.K. Aggarwal & Co.
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LIMITED REVIEW REPORT

TO THE BOARD OF DIRECTORS OF POWER FINANCE CORPORATION LIMITED

INTRODUCTION

We have reviewed the accompanying statement of unaudited financial results of Power Finance Corporation Limited (the "Company") for the quarter and half year ended 30th September, 2015 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. Management is responsible for the preparation and fair presentation of this statement and the same has been approved by the Board of Directors. Our responsibility is to express a conclusion on this interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

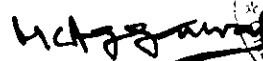
Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", specified under section 133 of the Companies Act, 2013, read with rules 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M.K. AGGARWAL & CO.

Chartered Accountants

Firm Registration No. 01411N

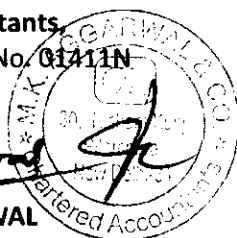
by the hand of



CA. M.K. AGGARWAL

Partner

Membership No. 014956

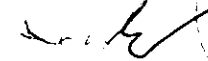


For K. B. CHANDNA & CO.

Chartered Accountants,

Firm Registration No. 00862N

by the hand of



CA. V.K. GUREJA

Partner

Membership No. 016521



Date: 03.11.2015

Place: New Delhi