



Funding for a Brighter Tomorrow....

Power Finance Corporation Limited

A Navratna PSU

Performance Highlights
(Standalone, Un-Audited)

Quarter Ended
30th September, 2016

Highlights – H1 FY17 vs. H1 FY16



- **Sanctions increased by 66% to ₹ 71,205 crore from ₹ 42,837 crore**
- **Disbursements increased by 26% to ₹ 22,265 crore from ₹ 17,727 crore**
- **Total Income increased by 3% to ₹ 14,158 crore from ₹ 13,783 crore**
- **Net Profit increased by 10% to ₹ 3,586 crore from ₹ 3,272 crore**
- **Loan Assets increased by 5% to ₹ 2,34,186 crore from ₹ 2,23,945 crore**
- **Net Worth (Share Capital + All Reserves) increased by 11% to ₹ 39,275 crore from ₹ 35,267 crore**

Highlights – Q2 FY17 vs. Q2 FY16



■ **Sanctions increased by 58% to ₹ 36,592 crore from ₹ 23,198 crore**

■ **Disbursements increased by 45% to ₹ 14,510 crore from ₹ 9,977 crore**

■ **Net Profit increased by 11% to ₹ 1,873 crore from ₹ 1,695 crore**

■ **EPS increased by 11% to ₹ 28.38 from ₹ 25.69**

Comparable Profit



(Y/E – March, ₹ crore)

Comparable Profit	Q2 FY17	Q2 FY16	% change	H1 FY17	H1 FY16	% change	FY 16
Reported PAT	1,873	1,695	11%	3,586	3,272	10%	6,113
Adjustments (post-tax):							
Provision on standard assets, restructured assets, etc.	(12)	320		77	527		268
Provision for MTM valuations	(106)	-		(106)	-		-
Prior period Income Tax (incl. interest thereon) and DTL	(2)	-		(2)	-		(6)
Translation / Actual Exchange Gain(-) / Loss(+) (including impact of DTL)	58	118		171	180		310
R-APDRP & IPDS Income	(2)	(2)		(4)	(2)		(24)
Comparable PAT	1,809	2,130	-15%	3,722	3,976	-6%	6,662

Profit & Loss Account



(Y/E – March, ₹ crore)

Income Statement#	Q2 FY17	Q2 FY16	H1 FY17	H1 FY16	FY 2016
Interest Income	6,919	6,932	14,022	13,679	27,259
Interest Expense	(4,052)	(3,991)	(8,221)	(7,946)	(16,091)
Net Interest Income	2,866	2,941	5,800	5,733	11,168
Other Income*	75	14	131	18	135
Operating Costs	(42)	(39)	(244)	(220)	(293)
Provisions for contingencies	(301)	(381)	(475)	(629)	(1,706)
Profit Before Tax & Extra-ordinary Items	2,598	2,536	5,212	4,902	9,305
Extra-ordinary Items^	65	(73)	(59)	(147)	(244)
Tax Provisions	(791)	(716)	(1,453)	(1,409)	(2,834)
DTL(-) / DTA(+)	1	(51)	(115)	(75)	(113)
Profit after Tax	1,873	1,695	3,586	3,272	6,113

* Other Income includes Nodal agency fee income and other income given in P&L account

^ Extraordinary Items includes translation/actual exchange gain/loss, changes in fair valuation of derivatives, prior period adjustments, prepayment premium etc.. 5

#All items of Income Statement have been regrouped for analysis

Balance Sheet



(Y/E – March, ₹ crore)

Liabilities	30.09.2016	30.09.2015	31.03.2016	31.03.2015
Shareholders' Funds	39,275	35,267	35,766	32,219
Non-Current Liabilities				
Long-term Borrowing	165,168	165,336	172,550	164,973
Deferred Tax Liabilities (net)	456	265	302	189
Other Liabilities	533	373	549	334
Long-term Provisions	1,674	1,664	1,229	964
Current Liabilities				
Current Maturity of Long-term Borrowing	23,323	20,002	20,363	18,735
Short- Term Borrowing	6,206	-	7,572	4,064
Other Liabilities	8,189	7,917	7,501	6,660
Short- Term Provisions	667	498	805	525
Total Liabilities	245,491	231,321	246,637	228,664

Balance Sheet



(Y/E – March, ₹ crore)

Assets	30.09.2016	30.09.2015	31.03.2016	31.03.2015
Non-Current Assets				
Fixed Assets	62	66	64	66
Non-Current Investments	2,266	372	2,267	347
Long-term Loans	187,511	201,895	200,036	197,843
Other Assets	318	238	315	225
Current Assets				
Current Investments	1,071	461	411	504
Cash & Bank Balances	800	90	78	5,071
Current Maturity Long-Term Loans	40,983	18,831	33,622	16,312
Short- Term Loans	5,691	3,220	3,804	3,006
Other Assets	6,789	6,149	6,040	5,291
Total Assets	245,491	231,321	246,637	228,664

Key Indicators



(Y/E – March, ₹ crore)

Key Indicators	Q2 FY17	Q2 FY16	H1 FY17	H1 FY16	FY 16
Sanctions (excluding R-APDRP)	36,592	23,198	71,205	42,837	65,042
R-APDRP Scheme - Sanctions	1,286	1,856	3,196	1,133	19,747
Disbursements (excluding R-APDRP)	14,510	9,977	22,265	17,727	46,588
R-APDRP Scheme- Disbursements	912	132	1,570	400	995
Outstanding sanctions (excluding R-APDRP)	168,032	157,622	168,032	157,622	136,792
Loan Assets	234,186	223,945	234,186	223,945	237,462
Yield on Assets* #	11.76%	12.40%	11.85%	12.37%	12.05%
Cost of Funds* #	8.44%	8.68%	8.45%	8.70%	8.62%
Interest Spread* #	3.32%	3.72%	3.40%	3.68%	3.42%
Net Interest Margin* #	4.87%	5.26%	4.90%	5.19%	4.94%

* Q2 / H1 FY16 & Q2 / H1 FY17 ratios annualized using actual number of days # Based on daily average & excluding exchange loss & gain

Key Indicators



Key Indicators	Q2 FY17	Q2 FY16	H1 FY17	H1 FY16	FY 16
Return on Average Assets*	3.06%	2.95%	2.91%	2.84%	2.57%
Net worth (Share Capital + Free Reserves) (₹ in crore)	35,207	31,923	35,207	31,923	32,046
Net worth (Share Capital + All Reserves) (₹ in crore)	39,275	35,267	39,275	35,267	35,766
Return on Average Net worth (Share Capital + Free Reserves) *	21.89%	21.70%	21.33%	21.39%	19.95%
Return on Average Net worth (Share Capital + All Reserves) *	19.61%	19.66%	19.11%	19.39%	17.98%
Debt Equity Ratio ^	4.96	5.26	4.96	5.26	5.61
Capital Adequacy Ratio	21.77%	21.23%	21.77%	21.23%	20.27%
Of which Tier I	18.59%	17.92%	18.59%	17.92%	17.07%
Tier II	3.18%	3.31%	3.18%	3.31%	3.20%
EPS (Weighted average)* (₹) #	28.38	25.69	27.17	24.78	23.16
Book Value Per Share (₹) #	133.35	120.92	133.35	120.92	121.38

* Quarterly Ratios have been Annualized; ^ based on Net worth (Share Capital + All Reserves) # After considering bonus share issue of 1:1 in Sep,16 9

Sanctions – Composition

(Y/E – March, ₹ crore)

Sanctions	Q2 FY17		Q2 FY16		H1 FY17		H1 FY16		FY16	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	28,213	77%	16,342	70%	56,143	79%	34,860	81%	38,235	59%
Transmission	1,525	4%	1,088	5%	1,955	3%	1,859	4%	6,050	9%
Distribution #	1,166	3%	1,632	7%	1,205	2%	1,674	4%	4,513	7%
Others*	5,688	16%	4,137	18%	11,902	17%	4,444	10%	16,244	25%
Total	36,592	100%	23,198	100%	71,205	100%	42,837	100%	65,042	100%
<u>Borrower-wise</u>										
State Sector #	11,848	32%	21,641	93%	43,747	61%	36,230	85%	45,794	70%
Central Sector	2,519	7%	49	0.2%	4,118	6%	1,849	4%	6,179	10%
Joint Sector	18,833	51%	-	0%	18,932	27%	1,185	3%	4,665	7%
Private sector	3,392	9%	1,508	7%	4,408	6%	3,572	8%	8,403	13%
Total	36,592	100%	23,198	100%	71,205	100%	42,837	100%	65,042	100%
R-APDRP (Part A)	28	2%	-	-	28	1%	-	-	-	-
R-APDRP (Part B)	-	0%	-	-	335	10%	-	-	-	-
IPDS	1,259	98%	1,856	100%	2,833	89%	1,856	100%	19,747	100%
Total	1,286	100%	1,856	100%	3,196	100%	1,856	100%	19,747	100%

* Includes Transitional Finance , Studies, Short Term Loans, Buyer Line of Credit, funding of regulatory assets

Includes counterparty funding of R-APDRP - Part B by PFC.

Cumulative Sanctions (excluding R-APDRP) till 30 Sep '16 ₹ 5,82,854 crore

Disbursements – Composition



(Y/E – March, ₹ crore)

Disbursements	Q2 FY17		Q2 FY16		H1 FY17		H1 FY16		FY16	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	8,596	59%	4,473	45%	11,819	53%	9,900	56%	26,377	57%
Transmission	944	7%	593	6%	1,609	7%	949	5%	2,160	5%
Distribution	321	2%	422	4%	495	2%	572	3%	1,546	3%
Others*	4,649	32%	4,489	45%	8,342	37%	6,306	36%	16,504	35%
Total	14,510	100%	9,977	100%	22,265	100%	17,727	100%	46,588	100%
<u>Borrower-wise</u>										
State Sector	7,424	51%	8,467	85%	13,347	60%	13,494	76%	32,354	69%
Central Sector	2,530	17%	182	2%	2,898	13%	368	2%	4,660	10%
Joint Sector	3,372	23%	161	2%	3,693	17%	1,182	7%	2,653	6%
Private sector	1,184	8%	1,167	12%	2,327	10%	2,683	15%	6,920	15%
Total	14,510	100%	9,977	100%	22,265	100%	17,727	100%	46,588	100%
R-APDRP (Part A)	80	9%			240	15%	60	10%	137	14%
R-APDRP (Part B) #	46	5%			365	23%	340	58%	531	53%
IPDS	786	86%	132	100%	965	61%	182	31%	327	33%
Total	912	100%	132	100%	1570	100%	582	100%	995	100%

* Includes Transitional Finance ,Studies, Short Term Loans, Buyer Line of Credit, funding of regulatory assets

Gol portion

Cumulative Disbursements (excluding R-APDRP) till 30 Sep '16 ₹ 4,14,821 crore

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Outstanding Sanctions as on 30.09.2016



(Y/E – March, ₹ crore)

Particulars	O/S Sanctions where			Total Outstanding Sanctions
	doc. executed & disb. commenced	doc. executed but disb. not commenced	doc. not executed	
<u>Discipline-wise</u>				
Generation	47,722	16,963	61,648	126,333
Transmission	14,040	2,148	4,136	20,324
Distribution #	5,902	665	4,939	11,506
Others*	3,374	1,057	5,439	9,869
Total	71,037	20,833	76,162	168,032
<u>Borrower-wise</u>				
State Sector #	52,442	7,834	49,878	110,154
Central Sector	4,557	-	-	4,557
Joint Sector	2,263	918	20,478	23,659
Private sector	11,775	12,082	5,806	29,663
Total	71,037	20,833	76,162	168,032

* Includes Transitional Finance ,Studies, Short Term Loans, Buyer Line of Credit, funding of regulatory assets

Includes counterparty funding of R-APDRP Part B by PFC of ₹ 4,334 cr

Loan Assets – Composition



(Y/E – March, ₹ crore)

Loan Assets*	30.09.2016		30.09.2015		31.03.2016		31.03.2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Generation	179,110	76%	161,444	72%	171,740	72%	158,981	73%
Transmission	15,624	7%	14,013	6%	14,613	6%	13,538	6%
Distribution	6,689	3%	7,143	3%	7,387	3%	7,051	3%
Others**	34,642	15%	41,928	19%	45,180	19%	38,114	18%
Total	236,065	100%	224,528	100%	238,920	100%	217,685	100%
Borrower - wise								
State Sector	155,137	66%	156,429	70%	164,225	69%	149,248	69%
Central Sector	22,366	9%	17,471	8%	21,027	9%	17,870	8%
Joint Sector	18,872	8%	14,431	6%	15,545	7%	13,965	6%
Private Sector	39,689	17%	36,197	16%	38,123	16%	36,602	17%

* Loan Assets = Loans outstanding (Gross basis)

** Includes Transitional Finance, Studies, Short Term Loans, Buyer Line of Credit, funding of regulatory assets

Loan Quality & Provisions

(Y/E – March, ₹ crore)

Particulars	30.09.2016	30.09.2015	31.03.2016	31.03.2015
Gross NPAs	7,585	2,969	7,519	2,533
Less: Provisions	(1,879)	(583)	(1,458)	(524)
Net NPAs	5,706	2,386	6,061	2,009
<i>As a % of Loan Assets:</i>				
<i>Gross NPAs</i>	3.21%	1.32%	3.15%	1.16%
<i>Net NPAs</i>	2.44%	1.07%	2.55%	0.93%
Contingent Provision against Standard assets	645	797	597	487
Contingent Provision against Restructured Standard assets	1,159	781	1,129	564
Specific provisions for Loan Assets	1,879	583	1,458	524
Reserve for bad & doubtful debts (RBDD)	2,768	2,332	2,547	2,118
Total	6,451	4,494	5,732	3,693

Borrowing Profile



(Y/E – March, ₹ crore)

Borrowings	30.09.2016		30.09.2015		31.03.2016		31.03.2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Bonds	178,984	92%	173,931	94%	172,339	86%	160,528	85%
Term Loans	9,507	5%	11,407	6%	20,574	10%	23,181	12%
Short Term Loans	6,206	3%	0	0%	7,572	4%	4,064	2%
Borrowings O/s	194,697	100%	185,338	100%	200,484	100%	187,773	100%
Of which:								
<i>Rupee Denominated</i>	183,980	94%	177,245	96%	189,709	95%	178,042	95%
<i>Foreign Currency Loans</i>	10,717	6%	8,092	4%	10,776	5%	9,731	5%

Resource Profile



(Y/E – March, ₹ crore)

Resources	30.09.2016		30.09.2015		31.03.2016		31.03.2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Shareholders' Funds	39,275	17%	35,267	16%	35,766	15%	32,219	15%
Reserve for bad & doubtful debts (included in Shareholder's Funds)	2768		2332		2547		2118	
Deferred Tax Liability	456	0.2%	265	0.1%	302	0.1%	189	0.1%
Interest Subsidy Fund	103	0.04%	104	0.05%	107	0.05%	111	0.1%
Bonds (Domestic)	177,774	76%	172,738	78%	171,137	72%	159,393	72%
Rupee Term Loans	0	0%	4,508	2%	11,000	5%	14,585	7%
Short Term Loans	6,206	3%	0	0%	7,572	3%	4,064	2%
Foreign Currency Loans	10,717	5%	8,092	4%	10,776	5%	9,731	4%
Total	234,532	100%	220,973	100%	236,660	100%	220,293	100%

Major Loans Sanctioned in H1 FY16

PROPOSAL DESCRIPTION	Sanctions (₹ in crore)
CENTRAL/ STATE/ JOINT SECTOR	
3x660 MW Nabinagar TPP in Bihar	10,592
2x660 MW Ennore SEZ TPP in Tamilnadu	7,000
2X660 MW Meja TPP in UP	6,608
2x660 MW Jawaharpur TPS in UP	6,157
PRIVATE SECTOR	
Funding of Coal Mine, etc. for 1200 MW TPP – Essar Power MP Ltd.	532
AGETNL – Financing Of 216 MW(AC) Solar Power Project - Adani GEL	350
100 MW Solar PV Power Project in Maharashtra – Orange SEPL	321

Shareholding Pattern



Holding (%)

Category	30.09.2016	30.09.2015	31.03.2016	31.03.2015
President of India	67.80%	67.80%	67.80%	72.80%
FII & FPIs	13.23%	13.28%	13.34%	13.11%
Indian FI & Banks	12.73%	12.29%	12.74%	7.07%
Bodies Corporate	1.23%	2.10%	1.39%	2.72%
Resident Individuals	2.92%	2.36%	2.68%	2.17%
Mutual Funds	1.47%	1.62%	1.50%	1.78%
Employees	0.06%	0.07%	0.06%	0.07%
Others	0.56%	0.48%	0.49%	0.29%
Total	100%	100%	100%	100%

Sl. No.	Top 10 Shareholders (as on 30.09.2016)	Holding (%)	Category
1	PRESIDENT OF INDIA	67.80%	POI
2	LIFE INSURANCE CORPORATION OF INDIA	9.01%	INS
3	MORGAN STANLEY MAURITIUS COMPANY LIMITED	1.50%	FII
4	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	1.36%	IFI
5	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAOPPOR	0.51%	MUT
6	HDFC TRUSTEE COMPANY LIMITED - HDFC TOP 200 FUND	0.48%	MUT
7	STATE BANK OF INDIA	0.48%	BNK
8	PUNJAB NATIONAL BANK	0.44%	BNK
9	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY P	0.41%	FPI 18
10	VANGUARD EMERGING MARKETS STOCK INDEX FUND ASERIE	0.41%	FII

DISCOMS - LOAN ASSETS (UDAY STATUS)

(Amt. ₹ in Crore)

States	Loan Balances as on 30-Sep-2015	Normal Repayments	Loans Prepaid under UDAY	Loan Balances as on 30-SEP-2016
MoU Status - Signed				
ANDHRA PRADESH	2,529	7	-	2,522
BIHAR	56	28	-	28
CHATTISGARH	145	5	140	-
GUJARAT	4	1	-	2
HARYANA	4,128	255	3,872	2
HIMACHAL PRADESH	253	86	-	167
JHARKHAND	18	11	7	-
KARNATAKA	134	96	-	37
MADHYA PRADESH	171	15	-	156
MAHARASHTRA	3,778	686	-	3,092
PUNJAB	2,094	761	1,333	-
RAJASTHAN	9,459	353	8,308	798
UTTAR PRADESH	8,290	235	7,655	400
TOTAL (A)	31,059	2,540	21,315	7,204

DISCOMS - LOAN ASSETS (UDAY STATUS)

contd...



(Amt. ₹ in Crore)

States	Loan Balances as on 30-Sep-2015	Normal Repayments	Loans Prepaid under UDAY	Loan Balances as on 30-SEP-2016
MoU Status – Yet to be Signed				
TAMILNADU	15,049	656	-	14,393
TELANGANA	544	22	-	522
WEST BENGAL	2,172	286	-	1,887
TOTAL (B)	17,766	964	-	16,802
Grand Total (A+B)	48,825	3,504	21,315	24,006



Thank You!