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**October 2014**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

# Power Finance Corporation Limited

*A Navratna PSU*

**Performance Highlights  
(Standalone, Un-Audited)**

**Half Year and  
Quarter Ended  
30<sup>th</sup> September, 2014**

# Highlights – H1 FY 15 vs. H1 FY 14



- **Net Profit increased by 16% to ₹ 2,857 crores from ₹ 2,472 crores**
- **Comparable PAT increased by 15% to ₹ 3,252 crores from ₹ 2,839 crores**
- **Total Income increased by 18% to ₹ 12,233 crores from ₹ 10,354 crores**
- **Net Interest Income increased by 18% to ₹ 4,783 crores from ₹ 4,069 crores**

# Highlights – H1 FY 15 vs. H1 FY 14



■ **Loan Assets increased by 16% to ₹ 1,99,229 crores from ₹ 1,72,081 crores**

■ **Net worth (Share Capital + Free Reserves) increased by 19% to ₹ 27,755 crores from ₹ 23,353 crores**

■ **Net worth (Share Capital + All Reserves) increased by 20% to ₹ 30,373 crores from ₹ 25,284 crores**

■ **Sanctions increased by 19% to ₹ 32,748 crores from ₹ 27,425 crores**

# Highlights – Q2 FY 15 vs. Q2 FY 14



- **Net Profit increased by 11% to ₹ 1,409 crores from ₹ 1,274 crores**
- **Comparable PAT increased by 16% to ₹ 1,715 crores from ₹ 1,473 crores**
- **Total Income increased by 18% to ₹ 6,309 crores from ₹ 5,337 crores**
- **Net Interest Income increased by 18% to ₹ 2,492 crores from ₹ 2,119 crores**
- **Sanctions increased by 88% to ₹ 22,673 crores from ₹ 12,050 crores**

# Comparable Profit



(Y/E – March, ₹ Crores)

Comparable Profit	Q2 FY 2015	Q2 FY 2014	% change	H1 FY 2015	H1 FY 2014	% change	FY 2014
<b>Reported PAT</b>	<b>1,409</b>	<b>1,274</b>	<b>11%</b>	<b>2,857</b>	<b>2,472</b>	<b>16%</b>	<b>5,418</b>
<b>Adjustments (post-tax):</b>							
Contingent Provision against standard assets	(28)	54		(16)	103		337
Provision against restructured standard assets	215	-		215	-		-
Prior period Income Tax (incl. interest thereon) and DTL	(0.1)	(3)		(0.1)	(3)		9
Translation / Actual Exchange Gain(-) / Loss(+) (including impact of DTL)	107	148		181	265		334
CSR & SD expenses (Impact of earlier years and DTL)	10	1		9	2		(3)
R-APDRP Expenses	3	-		5	-		31
<b>Comparable PAT</b>	<b>1,715</b>	<b>1,473</b>	<b>16%</b>	<b>3,252</b>	<b>2,839</b>	<b>15%</b>	<b>6,125</b>

# Profit & Loss Account



(Y/E – March, ₹ Crores)

Income Statement#	Q2 FY 2015	Q2 FY 2014	H1 FY 2015	H1 FY 2014	FY14
Interest Income	6,223	5,231	12,077	10,198	21,121
Interest Expense	(3,731)	(3,112)	(7,295)	(6,128)	(12,641)
Net Interest Income	2,492	2,119	4,783	4,069	8,480
Other Income*	10	14	15	16	34
Operating Costs	(59)	(72)	(114)	(104)	(231)
Provisions for contingencies	(284)	(137)	(412)	(228)	(470)
Profit Before Tax & Extra-ordinary Items	2,159	1,924	4,272	3,754	7,813
Extra-ordinary Items^	(137)	(135)	(247)	(242)	(255)
Tax Provisions	(614)	(459)	(1,199)	(793)	(2,086)
DTL(-) / DTA(+)	1	(57)	30	(246)	(54)
<b>Profit after Tax</b>	<b>1,409</b>	<b>1,274</b>	<b>2,857</b>	<b>2,472</b>	<b>5,418</b>

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

^ Extraordinary Items includes translation/actual exchange gain/loss, prior period adjustments, prepayment premium etc..

#All items of Income Statement have been regrouped for analysis

# Balance Sheet



(Y/E – March, ₹ Crores)

Liabilities	30.09.2014	30.09.2013	31.03.2014	31.03.2013
Shareholders' Funds	30,373	25,284	27,375	23,576
<b>Non-Current Liabilities</b>				
Long-term Borrowing	137,579	130,616	142,492	121,151
Deferred Tax Liabilities (net)	243	466	274	220
Other Liabilities	322	341	348	540
Long-term Provisions	680	265	473	162
<b>Current Liabilities</b>				
Current Maturity of Long-term Borrowing	25,961	6,987	15,409	9,612
Short- Term Borrowing	3,476	6,809	1,314	8,710
Other Liabilities	6,622	5,694	6,262	5,064
Short- Term Provisions	374	221	218	194
<b>Total Liabilities</b>	<b>205,630</b>	<b>176,684</b>	<b>194,164</b>	<b>169,229</b>

# Balance Sheet



(Y/E – March, ₹ Crores)

Assets	30.09.2014	30.09.2013	31.03.2014	31.03.2013
<b>Non-Current Assets</b>				
Fixed Assets	65	73	71	74
Non-Current Investments	348	226	348	158
Long-term Loans	179,387	151,473	168,792	142,524
Other Assets	222	314	210	376
<b>Current Assets</b>				
Current Investments	3	4	4	4
Cash & Bank Balances	1,014	27	60	4,754
Current Maturity Long-Term Loans	16,745	18,101	18,043	15,456
Short- Term Loans	3,097	2,506	2,396	2,416
Other Assets	4,748	3,960	4,240	3,467
<b>Total Assets</b>	<b>205,630</b>	<b>176,684</b>	<b>194,164</b>	<b>169,229</b>

# Key Indicators



(Y/E – March, ₹ Crores)

Key Indicators	Q2 FY 2015	Q2 FY 2014	H1 FY 2015	H1 FY 2014	FY14
Sanctions (excluding R-APDRP)	22,673	12,050	32,748	27,425	60,729
R-APDRP Scheme - Sanctions	1,483	3,088	1,483	3,088	4,331
Disbursements (excluding R-APDRP)	8,361	9,777	16,643	18,012	47,162
R-APDRP Scheme- Disbursements	347	17	380	297	640
Outstanding sanctions (excluding R-APDRP)	165,206	162,857	165,206	162,857	1,56,390
Loan Assets	199,229	172,081	199,229	172,081	1,89,231
Yield on Assets* #	12.45%	12.47%	12.35%	12.31%	12.31%
Cost of Funds* #	8.97%	8.88%	8.96%	8.87%	8.85%
Interest Spread* #	3.48%	3.59%	3.39%	3.44%	3.45%
Net Interest Margin* #	4.98%	5.05%	4.89%	4.91%	4.94%

\* H1 FY 15 & Q2 FY 15 ratios annualized using actual number of days # Based on daily average

# Key Indicators



Key Indicators	Q2 FY 2015	Q2 FY 2014	H1 FY 2015	H1 FY 2014	FY14
<b>Return on Average Assets*</b>	<b>2.78%</b>	<b>2.91%</b>	<b>2.86%</b>	<b>2.86%</b>	<b>2.98%</b>
<b>Net worth (Share Capital + Free Reserves) (₹ in crores)</b>	<b>27,755</b>	<b>23,353</b>	<b>27,755</b>	<b>23,353</b>	<b>25,098</b>
<b>Net worth (Share Capital + All Reserves) (₹ in crores)</b>	<b>30,373</b>	<b>25,284</b>	<b>30,373</b>	<b>25,284</b>	<b>27,375</b>
<b>Return on Average Net worth (Share Capital + Free Reserves) *</b>	<b>20.78%</b>	<b>22.27%</b>	<b>21.62%</b>	<b>21.86%</b>	<b>23.07%</b>
<b>Return on Average Net worth (Share Capital + All Reserves) *</b>	<b>19.01%</b>	<b>20.58%</b>	<b>19.79%</b>	<b>20.24%</b>	<b>21.27%</b>
<b>Debt Equity Ratio ^</b>	<b>6.03</b>	<b>6.20</b>	<b>6.03</b>	<b>6.20</b>	<b>6.36</b>
<b>Capital Adequacy Ratio</b>	<b>21.10%</b>	<b>17.87%</b>	<b>21.10%</b>	<b>17.87%</b>	<b>20.10%</b>
Of which Tier I	<b>17.51%</b>	<b>16.13%</b>	<b>17.51%</b>	<b>16.13%</b>	<b>16.42%</b>
Tier II	<b>3.59%</b>	<b>1.74%</b>	<b>3.59%</b>	<b>1.74%</b>	<b>3.68%</b>
<b>EPS (Weighted average)* (₹)</b>	<b>42.68</b>	<b>38.60</b>	<b>43.28</b>	<b>37.45</b>	<b>41.04</b>
<b>Book Value Per Share (₹) ^</b>	<b>210.26</b>	<b>176.91</b>	<b>210.26</b>	<b>176.91</b>	<b>190.13</b>

\* Quarterly Ratios have been Annualized: ^ based on Net worth (Share Capital + Free Reserves) = Paid-up capital + Reserves & Surplus – Reserve for Bad & Doubtful Debts - Debenture Redemption Reserve;

# Sanctions – Composition

(Y/E – March. ₹ Crores)

Sanctions	Q2 FY15		Q2 FY14		H1FY15		H1FY14		FY14	
<u>Discipline-wise</u>	Amount	%								
<b>Generation</b>	15,286	67%	9,650	80%	21,820	67%	19,682	72%	42,206	69%
<b>Transmission</b>	1,116	5%	181	2%	1,936	6%	2,632	10%	3,208	5%
<b>Distribution #</b>	1,562	7%	576	5%	2,585	8%	3,004	11%	4,999	8%
<b>Others*</b>	4,708	21%	1,643	14%	6,408	20%	2,108	8%	10,316	17%
<b>Total</b>	<b>22,673</b>	<b>100%</b>	<b>12,050</b>	<b>100%</b>	<b>32,748</b>	<b>100%</b>	<b>27,425</b>	<b>100%</b>	<b>60,729</b>	<b>100%</b>
<b><u>Borrower-wise</u></b>										
<b>State Sector #</b>	12,653	56%	8,946	74%	19,995	61%	20,049	73%	46,162	76%
<b>Central Sector</b>	5,377	24%	0	0%	5,377	16%	43	0.2%	500	1%
<b>Joint Sector</b>	53	0.2%	0	0%	53	0.2%	0	0%	1,058	2%
<b>Private sector</b>	4,589	20%	3,105	26%	7,323	22%	7,333	27%	13,010	21%
<b>Total</b>	<b>22,673</b>	<b>100%</b>	<b>12,050</b>	<b>100%</b>	<b>32,748</b>	<b>100%</b>	<b>27,425</b>	<b>100%</b>	<b>60,729</b>	<b>100%</b>
<b>R-APDRP (Part A)</b>	145	10%	104	3%	145	10%	104	3%	246	6%
<b>R-APDRP (Part B)</b>	1,339	90%	2,983	97%	1,339	90%	2,983	97%	4,085	94%
<b>Total</b>	<b>1,483</b>	<b>100%</b>	<b>3,088</b>	<b>100%</b>	<b>1,483</b>	<b>100%</b>	<b>3,088</b>	<b>100%</b>	<b>4,331</b>	<b>100%</b>

\* 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 ₹ 701 crs in H1 & Q2 FY15, ₹ 186 crs in H1 FY14 and ₹ 599 crs in FY14 respectively

**Cumulative Sanctions (excluding R-APDRP) till 30 Sep '14 ₹ 4,83,127 Crores**

# Disbursements – Composition



(Y/E – March, ₹ Crores)

Disbursements	Q2 FY15		Q2 FY14		H1FY15		H1FY14		FY14	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Generation</b>	5,398	65%	7,491	77%	10,324	62%	12,839	71%	31,640	67%
<b>Transmission</b>	451	5%	803	8%	1,800	11%	1,144	6%	2,046	4%
<b>Distribution</b>	111	1%	298	3%	332	2%	485	3%	1,702	4%
<b>Others*</b>	2,401	29%	1,185	12%	4,187	25%	3,543	20%	11,774	25%
<b>Total</b>	<b>8,361</b>	<b>100%</b>	<b>9,777</b>	<b>100%</b>	<b>16,643</b>	<b>100%</b>	<b>18,012</b>	<b>100%</b>	<b>47,162</b>	<b>100%</b>
<b><u>Borrower-wise</u></b>										
<b>State Sector</b>	5,528	66%	5,984	61%	10,710	64%	12,136	67%	32,791	70%
<b>Central Sector</b>	152	2%	234	2%	376	2%	377	2%	919	2%
<b>Joint Sector</b>	423	5%	534	5%	795	5%	987	5%	2,194	5%
<b>Private sector</b>	2,257	27%	3,023	31%	4,762	29%	4,511	25%	11,259	24%
<b>Total</b>	<b>8,361</b>	<b>100%</b>	<b>9,777</b>	<b>100%</b>	<b>16,643</b>	<b>100%</b>	<b>18,012</b>	<b>100%</b>	<b>47,162</b>	<b>100%</b>
<b>R-APDRP (Part A)</b>	161	46%	17	100%	191	50%	297	100%	430	67%
<b>R-APDRP (Part B) #</b>	185	54%	0	0%	189	50%	-	0%	210	33%
<b>Total</b>	<b>347</b>	<b>100%</b>	<b>17</b>	<b>100%</b>	<b>380</b>	<b>100%</b>	<b>297</b>	<b>100%</b>	<b>640</b>	<b>100%</b>

\* 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 '14 ₹ 3,17,921 Crores**

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# Outstanding Sanctions as on 30.09.2014



(Y/E – March, ₹ Crores)

	O/S Sanctions where			Total Outstanding Sanctions
	doc. executed & disb. commenced	doc. executed but disb. not commenced	doc. not executed	
<b><u>Discipline-wise</u></b>				
Generation	46,165	29,382	48,799	124,346
Transmission	13,893	1,396	2,024	17,313
Distribution #	5,331	303	7,842	13,476
Others*	1,793	780	7,498	10,071
<b>Total</b>	<b>67,183</b>	<b>31,860</b>	<b>66,163</b>	<b>165,206</b>
<b><u>Borrower-wise</u></b>				
State Sector #	47,623	17,329	53,304	118,256
Central Sector	1,782	3,000	2,601	7,384
Joint Sector	2,326	400	-	2,726
Private sector	15,451	11,132	10,258	36,840
<b>Total</b>	<b>67,183</b>	<b>31,860</b>	<b>66,163</b>	<b>165,206</b>

\* 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 ₹ 4,778 cr

# Loan Assets – Composition



(Y/E – March, ₹ Crores)

Loan Assets*	30.09.2014		30.09.2013		31.03.2014		31.03.2013	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Generation</b>	150,945	76%	134,675	78%	1,44,687	77%	1,26,802	79%
<b>Transmission</b>	13,047	7%	11,451	7%	11,822	6%	11,089	7%
<b>Distribution</b>	6,859	3%	6,206	4%	6,985	4%	6,144	4%
<b>Others**</b>	28,212	14%	19,356	11%	25,500	13%	16,447	10%
<b>Total</b>	<b>199,064</b>	<b>100%</b>	<b>171,688</b>	<b>100%</b>	<b>1,88,995</b>	<b>100%</b>	<b>1,60,482</b>	<b>100%</b>
<b>Borrower-wise</b>								
<b>State Sector</b>	133,653	67%	112,146	65%	1,27,428	67%	1,05,078	65%
<b>Central Sector</b>	19,831	10%	23,639	14%	20,433	11%	24,570	15%
<b>Joint Sector</b>	12,917	6%	11,511	7%	12,423	7%	10,869	7%
<b>Private Sector</b>	32,663	16%	24,393	14%	28,711	15%	19,965	12%

\* Gross Loans = Loans outstanding + Provision for NPAs – Income accrued & due on loans

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

# Loan Quality & Provisions

(Y/E – March, ₹ Crores)

Particulars	30.09.2014	30.09.2013	31.03.2014	31.03.2013
<b>Gross NPAs</b>	1,977	1,158	1,228	1,135
<b>Less: Provisions</b>	(435)	(236)	(242)	(121)
<b>Net NPAs</b>	1,543	922	985	1,013
<i>As a % of Loan Assets:</i>				
<i>Gross NPAs</i>	0.99%	0.67%	0.65%	0.71%
<i>Net NPAs</i>	0.77%	0.54%	0.52%	0.63%
Contingent Provision against Standard assets	454	236	469	133
Contingent Provision against Restructured Standard assets	215	-	-	-
Specific provisions for Loan Assets	435	236	242	121
Reserve for bad & doubtful debts (RBDD)	1,916	1,532	1,730	1,409
<b>Total</b>	<b>3,020</b>	<b>2,004</b>	<b>2,442</b>	<b>1,663</b>

# Borrowing Profile



(Y/E – March, ₹ Crores)

Borrowings	30.09.2014		30.09.2013		31.03.2014		31.03.2013	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Bonds</b>	135,473	81%	113,602	79%	1,27,594	80%	1,06,321	76%
<b>Term Loans</b>	28,067	17%	24,001	17%	30,307	19%	24,442	18%
<b>Short Term Loans</b>	3,476	2%	6,809	5%	1,314	1%	8,710	6%
<b>Borrowings O/s</b>	<b>167,016</b>	<b>100%</b>	<b>144,412</b>	<b>100%</b>	<b>1,59,215</b>	<b>100%</b>	<b>1,39,473</b>	<b>100%</b>
Of which:								
<i>Rupee Denominated</i>	158,354	95%	134,996	93%	1,50,289	94%	1,31,049	94%
<i>Foreign Currency Loans</i>	8,663	5%	9,416	7%	8,926	6%	8,424	6%

# Resource Profile



(Y/E – March, ₹ Crores)

Resources	30.09.2014		30.09.2013		31.03.2014		31.03.2013	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Shareholders' Funds</b>	<b>30,373</b>	<b>15%</b>	<b>25,284</b>	<b>15%</b>	<b>27,375</b>	<b>15%</b>	<b>23,576</b>	<b>14%</b>
Reserve for bad & doubtful debts (included in Shareholder's Funds)	1916		1532		1,730		1,409	
<b>Deferred Tax Liability</b>	<b>243</b>	<b>0.1%</b>	<b>466</b>	<b>0.3%</b>	<b>274</b>	<b>0.1%</b>	<b>220</b>	<b>0.1%</b>
<b>Interest Subsidy Fund</b>	<b>112</b>	<b>0.1%</b>	<b>128</b>	<b>0.1%</b>	<b>124</b>	<b>0.1%</b>	<b>146</b>	<b>0.1%</b>
<b>Bonds (Domestic)</b>	<b>134,357</b>	<b>68%</b>	<b>112,464</b>	<b>66%</b>	<b>1,26,505</b>	<b>68%</b>	<b>1,05,334</b>	<b>64%</b>
<b>Rupee Term Loans</b>	<b>20,520</b>	<b>10%</b>	<b>15,723</b>	<b>9%</b>	<b>22,470</b>	<b>12%</b>	<b>17,005</b>	<b>10%</b>
<b>Short Term Loans</b>	<b>3,476</b>	<b>2%</b>	<b>6,809</b>	<b>4%</b>	<b>1,314</b>	<b>1%</b>	<b>8,710</b>	<b>5%</b>
<b>Foreign Currency Loans</b>	<b>8,663</b>	<b>4%</b>	<b>9,416</b>	<b>5%</b>	<b>8,926</b>	<b>5%</b>	<b>8,424</b>	<b>5%</b>
<b>Total</b>	<b>197,744</b>	<b>100%</b>	<b>170,290</b>	<b>100%</b>	<b>1,86,988</b>	<b>100%</b>	<b>1,63,415</b>	<b>100%</b>

# Major Loans Sanctioned in H1 FY 2015

PROPOSAL DISCRIPTION	Sanctions (₹ in crores)
<b>CENTRAL/ STATE/ JOINT SECTOR</b>	
660 MW TPS Of U.P. Rajya Vidyut Utpadan Nigam Ltd. At Panki Extn.	3,770
1000 MW TPP Of Neyveli Lignite Corporation Limited At Neyveli, Tamil Nadu	3,000
Financial Assistance For 1320 MW Of Satluj Jal Vidyut Nigam Thermal Pvt Ltd At Buxar	1,977
Regulatory Assets To WB State Elc. Distribution Co. Ltd.	1,900
1600 MW TPS of A. P. Power Development Corp. Ltd. at Krishnapatnam	1,606
<b>PRIVATE SECTOR</b>	
3960 MW TPP Of KSK Mahanadi Power Company Limited At Chattisgarh	1,647
1050 MW Coal Based TPP Of Monnet Power Company Ltd At Angul Dist, Odisha	1,418
600 MW TPP of Jinbhuvish Power Generation Pvt. Ltd. at Yavatmal in Maharashtra	1,087

# Shareholding Pattern



Category	Holding (%)			
	30.09.2014	30.09.2013	31.03.2014	31.03.2013
President of India	72.80%	73.71%	72.80%	73.72%
FIs	11.79%	11.48%	11.17%	12.46%
Indian FIs & Banks	7.75%	7.29%	7.92%	5.81%
Bodies Corporate	2.89%	2.42%	2.23%	2.45%
Resident Individuals	2.47%	2.86%	2.60%	2.47%
Mutual Funds	1.87%	1.77%	2.76%	2.70%
Employees	0.07%	0.08%	0.08%	0.08%
Others	0.36%	0.39%	0.44%	0.31%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

S No	Top 10 Shareholders (as on 30.09.2014)	Holding (%)	Category
1	PRESIDENT OF INDIA	72.80%	POI
2	LIFE INSURANCE CORPORATION OF INDIA	4.90%	IFI
3	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	1.69%	IFI
4	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	1.16%	LTD
5	SWISS FINANCE CORPORATION (MAURITIUS) LIMITED	0.69%	FII
6	CPSE ETF	0.50%	MUT
7	GOVERNMENT PENSION FUND GLOBAL	0.49%	FII
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND ASERIE	0.45%	FII
9	WISDOMTREE TRUST A/C WISDOMTREE INDIA INVESTMENT P	0.41%	FII <sup>19</sup>
10	INDIA CAPITAL FUND LIMITED	0.36%	FII



*Thank You!*