

POWER FINANCE CORPORATION LIMITED, NEW DELHI.

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30.06.2011

(Rs. in Lac)				
Sl. No.	PARTICULARS	QUARTER ENDED		YEAR ENDED
		30-06-2011	30-06-2010	31-03-2011
		(Un-audited)	(Un-audited)	(Audited)
1)	Income			
(a)	Income from Operations	290796.41	240463.43	1012848.86
(b)	Other Operating Income	0.00	0.00	0.00
	Total Income	290796.41	240463.43	1012848.86
2)	Expenditure			
(a)	Interest, finance & other charges	190464.23	148964.28	649237.59
(b)	Exchange Gain (-) / Loss	7651.83	6716.07	2637.64
(c)	Employee Cost	1939.28	1186.18	6709.06
(d)	Depreciation / Amortization	118.75	86.17	505.05
(e)	Other Expenditure	638.81	(1124.65)	2553.08
	Total Expenditure	200812.90	155828.05	661642.42
3)	Profit from Operations before Other Income and Exceptional Items (1-2)	89983.51	84635.38	351206.44
4)	Other Income	1616.98	1291.53	3206.92
5)	Profit before Exceptional Items (3+4)	91600.49	85926.91	354413.36
6)	Exceptional items	--	--	--
7)	Profit from Ordinary Activities before Tax (5+6)	91600.49	85926.91	354413.36
8)	Tax Expense	22981.59	20691.10	92455.84
(a)	Provision for Income Tax	23155.47	21015.64	88853.77
(b)	Deferred Tax Liability / Deferred Tax Asset (-)	(173.88)	(324.54)	3602.07
9)	Net Profit from Ordinary activities after tax (7-8)	68618.90	65235.81	261957.52
10)	Extraordinary items (Net of tax expense)	--	--	--
11)	Net Profit for the period (9-10)	68618.90	65235.81	261957.52
12)	Paid-up Equity Share Capital (Face value of share is Rs.10)	131993.17	114776.67	114776.67
13)	Reserves excluding Revaluation reserves (As per audited balance Sheet)	--	--	1403471.64
14)	Earnings Per Share (EPS) (in Rs.)			
(a)	Basic & Diluted EPS before Extraordinary items	5.63	5.68	22.82
(b)	Basic & Diluted EPS after Extraordinary items	5.63	5.68	22.82
15)	Public Shareholding :			
	Number of Shares	346870040	117316700	117316700
	Percentage of Shareholding	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 of the Company)	--	--	--
(b)	Non - Encumbered			
	Number of Shares	973061665	1030450000	1030450000
	Percentage of Shares (as a % of the total shareholding of Promoter)	100.00%	100.00%	100.00%

	Percentage of Shares (as a % of Total Share capital of the Company)	73.72%	89.78%	89.78%
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', as notified under the Companies (Accounting Standards) Rules, 2006.			
2	The Loan Asset of one project, which is under implementation and having an outstanding balance of Rs. 70000.00 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 Rs. 1,400 lac @ 2.00% on the outstanding amount of Rs. 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 Rs. 5370.96 lac due as on 30.06.2011 and zero coupon bonds of Rs. 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	<p>During the quarter, the Company has made Follow on Public Offer (FPO) through book building process of 229,553,340 number of equity shares of Rs. 10/- each. The FPO comprised of fresh issue of 172,165,005 equity shares of Rs. 10/- each by the Company and an offer for sale of 57,388,335 equity shares of Rs.10/- each by the President of India acting through the Ministry of Power, Government of India.</p> <p>The equity shares have been priced at Rs. 203.00 per equity share for qualified institutional bidders and non-institutional bidders and at Rs. 192.85 per equity shares (5% of discount on Rs. 203.00) for retail individual bidders and eligible employees. The Company has raised Rs. 343,364.74 lac from issue of fresh shares to the public.</p> <p>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.</p> <p>The proceeds of the issue have been utilized fully for the purpose mentioned in the offer document.</p>			
4	The Company has made a public issue of 470,722 number of infrastructure bonds at the face value of Rs.5,000/- each aggregating to Rs. 23536.10 lac. The bonds have been allotted on 31.03.2011 and have been listed in the Bombay Stock Exchange (BSE) on 11.04.2011. The proceeds of the bond issue has been utilized for the purpose mentioned in the offer document.			
5	<p>The company enters into derivative contracts for mitigating exchange rate risk in foreign currency liabilities and interest rate risk in foreign currency and rupee liabilities. Paragraphs 36 and 39 of the AS 11 states that in respect of forward exchange contracts not intended for trading or speculative purpose, the forward premium / discount be amortised over the life of such contracts and the forward exchange contracts intended for trading or speculative purpose be marked to market. The derivatives entered into by the company are in the nature of hedging and not in the nature of speculative or trading. The derivatives in the nature of forwards are dealt with in accordance with AS 11. The other derivatives are not marked to market.</p> <p>The Institute of Chartered Accountants of India (ICAI) has issued an announcement dated 29th March, 2008 regarding Accounting for Derivatives which gives companies an option to either account for losses, if any, on derivatives based on mark to market valuation or adopt the principles enunciated in Accounting Standard (AS) 30 on 'Financial Instruments: Recognition and Measurements'. The company has not adopted AS 30, nor accounted for mark to market losses for other derivatives outstanding as at 30th June 2011, because ICAI has, vide announcement dated 11th February 2011, stated, inter-alia, that AS - 30 is not presently mandatory and that it is not expected to continue in its present form and hence the announcement prior to the date of 11th February, 2011 in the management's view does not hold good.</p>			
6	Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30.06.2011 are as follows :			
	Particulars	Equity Shares	Debt Securities	
	Pending at the beginning of the quarter	Nil	Nil	
	Received during the quarter	38	3952	
	Disposed off during the quarter	38	3761	
	Lying unresolved at the end of the quarter	Nil	191	
7	Figures for the previous year have been regrouped / rearranged wherever necessary, in order to make them comparable.			
8	The above financial results were reviewed and recommended by the Audit Committee of Directors and approved by the Board of Directors in their respective meetings held on 29.07.2011 . The same have been reviewed by the Statutory Auditors of the Company.			
Place : New Delhi		(SATNAM SINGH)		
Date : 29.07.2011		CHAIRMAN AND MANAGING DIRECTOR		