

POWER FINANCE CORPORATION LIMITED

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

CIN L65910DL1986GOI024862

Part I: STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2014

Sl. No.	PARTICULARS	STANDALONE					
		QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		30-09-2014 (Un-audited)	30-06-2014 (Un-audited)	30-09-2013 (Un-audited)	30-09-2014 (Un-audited)	30-09-2013 (Audited)	31-03-2014 (Audited)
		(₹ in Lacs)					
1)	Income from Operations						
	(a) Income from Operations	621,981	588,035	519,773	1,210,016	1,013,910	2,097,871
	(b) Other Operating Income	8,489	3,804	13,581	12,293	21,044	54,371
	Total Income from Operations	630,470	591,839	533,354	1,222,309	1,034,954	2,152,242
2)	Expenses						
	(a) Interest, Finance and Other Charges	422,822	386,570	347,519	809,392	673,828	1,374,813
	(b) Employee Benefit Expenses	2,296	2,079	1,929	4,375	4,238	7,956
	(c) Depreciation / Amortization	156	147	120	303	247	493
	(d) Other Expenses	3,488	3,191	5,159	6,679	5,916	14,653
	Total Expenses	428,762	391,987	354,727	820,749	684,229	1,397,915
3)	Profit from Operations before Other Income and Exceptional Items (1-2)	201,708	199,852	178,627	401,560	350,725	754,327
4)	Other Income	435	551	342	986	452	1,504
5)	Profit from ordinary activities before Exceptional Items (3+4)	202,143	200,403	178,969	402,546	351,177	755,831
6)	Exceptional items	--	--	--	--	--	--
7)	Profit from Ordinary Activities before Tax (5+6)	202,143	200,403	178,969	402,546	351,177	755,831
8)	Tax Expense	61,285	55,577	51,590	116,862	103,974	214,056
	(a) Provision for Income Tax	61,369	58,523	45,888	119,892	79,336	208,613
	(b) Deferred Tax Liability / Deferred Tax Asset (-)	(84)	(2,946)	5,702	(3,030)	24,638	5,443
9)	Net Profit from Ordinary activities after tax (7-8)	140,858	144,826	127,379	285,684	247,203	541,775
10)	Extraordinary items (Net of tax expense)	--	--	--	--	--	--
11)	Net Profit for the period (9-10)	140,858	144,826	127,379	285,684	247,203	541,775
12)	Paid-up Equity Share Capital (Face value of share is ₹ 10)	132,004	132,004	132,004	132,004	132,004	132,004
13)	Reserves excluding Revaluation reserves (As per audited balance Sheet as at 31st March)	--	--	--	--	--	2,605,457
14)	Earnings Per Share (EPS) (in ₹)						
	(a) Basic and Diluted EPS (before Extraordinary items)	10.67	10.97	9.65	21.64	18.73	41.04
	(b) Basic and Diluted EPS (after Extraordinary items)	10.67	10.97	9.65	21.64	18.73	41.04

Part II : SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2014

A	Particulars of Shareholding						
1	Public Shareholding :						
	Number of Shares	359,085,115	359,085,115	346,975,166	359,085,115	346,975,166	359,085,115
	Percentage of Shareholding	27.20%	27.20%	26.29%	27.20%	26.29%	27.20%
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	960,955,589	973,061,665	960,955,589	973,061,665	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)	72.80%	72.80%	73.71%	72.80%	73.71%	72.80%



Investor Complaints		
Particulars	Equity Shares	Debt Securities
Pending at the beginning of the quarter	1	10
Received during the quarter	235	535
Disposed off during the quarter	235	540
Remaining unresolved at the end of the quarter	1*	5#
	* Pending	# Since Settled

STATEMENT OF STANDALONE ASSETS AND LIABILITIES

(₹ In Lacs)

A	EQUITY AND LIABILITIES	As at 30.09.2014 (Un-audited)	As at 31.03.2014 (Audited)
1	Shareholders' Funds		
	(a) Share capital		132,004
	(b) Reserves and surplus	2,905,279	2,605,457
	Sub total - Shareholders' Funds	3,037,283	2,737,461
2	Non-current liabilities		
	(a) Long-term borrowings	13,757,872	14,249,157
	(b) Deferred tax liabilities (net)	24,293	27,422
	(c) Other Long-term Liabilities	32,176	34,762
	(d) Long Term Provisions	68,026	47,304
	Sub-total - Non-current liabilities	13,882,367	14,358,645
3	Current liabilities		
	(a) Current maturity of long term borrowing	2,596,125	1,540,900
	(b) Short-term borrowing	347,633	131,449
	(c) Other Current Liabilities	662,238	626,175
	(d) Short Term Provisions	37,401	21,780
	Sub-total - Current liabilities	3,643,397	2,320,304
	TOTAL - EQUITY AND LIABILITIES	20,563,047	19,416,410
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	6,529	7,063
	(b) Non-current investments	34,834	34,834
	(c) Long-term loans and advances	17,938,717	16,879,211
	(d) Other Non Current Assets	22,166	20,968
	Sub-total - Non-current assets	18,002,246	16,942,076
2	Current assets		
	(a) Current investments	330	383
	(b) Cash and Bank Balances	101,417	6,014
	(c) Current Maturities of Long-term loans	1,674,464	1,804,295
	(d) Short -term loans	309,747	239,618
	(e) Other Current Assets	474,843	424,024
	Sub-total - Current assets	2,560,801	2,474,334
	TOTAL - ASSETS	20,563,047	19,416,410

Notes :-

1	The above financial results for the quarter and half year ended 30.09.2014 have been reviewed and recommended by the Audit committee of Directors and approved by the Board of Directors in their respective meetings held on 31.10.2014. The same has been limited reviewed 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	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 30.09.2014 the debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 56,591 lacs (as on 31.03.2014 ₹ 70,921 lacs) and shown on the "Equity and Liabilities" side of the balance sheet under the head "Reserve and Surplus", as a separate line item.
4	The Company has submitted a proposal to Ministry of Power (MoP), Government of India (GoI), to revise the norms indicated by Department of Expenditure (DoE) through MoP communication dated 15.07.2013 regarding R-APDRP Nodal Agency Fee / Reimbursement of expenditure norms for 12th Plan period. Pending finalization, from Q4 2013-14 onwards, the accounting for such fee / re-imburement of expenditure (with effect from 01.04.2012) has been done on provisional basis and restricted to 0.5% of the sanctioned project cost or actual expenditure, whichever is less, as indicated by DoE. Accordingly, Nodal agency fee amounting to ₹ 554 lacs and ₹ 562 lacs has been recognised during the quarter and half year ended 30.09.2014 respectively. Further, ₹ 397 lacs and ₹ 720 lacs on account of expenditure allocable to R-APDRP have been accounted for as other expenses recognised during the quarter and half year ended 30.09.2014 respectively.



5	<p>The Company being a Government owned Non-Banking Financial Company is exempt from the RBI directions relating to Prudential Norms. However, 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.</p> <p>For Restructuring / Reschedulement / Renegotiation (R/R/R) norms, 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, vide its letter dated 03.04.2014. 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.</p> <p>Accordingly, the Accounting policy related to Prudential Norms on R/R/R is being amended which inter-alia requires provision @ 2.75% on restructured standard assets, thus, during the quarter a provision has been made on proportionate basis for the period from 01.4.2014 to 30.09.2014 amounting to ₹ 21,531 lacs on qualifying loans (comprising of private sector loan - ₹ 15,65,901/- lacs + Govt. Sector loan - Nil). Consequently, profit for the quarter and half year ended 30.09.2014 has been reduced by ₹ 21,531 lacs.</p>
6	<p>The Company in its Annual General Meeting held on 26.09.2014 had approved the payment of final dividend for the FY 2013-14 @ ₹ 0.20/- per equity share of ₹ 10/- each amounting to ₹ 2,640.04 lacs. The amount of dividend due has been paid on 09.10.2014.</p>
7	<p>Tax Expenses includes current year tax provision and earlier years' tax expenses / adjustments.</p>
8	<p>Figures for the quarter ended 30.09.2014 are the balancing figures between unaudited figures for the half year ended 30.09.2014 and unaudited figures for the quarter ended 30.06.2014.</p>
9	<p>Figures for the previous period have been regrouped / rearranged wherever necessary, in order to make them comparable.</p>
	<p style="text-align: right;"><i>M.K. Goel</i> M.K. GOEL Director (Commercial) and Chairman & Managing Director DIN - 00239813</p>
Place :	New Delhi
Date :	31.10.2014

