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February 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	

Power Finance Corporation Limited

A Navratna PSU

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

**Quarter Ended
31st December, 2013**

Highlights – 9M FY 14 vs. 9M FY 13



- **Net Profit increased by 28% from ₹ 3,125 crore to ₹ 4,006 crore**
- **Comparable PAT increased by 33% from ₹ 3,361 crore to ₹ 4,486 crore**
- **Total Income increased by 26% from ₹ 12,602 crore to ₹ 15,901 crore**
- **Net Interest Income increased by 37% from ₹ 4,546 crore to ₹ 6,214 crore**

Highlights – 9M FY 14 vs. 9M FY 13 (contd.)



- **Interest Spread increased by 62 bps from 2.82% to 3.44%**
- **Loan Assets increased by 20% from ₹ 1,48,282 crore to ₹ 1,77,499 crore**
- **Networth increased by 15% from ₹ 21,366 crore to ₹ 24,604 crore**

Highlights – Q3 FY 14 vs. Q3 FY 13



- **Net Profit increased by 37% from ₹ 1,117 crore to ₹ 1,534 crore**
- **Comparable PAT increased by 32% from ₹ 1,237 crore to ₹ 1,634 crore**
- **Total Income increased by 24% from ₹ 4,466 crore to ₹ 5,547 crore**
- **Net Interest Income increased by 29% from ₹ 1,677 crore to ₹ 2,161 crore**

Highlights – Q3 FY 14 vs. Q3 FY 13 (contd.)



■ Interest Spread increased by 36 bps from 3.08% to 3.44%

■ Sanctions increased by 36% from ₹ 18,144 crore to ₹ 24,629 crore

Comparable Profit



(Y/E – March, ₹ Crores)

Comparable Profit	Q3 FY 2014	Q3 FY 2013	% change	9M FY 2014	9M FY 2013	% change	FY 2013
Reported PAT	1,534	1,117	37%	4,006	3,125	28%	4420
Adjustments (post-tax):							
Contingent Provision against standard assets	54	92		157	92		133
Prior period Income Tax (incl. interest thereon) and DTL	(2)	-		(4)	25		33
Translation / Actual Exchange Gain(-) / Loss(+) (including impact of DTL)	47	28		315	119		109
CSR & SD expenses booked/(reversed) pertaining to Earlier years	-	-		12	-		(11)
Comparable PAT	1,634	1,237	32%	4,486	3,361	33%	4,683

Profit & Loss Account



(Y/E – March, ₹ Crores)

Income Statement [#]	Q3 FY14	Q3 FY13	9M FY14	9M FY13	FY13
Interest Income	5,418	4,419	15,600	12,448	17,041
Interest Expense	(3,257)	(2,741)	(9,385)	(7,902)	(10,768)
Net Interest Income	2,161	1,677	6,214	4,546	6,272
Other Income [*]	14	9	46	34	58
Operating Costs	(40)	(39)	(144)	(102)	(145)
Provisions for contingencies	(51)	(90)	(279)	(90)	(81)
Profit Before Tax & Extra-ordinary Items	2,084	1,557	5,838	4,388	6,105
Extra-ordinary Items [^]	(29)	(46)	(271)	(147)	(138)
Tax Provisions	(632)	(422)	(1,426)	(942)	(1,415)
DTL(-) / DTA(+)	112	28	(135)	(174)	(132)
Profit after Tax	1,534	1,117	4,006	3,125	4,420

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

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

#All items of Income Statement have been regrouped for analysis

Balance Sheet



(Y/E – March, ₹ Crores)

Liabilities	31.12.2013	3.12.2012	31.03.2013	31.03.2012
Shareholders' Funds	26,703	22,914	24,054	20,708
Share Application Money pending allotment	-	-	-	-
Non-Current Liabilities				
Long-term Borrowing	1,31,685	1,07,629	1,21,151	95,867
Deferred Tax Liabilities (net)	354	262	220	87
Other Liabilities	341	517	540	551
Long-term Provisions	329	122	162	29
Current Liabilities				
Current Maturity of Long-term Borrowing	11,856	10,674	9,612	10,188
Short- Term Borrowing	7,191	6,202	8,820	4,071
Other Liabilities	6,016	4,321	5,064	3,800
Short- Term Provisions	1,441	999	194	275
Total Liabilities	1,85,917	1,53,640	1,69,817	1,35,575

Balance Sheet



(Y/E – March, ₹ Crores)

Assets	31.12.2013	3.12.2012	31.03.2013	31.03.2012
Non-Current Assets				
Fixed Assets	72	75	74	76
Non-Current Investments	378	55	187	55
Long-term Loans	1,58,649	1,32,843	1,42,495	1,12,017
Other Assets	303	261	376	101
Foreign Currency Monetary Item Translation Difference A/c	961	667	478	515
Current Assets				
Current Investments	4	4	4	4
Cash & Bank Balances	2,545	727	4,754	1,988
Current Maturity Long-Term Loans	16,967	14,270	15,456	11,877
Short- Term Loans	1,883	1,169	2,416	6,178
Other Assets	4,155	3,569	3,577	2,763
Total Assets	1,85,917	1,53,640	1,69,817	1,35,575

Key Indicators



(Y/E – March, ₹ Crores)

Key Indicators	Q3 FY14	Q3 FY13	9M FY14	9M FY13	FY13
Sanctions (excluding R-APDRP)	24,629	18,144	52,054	59,574	75,147
R-APDRP Scheme - Sanctions	339	-	3,427	909	3,728
Disbursements (excluding R-APDRP)	12,215	12,621	30,227	30,175	45,151
R-APDRP Scheme- Disbursements	55	93	352	895	1,217
Outstanding sanctions (excluding R-APDRP)	1,72,168	1,69,538	1,72,168	1,69,538	1,63,720
Loan Assets	1,77,499	1,48,282	1,77,499	1,48,282	1,60,367
Yield on Assets* #	12.37%	12.14%	12.33%	11.95%	11.94%
Cost of Funds* #	8.93%	9.05%	8.89%	9.12%	9.08%
Interest Spread* #	3.44%	3.08%	3.44%	2.82%	2.87%
Net Interest Margin* #	4.93%	4.61%	4.91%	4.36%	4.40%

* Quarterly Ratios have been Annualised . # Based on daily average

Key Indicators



Key Indicators	Q3 FY14	Q3 FY13	9M FY14	9M FY13	FY13
Return on Average Assets*	3.37%	2.98%	3.00%	2.88%	2.89%
Networth^ (₹ in crores)	24,604	21,366	24,604	21,366	22,351
Return on Average Networth*	24.95%	20.95%	22.75%	20.40%	21.12%
Debt Equity Ratio	6.14	5.85	6.14	5.85	6.26
Capital Adequacy Ratio	18.86%	18.10%	18.86%	18.10%	17.98%
Of which Tier I	17.06%	16.98%	17.06%	16.98%	16.83%
Tier II	1.80%	1.12%	1.80%	1.12%	1.15%
EPS (Weighted average)* (₹)	46.49	33.85	40.47	31.57	33.48
Book Value Per Share (₹)	186.38	161.86	186.38	161.86	169.33

* Quarterly Ratios have been Annualised: ^Networth = Paid-up capital + Reserves & Surplus – Reserve for Bad & Doubtful Debts - Debenture Redemption Reserve;

Sanctions – Composition

(Y/E – March. ₹ Crores)

Sanctions	Q3 FY14		Q3 FY13		9M FY14		9M FY13		FY13	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	16,242	66%	12,538	69%	35,924	69%	27,455	46%	38,352	51%
Transmission	420	2%	3,380	19%	3,052	6%	7,444	12%	8,278	11%
Distribution #	1,445	6%	0	0%	4,449	9%	1,028	2%	1,350	2%
Others*	6,522	26%	2,227	12%	8,629	17%	23,648	40%	27,167	36%
Total	24,629	100%	18,144	100%	52,054	100%	59,574	100%	75,147	100%
<u>Borrower-wise</u>										
State Sector #	19,598	80%	15,224	84%	39,647	76%	42,990	72%	55,410	74%
Central Sector	500	2%	250	1%	543	1%	250	0.4%	475	0.6%
Joint Sector	1,058	4%	0	0%	1,058	2%	0	0%	0	0%
Private sector	3,473	14%	2,671	15%	10,806	21%	16,333	27%	19,263	26%
Total	24,629	100%	18,144	100%	52,054	100%	59,574	100%	75,147	100%
R-APDRP (Part A)	0	0%	-	0%	104	3%	0	0%	75	2%
R-APDRP (Part B)	339	100%	-	0%	3,323	97%	909	100%	3,653	98%
Total	339	100%	-	0%	3,427	100%	909	100%	3,728	100%

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

Includes counterparty funding of R-APDRP Part B by PFC of ₹ 262 cr, ₹ 449 cr, ₹ 890 cr and ₹ 890 cr for Q3FY 14, 9M FY 14, FY 13 & 9M FY 13 respectively

Cumulative Sanctions (excluding R-APDRP) till 31 Dec '13 ₹ 4,56,511 Crores

Disbursements – Composition



(Y/E – March, ₹ Crores)

Disbursements	Q3 FY14		Q3 FY13		9M FY14		9M FY13		FY13	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	6,599	54%	5,009	40%	19,438	64%	18,178	60%	25,582	57%
Transmission	267	2%	619	5%	1,412	5%	1,354	4%	2,033	5%
Distribution	712	6%	230	2%	1,198	4%	891	3%	1,280	3%
Others*	4,637	38%	6,763	54%	8,180	27%	9,752	32%	16,256	36%
Total	12,215	100%	12,621	100%	30,227	100%	30,175	100%	45,151	100%
<u>Borrower-wise</u>										
State Sector	9,356	77%	10,695	85%	21,492	71%	23,525	78%	34,781	77%
Central Sector	157	1%	161	1%	535	2%	782	3%	1,577	3%
Joint Sector	585	5%	253	2%	1,572	5%	1,533	5%	2,062	5%
Private sector	2,117	17%	1,511	12%	6,628	22%	4,336	14%	6,731	15%
Total	12,215	100%	12,621	100%	30,227	100%	30,175	100%	45,151	100%
R-APDRP (Part A)	0	0%	35	37%	297	84%	196	22%	393	32%
R-APDRP (Part B) #	55	100%	58	63%	55	16%	700	78%	824	68%
Total	55	100%	93	100%	352	100%	895	100%	1217	100%

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

Gol portion

Cumulative Disbursements (excluding R-APDRP) till 31 Dec '13 ₹ 2,84,343 Crores

13

Outstanding Sanctions as on 31.12.2013



(Y/E – March, ₹ Crores)

	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	53,931	28,661	46,330	1,28,922
Transmission	11,006	3,556	4,915	19,477
Distribution #	5,607	584	5,548	11,739
Others*	4,005	1,001	7,024	12,030
Total	74,549	33,801	63,818	1,72,168
<u>Borrower-wise</u>				
State Sector #	53,031	18,368	52,106	1,23,505
Central Sector	2,542	0	224	2,767
Joint Sector	3,690	400	0	4,090
Private sector	15,287	15,033	11,487	41,807
Total	74,549	33,801	63,818	1,72,168

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

Includes counterparty funding of R-APDRP Part B by PFC of ₹ 4,577 cr

Loan Assets – Composition



(Y/E – March, ₹ Crores)

Loan Assets*	31.12.2013		31.12.2012		31.03.2013		31.03.2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Generation	1,36,570	77%	1,21,181	82%	1,26,773	79%	1,07,426	83%
Transmission	11,423	6%	10,634	7%	11,089	7%	9,922	8%
Distribution	6,702	4%	5,967	4%	6,144	4%	5,667	4%
Others**	22,639	13%	10,359	7%	16,447	10%	7,195	6%
Total	1,77,333	100%	1,48,141	100%	1,60,453	100%	1,30,209	100%
Borrower-wise								
State Sector	1,18,462	67%	95,431	64%	1,05,078	65%	81,480	63%
Central Sector	20,574	12%	24,192	16%	24,570	15%	24,691	19%
Joint Sector	11,983	7%	10,544	7%	10,869	7%	9,302	7%
Private Sector	26,314	15%	17,974	12%	19,936	12%	14,737	11%

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

** Includes Transitional Finance, Computerisation, Studies, Short Term Loans, Buyer Line of Credit and Decentralised Management

Loan Quality & Provisions



(Y/E – March, ₹ Crores)

Particulars	31.12.2013	31.12.2012	31.03.2013	31.03.2012
Gross NPAs	1,156	1,363	1,135	1,358
Less: Provisions & write-offs	(236)	(144)	(121)	(144)
Net NPAs	920	1,219	1,013	1,215
<i>As a % of Loan Assets:</i>				
<i>Gross NPAs</i>	0.65%	0.92%	0.71%	1.04%
<i>Net NPAs</i>	0.52%	0.82%	0.63%	0.93%
Contingent Provision against Standard assets	290	92	133	0
Specific provisions for Loan Assets	236	144	121	144
Reserve for bad & doubtful debts (RBDD)	1,630	1,332	1,409	1,159
Total	2,155	1,568	1,663	1,302

16

Borrowing Profile



(Y/E – March, ₹ Crores)

Borrowings	31.12.2013		31.12.2012		31.03.2013		31.03.2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Bonds	1,23,244	82%	96,399	77%	1,06,321	76%	84,847	77%
Term Loans	20,297	13%	21,911	18%	24,442	18%	21,207	19%
Short Term Loans	7,191	5%	6,196	5%	8,820	6%	4,071	4%
Borrowings O/s	1,50,733	100%	1,24,505	100%	1,39,583	100%	1,10,126	100%
<i>Of which:</i>								
<i>Rupee Denominated</i>	1,41,560	94%	1,17,267	94%	1,31,159	94%	1,04,536	95%
<i>Foreign Currency Loans</i>	9,173	6%	7,238	6%	8,424	6%	5,590	5%

Resource Profile



(Y/E – March, ₹ Crores)

Resources	31.12.2013		31.12.2012		31.03.2013		31.03.2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Shareholders' Funds	26,703	15%	22,914	16%	24,054	15%	20,708	16%
Reserve for bad & doubtful debts (included in Shareholder's Funds)	1630		1332		1409		1159	
Deferred Tax Liability	354	0.2%	262	0.2%	220	0.1%	87	0.1%
Interest Subsidy Fund	120	0.1%	137	0.1%	146	0.1%	376	0.3%
Bonds (Domestic)	1,22,124	69%	95,406	65%	1,05,334	64%	83,920	64%
Rupee Term Loans	12,245	7%	15,665	11%	17,005	10%	16,545	13%
Short Term Loans	7,191	4%	6,196	4%	8,820	5%	4,071	3%
Foreign Currency Loans	9,173	5%	7,238	5%	8,424	5%	5,590	4%
Total	1,77,911	100%	1,47,818	100%	1,64,002	100%	1,31,297	100%

Major Loans Sanctioned in 9M FY 2014

PROPOSAL DISCRIPTION	Sanctions (₹ in crores)
CENTRAL/ STATE/ JOINT SECTOR	
800MW TPS of A. P. Power Generation Corp. Ltd. at Bhoopalpally in AP	4,555
660 MW TPS (Ext) of A. P. Power Generation Corp. Ltd. at Ramagundam in AP	3,746
660 MW extension unit of Satpura TPP of M.P. Power Generating Company Ltd.	3,720
Transitional Loan to Tamil Nadu Generation and Distribution Corporation Ltd	2,843
Corporate Term Loan to GSPC Pipavav Power Company Ltd.	2,394
PRIVATE SECTOR	
850 MW HEP of GVK Ratle Hydro Electric Project Pvt Ltd, in Kistwar Dist, J&K	2,500
Underwriting of 850 MW HEP of GVK Ratle Hydro Electric Project Pvt Ltd, in Kistwar Dist, J&K	2,206
Additional loan to Karcham Wangtoo Project of Jai Prakash Power Ventures Ltd.	1,500
Stage IV of Tuticorin TPS of SEPC Power Pvt. Ltd, in TN	1,142

Shareholding Pattern



Category	Holding (%)			
	31.12.2013	31.12.2012	31.03.2013	31.03.2012
President of India	73.71%	73.72%	73.72%	73.72%
FIs	11.19%	11.04%	12.46%	9.85%
Indian FIs & Banks	7.59%	6.44%	5.81%	5.91%
Bodies Corporate	2.55%	3.50%	2.45%	4.63%
Resident Individuals	2.71%	2.62%	2.47%	2.88%
Mutual Funds	1.94%	2.39%	2.70%	2.51%
Employees	0.08%	0.06%	0.08%	0.08%
Others	0.23%	0.23%	0.31%	0.42%
Total	100%	100%	100%	100%

S No	Top 10 Shareholders (as on 31.12.2013)	Holding (%)	Category
1	PRESIDENT OF INDIA	73.71%	POI
2	LIFE INSURANCE CORPORATION OF INDIA	5.81%	IFI
3	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	1.13%	LTD
4	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	0.71%	IFI
5	GOVERNMENT PENSION FUND GLOBAL	0.65%	FII
6	SANLAM UNIVERSAL FUNDS PLC	0.56%	FII
7	CREDIT SUISSE (SINGAPORE) LIMITED	0.50%	FII
8	MORGAN STANLEY ASIA (SINGAPORE) PTE.	0.50%	FII
9	ROBECO CAPITAL GROWTH FUNDS	0.49%	FII 20
10	VANGUARD EMERGING MARKETS STOCK INDEX FUND ASERIE	0.47%	FII



Thank You!