

POWER FINANCE CORPORATION LIMITED

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

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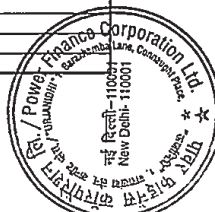
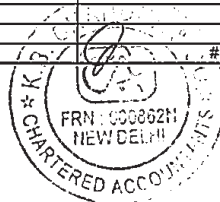
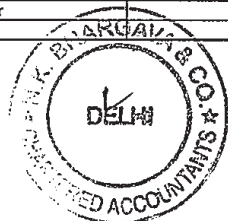
Part I: STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2014

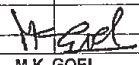
(₹ in Lacs)

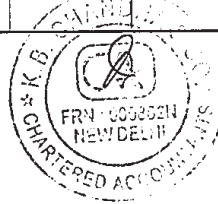
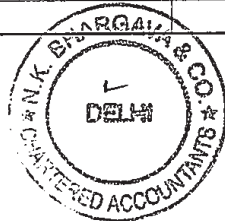
Sl. No.	PARTICULARS	STANDALONE QUARTER ENDED			STANDALONE NINE MONTHS ENDED		STANDALONE YEAR ENDED
		31-12-2014 (Un-audited)	30-09-2014 (Un-audited)	31-12-2013 (Un-audited)	31-12-2014 (Un-audited)	31-12-2013 (Un-audited)	31-03-2014 (Audited)
1)	Income from Operations						
	(a) Income from Operations	6,34,674	6,21,981	5,34,085	18,44,690	15,47,996	20,97,871
	(b) Other Operating Income	8,791	8,489	19,966	21,084	41,010	54,371
	Total Income from Operations	6,43,465	6,30,470	5,54,052	18,65,774	15,89,006	21,52,242
2)	Expenses						
	(a) Interest, Finance and Other Charges	4,20,594	4,22,822	3,45,226	12,29,986	10,19,054	13,74,813
	(b) Employee Benefit Expenses	2,003	2,295	2,076	6,378	6,314	7,956
	(c) Depreciation / Amortization	146	156	124	449	371	493
	(d) Other Expenses	5,799	3,488	1,816	12,478	7,732	14,653
	Total Expenses	4,28,542	4,28,762	3,49,242	12,49,291	10,33,471	13,97,915
3)	Profit from Operations before Other Income and Exceptional Items (1-2)	2,14,923	2,01,708	2,04,810	6,16,483	5,55,535	7,54,327
4)	Other Income	370	435	679	1,356	1,131	1,504
5)	Profit from ordinary activities before Exceptional Items (3+4)	2,15,293	2,02,143	2,05,489	6,17,839	5,56,666	7,55,831
6)	Exceptional Items	--	--	--	--	--	--
7)	Profit from Ordinary Activities before Tax (5+6)	2,15,293	2,02,143	2,05,489	6,17,839	5,56,666	7,55,831
8)	Tax Expense	61,120	61,285	52,058	1,77,982	1,56,032	2,14,056
	(a) Provision for Income Tax	61,887	61,369	63,234	1,81,779	1,42,570	2,08,613
	(b) Deferred Tax Liability / Deferred Tax Asset (-)	(767)	(84)	(11,176)	(3,797)	13,462	5,443
9)	Net Profit from Ordinary activities after tax (7-8)	1,54,173	1,40,858	1,53,431	4,39,857	4,00,634	5,41,775
10)	Extraordinary items (Net of tax expense)	--	--	--	--	--	--
11)	Net Profit for the period (9-10)	1,54,173	1,40,858	1,53,431	4,39,857	4,00,634	5,41,775
12)	Paid-up Equity Share Capital (Face value of share is ₹ 10)	1,32,004	1,32,004	1,32,004	1,32,004	1,32,004	1,32,004
13)	Reserves excluding Revaluation reserves (As per audited balance Sheet as at 31st March)	--	--	--	--	--	26,05,457
14)	Earnings Per Share (EPS) (in ₹)						
	(a) Basic and Diluted EPS (before Extraordinary items)	11.68	10.67	11.62	33.32	30.35	41.04
	(b) Basic and Diluted EPS (after Extraordinary items)	11.68	10.67	11.62	33.32	30.35	41.04

Part II : SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2014

A	Particulars of Shareholding						
1	Public Shareholding :						
	Number of Shares	35,90,85,115	35,90,85,115	34,69,78,307	35,90,85,115	34,69,78,307	35,90,85,115
	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	96,09,55,589	96,09,55,589	97,30,61,665	96,09,55,589	97,30,61,665	96,09,55,589
	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%
B	Investor Compliants						
	Particulars		Equity Shares			Debt Securities	
	Pending at the beginning of the quarter		1			5	
	Received during the quarter		286			527	
	Disposed off during the quarter		286			519	
	Remaining unresolved at the end of the quarter		1*			13#	
			* Pending			# Since Settled	



		(₹ in Lacs)
Notes :-		
1	The above financial results for the quarter and nine months ended 31.12.2014 have been reviewed and recommended by the Audit committee of Directors and approved by the Board of Directors in their respective meetings held on 10.02.2015 and 11.02.2015 respectively. 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 31.12.2014 the debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMTDA) is ₹ 54,609 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	<p>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.</p> <p>A revised proposal has been submitted to MoP vide letter dated 26.12.2014 wherein Company is agreeable not to insist on claiming both Nodal Agency Fee and reimbursement of actual expenditure, but to restrict its claims only to reimbursements of actual expenditure in line with norms indicated by Department of Expenditure (DoE) through MoP communication dated 15.07.2013 excluding PFC's own manpower (Salary only) / administrative charges during XII / XIII Plan under R-APDRP.</p> <p>The proposal is under consideration by MoP, GoI. The accounting for Nodal agency fee / re-imbursement of expenditure from Q4 FY 2013-14 (effective from 01.04.2012) has been done as indicated by DoE through MoP communication dated 15.07.2013, pending finalization of proposal, and the same is being continued.</p> <p>Accordingly, Nodal agency fee amounting to ₹ 562 lacs has been recognised during the nine months ended 31.12.2014 while Nil nodal agency fee has been booked during current quarter ended on 31.12.2014. Further, ₹ 357 lacs and ₹ 1077 lacs, on account of expenditure allocable to R-APDRP have been accounted for as other expenses recognised during the quarter and nine months ended 31.12.2014 respectively.</p>	
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 / Rescheduling / 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 which has been further reiterated vide Company's letter dated 27.11.2014.</p> <p>Accordingly, the Accounting policy related to Prudential Norms on R/R/R was amended during quarter ended 30.09.2014 which inter-alia requires provision @ 2.75% on restructured standard assets. Thus, during the quarter and nine months ended 31.12.2014 a provision has been made on proportionate basis amounting to ₹ 14,624 lacs and ₹ 36,155 lacs respectively, on qualifying loans. As on 31.12.2014, these loans comprise of private sector loan - ₹ 17,55,087/- lacs and Govt. Sector loan - Nil. Consequently, profit for the quarter and nine months ended 31.12.2014 has been reduced by ₹ 14,624 lacs and ₹ 36,155 lacs respectively.</p>	
6	Tax Expenses includes current year tax provision and earlier years' tax expenses / adjustments.	
7	Figures for the quarter ended 31.12.2014 are the balancing figures between unaudited figures for the nine months ended 31.12.2014 and unaudited figures for the half year ended 30.09.2014.	
8	Figures for the previous period have been regrouped / rearranged wherever necessary, in order to make them comparable.	
		 M.K. GOEL
		Chairman & Managing Director
Place :	New Delhi	DIN - 00239813
Date :	11.02.2015	



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Limited Review Report

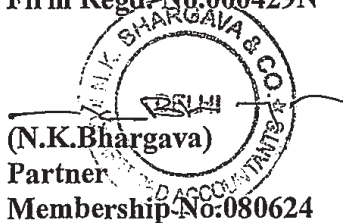
To,
The Board of Directors
Power Finance Corporation Ltd.

We have reviewed the accompanying statement of unaudited financial results of Power Finance Corporation Ltd. for the quarter and nine months ended 31st December, 2014 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. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

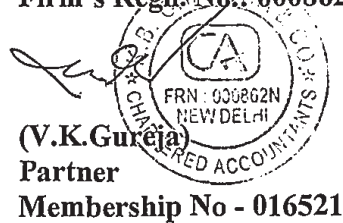
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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 applicable Accounting Standards 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 N K Bhargava& Co.
Chartered Accountants
Firm Regd. No:000429N


(N.K.Bhargava)
Partner
Membership No:080624

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


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

Place: Delhi
Date: 11.02.2015