



Funding for a Brighter Tomorrow....

Power Finance Corporation Limited

A Navratna PSU

**Performance Highlights
(Standalone, Audited)**

**Quarter/Year Ended
31st March, 2017**

Realignment with RBI's RRR norms



PFC has been following MoP, GoI approved prudential norms for loans sanctioned till 31.3.2015. Now in Q4-FY17, PFC has realigned with RBI prudential norms for these loans w.e.f. 1.4.2015 and made provisioning accordingly. The impact of realignment with RBI norms is summarized below. All the projects covered are state sector loans and have Fuel Supply Agreements (FSAs) in place and Power Purchase Agreements (PPAs) as well in most of the cases. These loans are being serviced regularly. PFC has done balance sheet funding in the above projects backed by Escrow mechanism. Further, total recovery rate for FY 17 is 97%.

Sl. No.	Reclassification of Assets	o/s as at 31.3.2017	New Provision (%)	Old Provision (%)	Addl. Provison	Income reversed	Total impact on PAT (net of tax)
1	Standard Assets to Restructured Assets	35,995	4.25%	0.35%	1,404	NA	1,404
2a	Standard Assets to NPA (DCCO achieved before 31.3.2017)	8,284	10%	0.35%	799	164	911
2b	Standard Assets to NPA	4,157	10%	0.35%	401	103	471
2c	Restructured Assets to NPA (Restructured after DCCO)	5,794	10%	4.25%	333	142	430
2d	Standard Assets to NPA (On a/c of borrower wise classification for assets in 2c)	5,074	10%	0.35%	490	119	570
Sub-total (2a to 2d) #		23,309			2,023	527	2,382
Total		59,304			3,427	527	3,786

As per RBI norms, NPAs can be upgraded on satisfactory performance during the specified period. Out of NPAs of ₹ 23,309 crore above, for loan assets of ₹ 15,883 crore, the specified period falls due in FY 2017-18.

Highlights – FY17 vs. FY16



■ Sanctions increased by 55% to ₹ 1,00,603 crore from ₹ 65,042 crore

■ Disbursements increased by 35% to ₹ 62,798 crore from ₹ 46,588 crore

■ Loan Assets increased by 1% to ₹ 2,40,169 crore from ₹ 2,37,462 crore

■ Net Worth (Share Capital + All Reserves) increased by 2% to ₹ 36,470 crore from ₹ 35,766 crore

Comparable Profit



(Y/E – March, ₹ crore)

Comparable Profit	Q4 FY17	Q4 FY16	% change	FY17	FY16	% change
Reported PAT	(3,409)	1,260	-371%	2,126	6,113	-65%
Adjustments (post-tax):						
Impact of realignment with RBI RRR norms	3,786	-		3,786	-	
Income reversal on Standard loan asset *	281	-		281	-	
Provision for MTM valuations	51	-		(116)	-	
Prior period Income Tax (incl. interest thereon) and DTL	-	(6)		(3)	(6)	
Translation / Actual Exchange Gain(-) / Loss(+) (including impact of DTL)	(11)	75		182	310	
R-APDRP & IPDS Income	(12)	(20)		(16)	(24)	
Comparable PAT	686	1,308	-48%	6,240	6,394	-2%

* In Q4-FY 17, income pertaining to one borrower has been reversed.

Profit & Loss Account



(Y/E – March, ₹ crore)

Income Statement#	Q4 FY17	Q4 FY16	FY17	FY16
Interest Income	5,568	6,645	26,491	27,259
Interest Expense	(4,030)	(4,080)	(16,326)	(16,091)
Net Interest Income	1,538	2,565	10,165	11,168
Other Income *	142	114	326	135
Operating Costs	(53)	(37)	(354)	(293)
Provisions for contingencies	(1,072)	(593)	(1,666)	(1,706)
Provisions for contingencies (Impact of realignment with RBI RRR norms)	(3,427)	-	(3,427)	-
Profit Before Tax & Extra-ordinary Items	(2,871)	2,048	5,043	9,305
Extra-ordinary Items ^	8	(79)	67	(244)
Tax Provisions	(670)	(690)	(3,074)	(2,834)
DTL(-) / DTA(+)	123	(21)	91	(113)
Profit after Tax	(3,409)	1,260	2,126	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.

#All items of Income Statement have been regrouped for analysis

Balance Sheet



(Y/E – March, ₹ crore)

Liabilities	31.03.2017	31.03.2016
Shareholders' Funds	36,470	35,766
Non-Current Liabilities		
Long-term Borrowing	174,841	172,550
Deferred Tax Liabilities (net)	251	302
Other Liabilities	6,143	549
Long-term Provisions	2,545	1,229
Current Liabilities		
Current Maturity of Long-term Borrowing	25,346	20,363
Short- Term Borrowing	2,401	7,572
Other Liabilities	8,420	7,501
Short- Term Provisions	1,927	805
Total Liabilities	258,344	246,637

Balance Sheet



(Y/E – March, ₹ crore)

Assets	31.03.2017	31.03.2016
Non-Current Assets		
Fixed Assets	63	64
Non-Current Investments	2,266	2,267
Long-term Loans	200,333	200,036
Other Assets	5,451	315
Current Assets		
Current Investments	1,326	411
Cash & Bank Balances	3,573	78
Current Maturity Long-Term Loans	33,877	33,622
Short- Term Loans	5,959	3,804
Other Assets	5,497	6,040
Total Assets	258,344	246,637

Key Indicators



(Y/E – March, ₹ crore)

Key Indicators	Q4 FY17	Q4 FY16	FY17	FY16
Sanctions (excluding R-APDRP)	27,236	22,412	100,603	65,042
R-APDRP Scheme – Sanctions	185	17,882	3,045	19,747
Disbursements (excluding R-APDRP)	28,383	18,105	62,798	46,588
R-APDRP Scheme- Disbursements	1,198	413	3,914	995
Outstanding sanctions (excluding R-APDRP)	150,509	136,792	150,509	136,792
Loan Assets	240,169	237,462	240,169	237,462
Net worth (Share Capital + Free Reserves)	32,021	32,046	32,021	32,046
Net worth (Share Capital + All Reserves)	36,470	35,766	36,470	35,766
Debt Equity Ratio *	5.55	5.61	5.55	5.61
Capital Adequacy Ratio	19.28%	20.27%	19.28%	20.27%
Of which Tier I	16.20%	17.07%	16.20%	17.07%
Tier II	3.08%	3.20%	3.08%	3.20%
Book Value Per Share (₹) ^	121.29	121.38	121.29	121.38

* based on Net worth (Share Capital + All Reserves) ^ after considering bonus share issue of 1:1 in Sep,16

Key Indicators



Key Indicators	Q4 FY17	Q4 FY16	FY17	FY16
Yield on Assets* #	9.32%	11.46%	11.14%	12.05%
Cost of Funds* #	8.36%	8.52%	8.41%	8.62%
Interest Spread* #	0.96%	2.94%	2.73%	3.42%
Net Interest Margin* #	2.57%	4.43%	4.28%	4.94%
Return on Average Assets @	-ve	2.08%	0.84%	2.57%
Return on Average Net worth (Share Capital + Free Reserves) @	-ve	15.95%	6.64%	19.95%
Return on Average Net worth (Share Capital + All Reserves) @	-ve	14.31%	5.89%	17.98%
EPS (Weighted average)* (₹) ^	-ve	19.09	8.05	23.16

Key Indicators without considering impact of realignment with RBI RRR norms & income reversal on one standard asset

Yield on Assets* #	10.39%	11.46%	11.41%	12.05%
Cost of Funds* #	8.36%	8.52%	8.41%	8.62%
Interest Spread* #	2.03%	2.94%	3.00%	3.42%
Net Interest Margin* #	3.65%	4.43%	4.54%	4.94%
Return on Average Assets *	1.03%	2.08%	2.43%	2.57%
Return on Average Net worth (Share Capital + Free Reserves) *	7.17%	15.95%	18.18%	19.95%
Return on Average Net worth (Share Capital + All Reserves) *	6.41%	14.31%	16.23%	17.98%
EPS (Weighted average)* (₹) # ^	9.97	19.09	23.46	23.16

• Ratios are annualized using actual number of days # Based on daily average & excluding exchange loss/gain @ Ratios are annualized

• ^ After considering bonus share issue of 1:1 in Sep,16

Sanctions – Composition

(Y/E – March, ₹ crore)

Sanctions	Q4 FY17		Q4 FY16		FY17		FY16	
	Amount	%	Amount	%	Amount	%	Amount	%
Discipline-wise								
Generation	9,645	35%	12,075	54%	41,794	42%	38,235	59%
Transmission	9,180	34%	3,782	17%	16,666	17%	6,050	9%
Distribution #	883	3%	2,031	9%	5,697	6%	4,513	7%
Others*	7,528	28%	4,524	20%	36,446	36%	16,244	25%
Total	27,236	100%	22,412	100%	100,603	100%	65,042	100%
Borrower-wise								
State Sector #	23,377	86%	11,666	52%	82,263	82%	45,794	70%
Central Sector	-	-	4,330	19%	4,118	4%	6,179	10%
Joint Sector	-	-	2,151	10%	2,760	3%	4,665	7%
Private sector	3,859	14%	4,266	19%	11,462	11%	8,403	13%
Total	27,236	100%	22,412	100%	100,603	100%	65,042	100%
R-APDRP (Part A)	-	-	-	-	28	1%	-	-
R-APDRP (Part B)	-	-	-	-	-	-	-	-
IPDS	185	100%	17,882	100%	3,018	99%	19,747	100%
Total	185	100%	17,882	100%	3,045	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 / IPDS by PFC.

Cumulative Sanctions (excluding R-APDRP) till 31.03.2017 - ₹ 6,05,864 crore

Disbursements – Composition



(Y/E – March, ₹ crore)

Disbursements	Q4 FY17		Q4 FY16		FY17		FY16	
	Amount	%	Amount	%	Amount	%	Amount	%
Discipline-wise								
Generation	9,744	34%	10,556	58%	25,767	41%	26,377	57%
Transmission	1,345	5%	898	5%	3,605	6%	2,160	5%
Distribution	452	2%	618	3%	1,580	3%	1,546	3%
Others*	16,843	59%	6,034	33%	31,846	51%	16,504	35%
Total	28,383	100%	18,105	100%	62,798	100%	46,588	100%
Borrower-wise								
State Sector	23,114	81%	11,097	61%	45,757	73%	32,354	69%
Central Sector	1,264	4%	4,137	23%	4,659	7%	4,660	10%
Joint Sector	693	2%	967	5%	4,730	8%	2,653	6%
Private sector	3,312	12%	1,905	11%	7,652	12%	6,920	15%
Total	28,383	100%	18,105	100%	62,798	100%	46,588	100%
R-APDRP (Part A)	189	16%	77	19%	655	17%	137	14%
R-APDRP (Part B) #	270	23%	191	46%	926	24%	531	53%
IPDS	740	62%	145	35%	2,333	60%	327	33%
Total	1,198	100%	413	100%	3,914	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 31.03.2017 - ₹ 4,55,355 crore

Outstanding Sanctions as on 31.03.2017



(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	45,138	27,149	21,463	93,750
Transmission	14,608	5,586	11,335	31,529
Distribution #	6,793	912	6,625	14,330
Others*	2,446	1,946	6,507	10,899
Total	68,986	35,592	45,930	150,509
<u>Borrower-wise</u>				
State Sector #	52,605	20,155	40,553	113,313
Central Sector	2,795	-	-	2,795
Joint Sector	1,054	918	1,299	3,272
Private sector	12,531	14,520	4,078	31,129
Total	68,986	35,592	45,930	150,509

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

Includes counterparty funding of R-APDRP Part B / IPDS by PFC of ₹ 6,203 cr

Loan Assets – Composition



(Y/E – March, ₹ crore)

Loan Assets*	31.03.2017		31.03.2016	
	Amount	%	Amount	%
Discipline-wise				
Generation	183,379	75%	171,740	72%
Transmission	16,607	7%	14,613	6%
Distribution	6,443	3%	7,387	3%
Others**	39,095	16%	45,180	19%
Total	245,525	100%	238,920	100%
Borrower - wise				
State Sector	161,137	66%	164,225	69%
Central Sector	22,931	9%	21,027	9%
Joint Sector	19,378	8%	15,545	7%
Private Sector	42,079	17%	38,123	16%

* 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	31.03.2017	31.03.2016
Gross NPAs	30,702	7,519
Less: Provisions	(5,356)	(1,458)
Net NPAs	25,346	6,061
<i>As a % of Loan Assets:</i>		
<i>Gross NPAs</i>	12.50%	3.15%
<i>Net NPAs</i>	10.55%	2.55%
<i>As a % of Loan Assets (without Impact of realignment with RBI RRR norms)</i>		
<i>Gross NPAs *</i>	3.01%	3.15%
<i>Net NPAs *</i>	1.68%	2.55%
Contingent Provision against Standard assets	558	597
Contingent Provision against Restructured Standard assets	2,356	1,129
Specific provisions for Loan Assets	5,356	1,458
Reserve for bad & doubtful debts (RBDD)	3,015	2,547
Total	11,285	5,732

Borrowing Profile



(Y/E – March, ₹ crore)

Borrowings	31.03.2017		31.03.2016	
	Amount	%	Amount	%
Bonds	190,911	94%	172,339	86%
Term Loans	9,277	5%	20,574	10%
Short Term Loans	2,401	1%	7,572	4%
Total	202,588	100%	200,484	100%
of which:				
<i>Rupee Denominated</i>	194,144	96%	189,709	95%
<i>Foreign Currency Loans</i>	8,444	4%	10,776	5%

Resource Profile



(Y/E – March, ₹ crore)

Resources	31.03.2017		31.03.2016	
	Amount	%	Amount	%
Shareholders' Funds	36,470	15%	35,766	15%
<i>Reserve for bad & doubtful debts (included in Shareholder's Funds)</i>	3,015		2,547	
Deferred Tax Liability	251	0.1%	302	0%
Interest Subsidy Fund	110	0.05%	107	0.05%
Bonds (Domestic)	189,743	79%	171,137	72%
Rupee Term Loans	2,000	0.8%	11,000	5%
Short Term Loans	2,401	1%	7,572	3%
Foreign Currency Loans	8,444	4%	10,776	5%
Total	239,418	100%	236,660	100%

Major Loans Sanctioned in FY17

Description	Amt. (₹ in crore)
CENTRAL/ STATE/ JOINT SECTOR	
2x800 MW Uppur TPP in Tamilnadu	5,387
2x660 MW Jawaharpur TPS in UP	3,152
1x660 MW Sagardighi TPS in West Bengal	2,704
PRIVATE SECTOR	
150 MW Solar PV Project – Azure Power	398
226 MW Wind Power Project – Skeiron Renewable Energy	373
216 MW Solar PV Project – Adani Green Energy	350

Shareholding Pattern



Holding (%)

Category	31.03.2017	31.03.2016
President of India	66.35%	67.80%
FII's & FPI's	15.51%	13.34%
Indian FI's & Banks	9.51%	12.74%
Bodies Corporate	1.44%	1.39%
Resident Individuals	3.19%	2.68%
Mutual Funds	3.25%	1.50%
Employees	0.06%	0.06%
Others	0.70%	0.49%
Total	100%	100%

Sl. No.	Top 10 Shareholders (as on 31.3.2017)	Holding (%)	Category
1	PRESIDENT OF INDIA	66.35	POI
2	LIFE INSURANCE CORPORATION OF INDIA	7.47	INS
3	MORGAN STANLEY MAURITIUS COMPANY LIMITED	2.64	FPI
4	CPSE ETF	1.18	MUT
5	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	0.78	IFI
6	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND	0.51	MUT
7	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND	0.43	FPI
8	HDFC TRUSTEE COMPANY LIMITED - HDFC TOP 200 FUND	0.43	MUT
9	LSV EMERGING MARKETS EQUITY FUND LP	0.30	FPI
10	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	0.29	FII

DISCOMS – Loan Assets Status (UDAY)

(Amt. ₹ in Crore)

States	Loan Balances as on 30.09.2015	Normal Repayments	Loans Prepaid under UDAY	Loan Balances as on 31.03.2017
MoU Status – Signed				
ANDHRA PRADESH	2,529	10	2,500	19
BIHAR	56	42		14
CHATTISGARH	145	5	140	-
GUJARAT	4	2		1
HARYANA	4,128	256	3,872	1
HIMACHAL PRADESH	253	129	-	124
JHARKHAND	18	11	7	-
KARNATAKA	134	103		30
MADHYA PRADESH	171	24	147	-
MAHARASHTRA	3,778	1,042		2,736
PUNJAB	2,094	761	1,333	-
RAJASTHAN	9,459	386	8,841	232
TAMILNADU	14,917	1,544	7,990	5,383
TELANGANA	544	33	510	1
UTTAR PRADESH	8,290	238	7,734	318
Total (A)	46,520	4,587	33,073	8,860
MoU Status – Yet to be Signed				
West Bengal – (B)	2,172	458	0	1,715
Grand Total (A+B)	48,693	5,045	33,073	10,574



Thank You!