



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

सं:1:05:138:II:सीएस

दिनांक: 10 अगस्त, 2017

नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड, लिस्टिंग विभाग, एक्सचेंज प्लाजा, बांद्रा - कुर्ला कॉम्प्लेक्स, बांद्रा (ई) मुंबई - 400 051	बॉम्बे स्टॉक एक्सचेंज लिमिटेड, कॉर्पोरेट सेवा विभाग, तल - 25, पी जे टावर्स, दलाल स्ट्रीट, मुंबई - 400 001
ध्यानाकर्षण: सुश्री रेहाना डीसूजा, सहायक उपाध्यक्ष	ध्यानाकर्षण: श्री अय्यर गोपालकृष्णन, जीएम, कॉर्पोरेट सेवा

विषय: 30 जून, 2017 को समाप्त तिमाही के लिए वित्तीय परिणाम और उस पर सीमित समीक्षा रिपोर्ट

महोदय/महोदया,

हमारे दिनांक 25 जुलाई, 2017 के पूर्ववर्ती पत्र के अनुक्रम में, आपको सूचित किया जाता है कि पावर फाइनेंस कॉर्पोरेशन लिमिटेड के निदेशक मंडल ने दिनांक 10 अगस्त, 2017 को आयोजित अपनी बैठक में अन्य विषयों के साथ-साथ दिनांक 30 जुलाई, 2017 को समाप्त तिमाही के लिए अनंकेक्षित वित्तीय परिणाम (स्टैंडअलोन) का निर्धारण एवं उन्हें अनुमोदित किया है।

दिनांक 30 जुलाई, 2017 को समाप्त तिमाही के लिए अनंकेक्षित वित्तीय परिणाम (स्टैंडअलोन) और उस पर सीमित समीक्षा रिपोर्ट इस पत्र के साथ संलग्न हैं।

इस संबंध में, कृपया नोट करें कि दिनांक 30 जुलाई, 2017 को समाप्त तिमाही के लिए अनंकेक्षित वित्तीय परिणाम (स्टैंडअलोन) का प्रस्तुतीकरण पीएफसी वेबसाइट अर्थात www.pfcindia.com (मुख पृष्ठ>>निवेशक>>निवेशक प्रस्तुतीकरण) पर भी उपलब्ध कराया जा रहा है।

बोर्ड बैठक अपराह्न 3.00 बजे शुरू होकर सायं 5.10 बजे समाप्त हुई।

धन्यवाद,

भवदीय,

कृते पावर फाइनेंस कॉर्पोरेशन लिमिटेड

(मनोहर बलवानी)

कंपनी सचिव

mb@pfcindia.com

संलग्न: यथोपरि।

POWER FINANCE CORPORATION LIMITED				
URJANIDHI, 1, BARAKHAMBA LANE, CONNAUGHT PLACE, NEW DELHI. Website: http://www.pfcindia.com				
CIN L65910DL1986GOI024862				
STATEMENT OF UN-AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 th JUNE, 2017				
Description	QUARTER ENDED			YEAR ENDED
	30 June 2017	31 March 2017	30 June 2016	31 March 2017
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
(₹ in crore)				
1. Revenue from Operations				
Interest	6,779.82	5,513.77	7,072.05	26,270.08
Other Operating Income	14.98	20.48	21.29	129.81
Other Financial Services	85.58	137.82	12.26	316.34
2. Other Income	51.52	125.00	53.06	302.34
3. Total Income (1 + 2)	6,931.90	5,797.07	7,158.66	27,018.57
4. Expenses				
Finance Costs	4,156.17	4,099.44	4,285.99	16,432.69
Bond Issue Expenses	5.77	8.96	6.95	26.58
Employee Benefit Expenses	38.44	34.43	25.26	114.97
Provisions	392.21	4,479.33	200.61	5,101.08
Provision for decline in value of investments	20.49	19.51	(26.94)	(7.51)
Depreciation and Amortization expenses	1.19	1.64	1.18	5.56
CSR Expenses	149.21	0.00	166.15	166.15
Other Expenses	15.02	16.60	9.30	67.79
Prior Period Items (Net)	0.01	0.39	0.22	1.47
Total Expenses	4,778.51	8,660.30	4,668.72	21,908.78
5. Profit before exceptional and extraordinary items and tax (3-4)	2,153.39	(2,863.23)	2,489.94	5,109.79
6. Exceptional Items	-	-	-	-
7. Profit before extraordinary items and tax (5-6)	2,153.39	(2,863.23)	2,489.94	5,109.79
8. Extraordinary Items	-	-	-	-
9. Profit Before Tax (7-8)	2,153.39	(2,863.23)	2,489.94	5,109.79
10. Tax Expenses				
(1) Current Tax				
Current Year	737.48	656.59	661.60	3,074.39
Earlier Years	-	13.03	-	(0.09)
(2) Deferred Tax Liability(+)/ Asset(-)	(12.68)	(123.36)	115.79	(90.90)
11. Profit (Loss) for the period from continuing operations (9-10)	1,428.59	(3,409.49)	1,712.55	2,126.39
12. Paid-up Equity Share Capital (Face Value of Share is ₹ 10)	2,640.08	2,640.08	1,320.04	2,640.08
13. Reserves excluding Revaluation reserves (As per audited balance Sheet as at 31st March)	--	--	--	33,830.13
14. Earnings Per Share (EPS) (Face value ₹ 10/- each) (not annualised)				
(1) Basic (₹)	5.41	(12.92)	6.49	8.05
(2) Diluted (₹)	5.41	(12.92)	6.49	8.05

See accompanying notes to the financial results



Notes: -

1 The above financial results for the quarter ended 30.06.2017 prepared in accordance with Companies (Accounting Standards) Rules, 2006 have been reviewed and recommended by the Audit Committee of Directors and approved by the Board of Directors in their respective meetings held on 10.08.2017. The same have been subjected to Limited Review by K.B.Chandna & Co., Chartered Accountants and M.K.Agarwal & Co., Chartered Accountants.

2 A. Asset classification and Provisioning:
The Company is following RBI Prudential norms contained in RBI's "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" as amended from time to time read with specific directions mentioned below:

(1) Asset classification norms :

(i) In line with RBI's letter dated 25.07.2013, for the purpose of asset classification and NPA provisioning, facilities granted to Government Sector and Private Sector Entities are considered borrower-wise, other than Government Sector loans which are considered on project-wise basis provided cash flows from each project are separately identifiable and applied to the same project.

(ii) in line with RBI's letter dated 03.10.2016:

(a) loan assets (excluding lease asset) outstanding as at 31.03.2018 and overdue for 3 months or more will be classified as Non-Performing Asset (NPA) and classification during the year is based on prevailing norm of overdue for 4 months or more,

(b) NPA as at 31.03.2018 for a period not exceeding 12 months will be classified as Sub-standard asset and classification during the year is based on prevailing norm of NPA for a period not exceeding 14 months, and

(c) NPA as at 31.03.2018 for a period exceeding 12 months will be classified as Doubtful asset and classification during the year is based on prevailing norm of NPA for a period exceeding 14 months.

(2) Restructuring norms:

(i) RBI vide letter dated 11.06.2014 has directed that 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, provisioning shall commence with a provision of 2.75% with effect from 31.03.2015 and reaching 5% by 31.03.2018.

(ii) RBI vide letter dated 11.04.2017 has stated that in case of a Govt. Sector account, if the project has not commenced commercial operation within DCCO envisaged at the time of financial closure (or revised DCCO within the permissible thresholds as given in RBI Norms for Restructured Advances), the classification is to be done project-wise instead of borrower-wise till 31.03.2022.

B. Credit Concentration Norms

RBI vide its letter dated 16.06.2016 has extended exemption in respect of exposure to Central / State Government entities till 31.03.2022. Thus, the Company continues to follow MoP approved credit concentration norms for Central / State Government entities.

3 In line with RBI's letter dated 11.06.2014, Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters were regulated by the restructuring norms approved by MoP till 31.03.2017. Accordingly, with effect from 01.04.2017, RBI restructuring norms are applicable for any future restructuring undertaken in these loans.



4 (a) Provisions at (4) above includes:

(i) Standard Assets provision of ₹ 46.28 crore for the current quarter (corresponding previous quarter ₹ (17.91) crore), on the outstanding balance of standard assets.

(ii) Restructured Standard Assets provision of ₹ 94.62 crore for the current quarter (corresponding previous quarter ₹ 107.57 crore). The qualifying Restructured / Rescheduled / Renegotiated (R/R/R) loans outstanding as at 30.06.2017 amount to ₹ 18,090.09 crore in Private sector and ₹ 36,504.98 crore in Govt. Sector (as at 31.03.2017 ₹ 19,445.92 crore in Private sector and ₹ 35,994.70 crore in Govt. Sector),and

(iii) Non-Performing Asset provision of ₹ 251.31 crore for the current quarter (corresponding previous quarter ₹ 110.95 crore). Gross Non-performing assets as at 30.06.2017 amount to ₹ 31,515.80 crore (as at 31.03.2017 ₹ 30,718.61 crore). These NPAs include loans to state sector amounting to ₹ 23,362.90 crore (₹ 23,309.30 crore as at 31.03.2017), having no over dues as on 30.06.2017, which have been classified as NPA in line with DCCO related RBI restructuring norms.

(b) As regards provision on Standard Assets as per RBI norms, the accounting policy for the current year has been changed in quarter ended 30.06.2017 which requires provision enhancement from 0.35% on 31.03.2017 to 0.40% by 31.03.2018. Accordingly, provision for the quarter ended 30.06.2017 has been made on pro-rata basis. Due to this change in the accounting policy, profit before tax for the current quarter has decreased by ₹ 20.83 crore.

(c) As regards R/R/R loans (stock of such outstanding loans as on 31.03.2015 to all generating companies) on which restructuring provisioning as per RBI norms is applicable, the accounting policy for the current year has been changed in quarter ended 30.06.2017 which requires provision enhancement from 4.25% on 31.03.2017 to 5% by 31.03.2018. Accordingly, provision for the quarter ended 30.06.2017 has been made on pro-rata basis. Due to this change in the accounting policy, profit before tax for the current quarter has decreased by ₹ 99.65 crore.

Further, in case of a loan asset restructured as per RBI's SDR norms, Company is required to hold provision of at least 15% on residual loan balance by the end of 18 month period from the reference date. Accordingly, additional provision of ₹ 29.93 crore has been made during the quarter on pro-rata basis to reach 15% provisioning by 31.01.2018.

(d) Company has adopted RBI restructuring norms (in place of MoP approved norms) on projects covered under note 3 above and accounting policy in this regard stands changed with effect from 01.04.2017. Accordingly,

(i) Three loan assets having aggregate balance of ₹ 383.37 crore have been classified as NPA. Consequently, during the quarter:

a) interest income of ₹ 6.65 crore accrued and remaining unrealised has not been recognized, and

b) additional provision of ₹ 37 crore has been created on such loans.

(ii) A standard asset having balance of ₹ 521.83 crore has been categorized as restructured standard asset, resulting in additional provision of ₹ 21.33 crore.

(e) Provision at note 4(a) above includes impact on provisioning as discussed at note 4(b),(c)&(d) above.

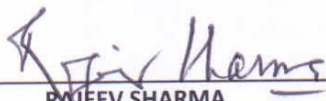
5 In case of a restructured loan asset, categorized as sub-standard by the Company on 15.04.2015, the borrower had obtained an ad interim stay on further proceedings from Hon'ble High Court of Madras vide order dated 17.06.2015.

The Company had sought a legal opinion with respect to asset classification, based on which, the loan asset was re-classified from restructured sub-standard to restructured standard asset during the financial year 2015-16 and the Company continues to maintain the same asset classification.

On 30.06.2016, the Company has moved petition for vacating the order of ad-interim stay. The said petition is pending for hearing and ad-interim stay is continuing.

Further, from quarter ended 31.03.2017, Company has not recognised income accrued but remaining unrealised on this account.



	<p>Subsequent to above,</p> <p>(i) Interest/income of ₹ 76.61 crore accrued and remaining unrealised has not been recognized during current quarter.</p> <p>(ii) Provision, as applicable based on the existing asset classification, has been made which stands at ₹ 175.55 crore as on 30.06.2017 (as on 31.03.2017 ₹ 163.17 crore).</p> <p>(iii) Provision treating the account as doubtful, on the loan balance of ₹ 5,036.10 crore as on 30.06.2017 (as at 31.03.2017 ₹ 4,893.39 crore), after considering the provision as stated at (ii) above, has not been recognized amounting to ₹ 831.66 crore (previous year ₹ 815.50 crore).</p>
6	The Company amortizes exchange differences on long term foreign currency monetary items over their tenure. Consequently, as at 30.06.2017, the unamortized debit balance under Foreign Currency Monetary Item Translation Difference Account (FCMITDA) is ₹ 568.52 crore (as at 31.03.2017 debit balance of ₹ 647.56 crore).
7	In accordance with the requirement of Section 135 of the Companies Act, 2013 read with DPE guidelines, during the quarter ended 30.06.2017, provision of ₹ 149.21 crore for FY 2017-18 (corresponding previous quarter ₹ 166.15 crore) has been made for Corporate Social Responsibility activities.
8	For all the secured bonds issued by the Company and outstanding as at 30.06.2017, 100% security cover has been maintained by way of mortgage on specified immovable properties and/or charge on the receivables of the Company.
9	<p>During the current quarter, the Central Government vide notification dated 8th June, 2017 has notified that any bond issued by PFC Ltd on or after 15th June, 2017 under section 54EC of the Income-Tax Act, 1961 and redeemable after three years will be considered as 'long-term specified asset' for the purpose of Capital Gains Tax exemption under the said section.</p> <p>Accordingly, the Company on 03.07.2017 has opened the issue under section 54EC of Income-Tax Act, 1961 for private placement of secured, non-convertible, non-cumulative, redeemable, taxable bonds in the nature of debentures of ₹ 10,000/- each carrying a coupon rate of 5.25%.p.a for ₹ 500 crore with a green shoe option to retain oversubscription. The issue will remain open upto 31.03.2018 or as decided by the Company.</p>
10	The identification of business segment is done in accordance with the system adopted for internal financial reporting to the Board of Directors and management structure. The Company's primary business is to provide finance for power sector which in the context of Accounting Standard - 17 is considered the only primary business segment. Hence, no segmental reporting is required.
11	Consequent upon the issue of bonus shares in the ratio of one equity share of ₹ 10/- each for one equity share of ₹ 10/- each during quarter ended 30.09.2016, Earning Per Share (basic and diluted) has been adjusted for corresponding previous quarter presented.
12	Figures for the previous period have been regrouped / reclassified wherever necessary, to confirm to current period classification.
	 RAJEEV SHARMA Chairman & Managing Director DIN - 00973413
Place : New Delhi	
Date : 10.08.2017	

