

POWER FINANCE CORPORATION LIMITED

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

CIN L65910DL1986GOI024862

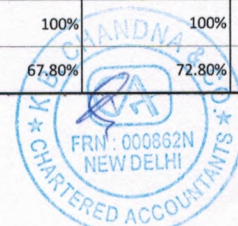
Part I: STATEMENT OF UNAUDITED FINANCIAL RESULTS (STANDALONE) FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2015

(₹ 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 | 10.67 | 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 | |
|---|--|--------------------------|-----------------|
| | | Equity Shares | Debt Securities |
| | Particulars | | |
| | 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)

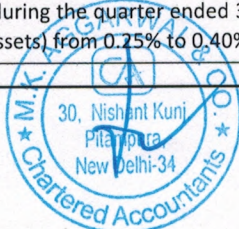
| A | EQUITY AND LIABILITIES | As at 30.09.2015 (Un-audited) | As at 31.03.2015 (Audited) |
|---|---|----------------------------------|-------------------------------|
| 1 | Shareholders' Funds | | |
| | (a) Share capital | 132,004 | 132,004 |
| | (b) Reserves and surplus | 3,394,683 | 3,089,917 |
| | 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 | 791,702 | 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 | 2,875,023 | 3,018,371 |
| | TOTAL - ASSETS | 23,132,095 | 22,866,441 |

Notes :-

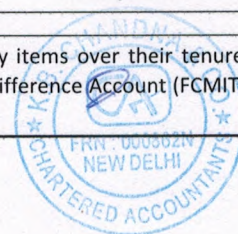
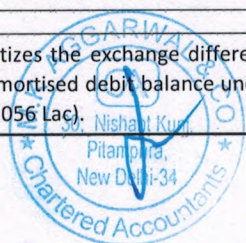
1 The above financial results for the quarter and half year ended 30.09.2015 have been reviewed and recommended by the Audit committee of Directors and approved by the Board of Directors in their meetings held on 02.11.2015 and 03.11.2015 respectively. The same has been Limited Reviewed by the Statutory 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 0.25% to 0.40%.



| | |
|---|--|
| 3 | <p>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.</p> <p>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 / Rescheduling / 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.</p> <p>For 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 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.</p> <p>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.</p> <p>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.</p> <p>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).</p> |
| 4 | <p>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.</p> |
| 5 | <p>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.</p> |
| 6 | <p>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.</p> |
| 7 | <p>During the quarter ended 30.06.2015, Company has applied for 2,50,00,000 equity shares of Energy Efficiency Services Limited (EESL) (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.</p> |
| 8 | <p>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.</p> |
| 9 | <p>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).</p> |



| | |
|----|--|
| 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. |



M.K. Goel

Place : New Delhi
Date : 03.11.2015

M.K. GOEL
Chairman & Managing
DIN - 00239813