

POWER FINANCE CORPORATION LIMITED, NEW DELHI.

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30.09.2011

(Amount ₹ in Lac)						
Sl. No.	PARTICULARS	QUARTER ENDED		HALF YEAR ENDED		YEAR ENDED
		30-09-2011	30-09-2010	30-09-2011	30-09-2010	31-03-2011
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1)	Income					
(a)	Income from Operations	314161.35	253081.29	604957.76	493544.72	1012848.86
(b)	Other Operating Income	0.00	0.00	0.00	0.00	0.00
	Total Income	314161.35	253081.29	604957.76	493544.72	1012848.86
2)	Expenditure					
(a)	Interest & other finance charges	203280.08	158946.17	393744.31	307910.45	649237.59
(b)	Exchange Gain (-) / Loss	52866.72	(5145.77)	60518.55	1570.30	2637.64
(c)	Employee Cost	1753.95	2098.66	3693.23	3284.84	6709.06
(d)	Depreciation / Amortization	125.96	155.53	244.71	241.70	505.05
(e)	Other Expenditure	1374.88	1476.04	2013.69	351.39	2553.08
	Total Expenditure	259401.59	157530.63	460214.49	313358.68	661642.42
3)	Profit from Operations before Other Income and Exceptional Items (1-2)	54759.76	95550.66	144743.27	180186.04	351206.44
4)	Other Income	344.00	761.69	1960.98	2053.22	3206.92
5)	Profit before Exceptional Items (3+4)	55103.76	96312.35	146704.25	182239.26	354413.36
6)	Exceptional items	--	--	--	--	--
7)	Profit from Ordinary Activities before Tax (5+6)	55103.76	96312.35	146704.25	182239.26	354413.36
8)	Tax Expense	13170.06	26228.61	36151.65	46919.71	92455.84
(a)	Provision for IncomeTax	13460.20	26323.99	36615.67	47339.63	88853.77
(b)	Deferred Tax Liability / Deferred Tax Asset (-)	(290.14)	(95.38)	(464.02)	(419.92)	3602.07
9)	Net Profit from Ordinary activities after tax (7-8)	41933.70	70083.74	110552.60	135319.55	261957.52
10)	Extraordinary items (Net of tax expense)	--	--	--	--	--
11)	Net Profit for the period (9-10)	41933.70	70083.74	110552.60	135319.55	261957.52
12)	Paid-up Equity Share Capital (Face value of share is ₹ 10)	131993.17	114776.67	131993.17	114776.67	114776.67
13)	Reserves excluding Revaluation reserves (As per audited balance Sheet as at 31.03.2011)	--	--	--	--	1403471.64
14)	Earnings Per Share (EPS) (in Rs.)					
(a)	Basic & Diluted EPS before Extraordinary items	3.18	6.11	8.70	11.79	22.82
(b)	Basic & Diluted EPS after Extraordinary items	3.18	6.11	8.70	11.79	22.82
15)	Public Shareholding :					
	Number of Shares	346870040	117316700	346870040	117316700	117316700
	Percentage of Shareholding	26.28%	10.22%	26.28%	10.22%	10.22%
16)	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)	--	--	--	--	--
(b)	Non - Encumbered					
	Number of Shares	973061665	1030450000	973061665	1030450000	1030450000
	Percentage of Shares (as a % of the total shareholding of Promoter)	100.00%	100.00%	100.00%	100.00%	100.00%
	Percentage of Shares (as a % of Total Share capital)	73.72%	89.78%	73.72%	89.78%	89.78%

Statement of Assets and Liabilities			
			(₹ in Lac)
Sl. No.	PARTICULARS	As at	
		30-09-2011	30-09-2010
		(Audited)	(Audited)
SOURCES OF FUNDS			
(a)	Share Capital	131993.17	114776.67
(b)	Reserves & Surplus	1838181.72	1346688.57
(c)	Loan Funds		
	- Secured Loans	23536.10	0.00
	- Unsecured Loans	9082765.36	7356278.22
(e)	Interest Subsidy Fund from GOI	40888.36	59935.36
(f)	Deferred Tax Liability (Net of Asset)	7832.51	4274.54
	Total	11125197.22	8881953.36
APPLICATION OF FUNDS			
(a)	Fixed Assets	7539.51	7812.45
(b)	Investments	5402.75	3063.65
(c)	Loans	11042124.86	8790641.03
(d)	Current Assets, Loans & Advances		
	Cash & Bank Balances	148335.32	132035.19
	Other Current Assets	222496.75	181782.51
	Loans & Advances	41641.67	58650.11
(e)	Less : Current Liabilities & Provisions		
	Current Liabilities	312674.14	276199.21
	Provisions	29669.50	15832.37
(f)	Net Current Assets	70130.10	80436.23
	Total	11125197.22	8881953.36
Notes :-			
1	The Company's main business is to provide finance for power sector. As such, there are no other separate reportable segments as per the Accounting Standard 17 - 'Segment Reporting', issued by the Institute of Chartered Accountants of India.		
2	The Loan Asset of one project, which is under implementation and having an outstanding balance of ₹ 70,000.00 lac has been treated as Standard Asset in terms of RBI letter dated 21.01.2011, read with RBI circular No. DBOD.No.BP.BC.85 /21.04.2048 /2009-10 dated 31.03.2010. A provision of ₹ 1,400 lac @ 2.00% on the outstanding amount of ₹ 70,000.00 lac has been recognised in accordance with the RBI circular No. DBOD.No.BP.BC.94/21/04.048/2011-12 dated 18.05.2011. Income on this asset has been recognized on receipt basis as per the accounting policy of the Company. Accordingly, interest and guarantee fee of ₹ 7305.00 lac due as on 30.09.2011 and zero coupon bonds of ₹ 10387.85 lac (receivable towards interest for the period from 01.10.2001 to 31.10.2005 under implementation of financial realignment plan-FRP as approved by the Board of Directors) have not been recognized.		
3	PFC Green Energy Ltd. (PFCGEL) was incorporated on 30.03.2011 as a wholly owned subsidiary of the Company to extend finance and financial services to renewable and non-conventional sources of energy. The authorized share capital of PFCGEL is ₹ 1,20,000.00 lac and paid up share capital is ₹ 5.00 lac. The certificate of commencement of business has been received on 30.07.2011.		
4	PFC Capital Advisory Services Limited (PFCCAS) was incorporated on 18.07.2011 as a wholly owned subsidiary of the Company for providing debt syndication in the areas of power, energy, infrastructure and other industries. The authorized share capital of PFCCAS is ₹ 100.00 lac and paid up share capital of the company is ₹ 10.00 lac The certificate of commencement of business has been received on 02.09.2011.		

5	<p>During the period, the Company has made Follow on Public Offer (FPO) through book building process of 229,553,340 number of equity shares of ₹ 10/- each. The FPO comprised of fresh issue of 172,165,005 equity shares of ₹ 10/- each by the Company and an offer for sale of 57,388,335 equity shares of ₹10/- each by the President of India acting through the Ministry of Power, Government of India. The equity shares have been priced at ₹ 203.00 per equity share for qualified institutional bidders and non-institutional bidders and at ₹ 192.85 per equity shares (5% of discount on ₹ 203.00) for retail individual bidders and eligible employees. The Company has raised ₹ 343365.00 lac from issue of fresh shares to the public. Post issue, the holding of Government of India in the paid up equity share capital of the Company has come down from 89.78% to 73.72%. The equity shares offered to the public including equity shares offered for sale by the Government of India have been allotted on 24.05.2011 and have been listed in the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) on 27.05.2011. Accordingly, issued and paid up share capital has increased from ₹ 114776.67 lac to ₹ 131993.17 lac and an amount of ₹ 324157.47 lac (net of issue expenses of ₹ 1991.03 lac) has been taken to securities Premium Account. The proceeds of the issue (net of issue expenses) have been utilized fully for the purpose mentioned in the offer document.</p>																				
6	<p>PFC being a Government owned Non Banking Financial Company (NBFC) is exempt from certain provisions of RBI directions relating to Prudential Norms. The Company, however, has formulated its own set of Prudential Norms with effect from 01.04.2003, which has been revised from time to time. The Board of Directors of the Company in December, 2007 approved the prudential norms applicable for FYs 2008-09 and 2009-10 and the same were approved by the Ministry of Power (MoP) in March, 2008. In May, 2010, the Ministry of Power extended the validity of the same norms till 31.03.2011 and further extended up to 31.07.2011 vide MoP letter of July, 2011. The Board of Directors of the Company have approved that the Prudential norms valid up to 31.07.2011 be applied for the preparation of half yearly accounts for the 6 months ended 30.09.2011, pending approval by the Ministry of Power.</p> <p>However, the revised set of prudential norms applicable for the FYs 20011-12 to 2013-14 has been approved by the Board of Directors of the Company in February, 2011 and the same were submitted to the Ministry of Power for approval, which is in process. Further, there is no financial impact, had the revised prudential norms been applied on the audited financial results for the quarter and half year ended 30.09.2011.</p>																				
7	<p>Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30.09.2011 are as follows :</p>																				
	<table border="1"> <thead> <tr> <th data-bbox="342 804 760 842">Particulars</th> <th data-bbox="760 804 1040 842">Equity Shares</th> <th data-bbox="1040 804 1321 842">Debt Securities</th> <th data-bbox="1321 804 1468 842"></th> </tr> </thead> <tbody> <tr> <td data-bbox="342 842 760 869">Pending at the beginning of the quarter</td> <td data-bbox="760 842 1040 869">Nil</td> <td data-bbox="1040 842 1321 869">191</td> <td data-bbox="1321 842 1468 869"></td> </tr> <tr> <td data-bbox="342 869 760 896">Received during the quarter</td> <td data-bbox="760 869 1040 896">104</td> <td data-bbox="1040 869 1321 896">4309</td> <td data-bbox="1321 869 1468 896"></td> </tr> <tr> <td data-bbox="342 896 760 924">Disposed off during the quarter</td> <td data-bbox="760 896 1040 924">103</td> <td data-bbox="1040 896 1321 924">4492</td> <td data-bbox="1321 896 1468 924"></td> </tr> <tr> <td data-bbox="342 924 760 953">Lying unresolved at the end of the quarter</td> <td data-bbox="760 924 1040 953">1</td> <td data-bbox="1040 924 1321 953">8</td> <td data-bbox="1321 924 1468 953"></td> </tr> </tbody> </table>	Particulars	Equity Shares	Debt Securities		Pending at the beginning of the quarter	Nil	191		Received during the quarter	104	4309		Disposed off during the quarter	103	4492		Lying unresolved at the end of the quarter	1	8	
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8	<p>Figures for the previous period have been regrouped / rearranged wherever necessary, in order to make them comparable.</p>																				
9	<p>The above financial results were reviewed and recommended by the Audit Committee of Directors and approved by the Board of Directors in their meetings held on 08.11.2011 and 09.11.2011 respectively. The same have been audited by the Statutory Auditors of the Company.</p>																				
Place :	<p>AHMEDABAD</p>																				
Date :	<p>09.11.2011</p>																				
	<p>(SATNAM SINGH) CHAIRMAN AND MANAGING DIRECTOR</p>																				