



We Create Possibility of a Better Tomorrow....

November 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
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24	25	26	27	28	29	30

Power Finance Corporation Limited

A Navratna PSU

**Performance Highlights
(Standalone, Audited)**

**Quarter Ended
30th September, 2013**

Highlights – H1 FY 14 vs. H1 FY 13



- **Net Profit increased by 23% from ₹ 2,008 crore to ₹ 2,472 crore**
- **Comparable PAT increased by 34% from ₹ 2,125 crore to ₹ 2,849 crore**
- **Total Income increased by 27% from ₹ 8,136 crore to ₹ 10,354 crore**
- **Net Interest Income increased by 41% from ₹ 2,869 crore to ₹ 4,054 crore**

Highlights – H1 FY 14 vs. H1 FY 13 (contd.)



- **Interest Spread increased by 76 bps from 2.68% to 3.44%**
- **Disbursements increased by 3% from ₹ 17,555 crore to ₹ 18,012 crore**
- **Loan Assets increased by 22% from ₹ 1,40,819 crore to ₹ 1,72,051 crore**
- **Networth increased by 16% from ₹ 21,291 crore to ₹ 24,597 crore**

Highlights – Q2 FY 14 vs. Q2 FY 13



- **Net Profit increased by 23% from ₹ 1,036 crore to ₹ 1,274 crore**
- **Comparable PAT increased by 36% from ₹ 1,096 crore to ₹ 1,485 crore**
- **Total Income increased by 27% from ₹ 4,191 crore to ₹ 5,337 crore**
- **Net Interest Income increased by 43% from ₹ 1,475 crore to ₹ 2,111 crore**
- **Interest Spread increased by 86 bps from 2.74% to 3.60%**

Comparable Profit



(Y/E – March, ₹ Crores)

Comparable Profit	Q2 FY 2014	Q2 FY 2013	% change	H1 FY 2014	H1 FY 2013	% change	FY 2013
Reported PAT	1,274	1,036	23%	2,472	2,008	23%	4420
Adjustments (post-tax):							
Contingent Provision against standard assets	54	-		103	-		133
Prior period Income Tax (incl. interest thereon) and DTL	(3)	25		(3)	25		33
Translation / Actual Exchange Gain(-) / Loss(+) (including impact of DTL)	148	34		265	91		109
CSR & SD expenses booked/(reversed) pertaining to Earlier years	12	-		12	-		(11)
Comparable PAT	1,485	1,096	36%	2,849	2,125	34%	4,683

Profit & Loss Account



(Y/E – March, ₹ Crores)

Income Statement [#]	Q2 FY14	Q2 FY13	H1 FY14	H1 FY13	FY13
Interest Income	5,223	4,130	10,182	8,030	17,041
Interest Expense	(3,112)	(2,655)	(6,128)	(5,161)	(10,768)
Net Interest Income	2,111	1,475	4,054	2,869	6,272
Other Income [*]	22	16	32	25	58
Operating Costs	(72)	(35)	(104)	(64)	(145)
Provisions for contingencies	(137)	3	(228)	1	(81)
Profit Before Tax & Extra-ordinary Items	1,924	1,458	3,754	2,831	6,105
Extra-ordinary Items [^]	(135)	(24)	(242)	(101)	(138)
Tax Provisions	(459)	(191)	(793)	(520)	(1,415)
DTL(-) / DTA(+)	(57)	(207)	(246)	(202)	(132)
Profit after Tax	1,274	1,036	2,472	2,008	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	30.09.2013	30.09.2012	31.03.2013	31.03.2012
Shareholders' Funds	26,528	22,718	24,054	20,708
Share Application Money pending allotment	-	0.01	-	-
Non-Current Liabilities				
Long-term Borrowing	1,30,616	1,05,581	1,21,151	95,867
Deferred Tax Liabilities (net)	466	290	220	87
Other Liabilities	341	559	540	551
Provisions	265	30	162	29
Current Liabilities				
Current Maturity of Long-term Borrowing	6,987	7,695	9,612	10,188
Short- Term Borrowing	6,907	4,688	8,820	4,071
Other Liabilities	5,694	4,139	5,064	3,800
Provisions	221	268	194	275
Total Liabilities	1,78,026	1,45,967	1,69,817	1,35,575

Balance Sheet



(Y/E – March, ₹ Crores)

Assets	30.09.2013	30.09.2012	31.03.2013	31.03.2012
Non-Current Assets				
Fixed Assets	73	75	74	76
Non-Current Investments	255	55	187	55
Long-term Loans	1,51,444	1,23,287	1,42,495	1,12,017
Other Assets	314	239	376	101
Foreign Currency Monetary Item Translation Difference A/c	1,244	749	478	515
Current Assets				
Current Investments	4	4	4	4
Cash & Bank Balances	27	603	4,754	1,988
Current Maturity Long-Term Loans	18,101	14,546	15,456	11,877
Short- Term Loans	2,506	2,987	2,416	6,178
Other Assets	4,059	3,423	3,577	2,763
Total Assets	1,78,026	1,45,967	1,69,817	1,35,575

Key Indicators



(Y/E – March, ₹ Crores)

Key Indicators	Q2 FY14	Q2 FY13	H1 FY14	H1 FY13	FY13
Sanctions (excluding R-APDRP)	12,050	30,550	27,425	41,732	75,147
R-APDRP Scheme - Sanctions	3,088	909	3,088	909	3,728
Disbursements (excluding R-APDRP)	9,777	9,672	18,012	17,555	45,151
R-APDRP Scheme- Disbursements	17	541	297	802	1,217
Outstanding sanctions (excluding R-APDRP)	1,62,857	1,68,891	1,62,857	1,68,891	1,63,720
Loan Assets	1,72,051	1,40,819	1,72,051	1,40,819	1,60,367
Yield on Assets* #	12.47%	11.98%	12.31%	11.84%	11.94%
Cost of Funds* #	8.88%	9.24%	8.86%	9.16%	9.08%
Interest Spread* #	3.60%	2.74%	3.44%	2.68%	2.87%
Net Interest Margin* #	5.04%	4.28%	4.90%	4.23%	4.40%

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

Key Indicators



Key Indicators	Q2 FY14	Q2 FY13	H1 FY14	H1 FY13	FY13
Return on Average Assets*	2.89%	2.89%	2.84%	2.85%	2.89%
Networth^ (₹ in crores)	24,597	21,291	24,597	21,291	22,351
Return on Average Networth*	21.22%	19.91%	21.06%	19.70%	21.12%
Debt Equity Ratio	5.89	5.56	5.89	5.56	6.26
Capital Adequacy Ratio	18.70%	17.69%	18.70%	17.69%	17.98%
Of which Tier I	16.96%	16.70%	16.96%	16.70%	16.83%
Tier II	1.74%	0.99%	1.74%	0.99%	1.15%
EPS (Weighted average)* (₹)	38.60	31.41	37.45	30.43	33.48
Book Value Per Share (₹)	186.33	161.30	186.33	161.30	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	Q2 FY14		Q2 FY13		H1 FY14		H1 FY13		FY13	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	9,650	80%	6,623	22%	19,682	72%	14,969	36%	38,352	51%
Transmission	181	2%	2,974	10%	2,632	10%	4,064	10%	8,278	11%
Distribution #	576	5%	122	0.4%	3,004	11%	1,028	2%	1,350	2%
Others*	1,643	14%	20,831	68%	2,108	8%	21,671	52%	27,167	36%
Total	12,050	100%	30,550	100%	27,425	100%	41,732	100%	75,147	100%
<u>Borrower-wise</u>										
State Sector #	8,946	74%	23,038	75%	20,049	73%	28,017	67%	55,410	74%
Central Sector	0	0.0%	0	0%	43	0.2%	0	0%	475	0.6%
Joint Sector	0	0%	0	0%	0	0%	0	0%	0	0%
Private sector	3,105	26%	7,511	25%	7,333	27%	13,715	33%	19,263	26%
Total	12,050	100%	30,550	100%	27,425	100%	41,732	100%	75,147	100%
R-APDRP (Part A)	104	3%	0	0%	104	3%	0	0%	75	2%
R-APDRP (Part B)	2,983	97%	909	100%	2,983	97%	909	100%	3,653	98%
Total	3,088	100%	909	100%	3,088	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 ₹ 186 cr, ₹ 890 cr and ₹ 890 cr for H1 FY 14, FY 13 & H1 FY 13 respectively

Cumulative Sanctions (excluding R-APDRP) till 30 Sep '13 ₹ 4,34,985 Crores

Disbursements – Composition



(Y/E – March, ₹ Crores)

Disbursements	Q2 FY14		Q2 FY13		H1 FY14		H1 FY13		FY13	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	7,491	77%	5,983	62%	12,839	71%	13,169	75%	25,582	57%
Transmission	803	8%	449	5%	1,144	6%	735	4%	2,033	5%
Distribution	298	3%	325	3%	485	3%	661	4%	1,280	3%
Others*	1,185	12%	2,915	30%	3,543	20%	2,990	17%	16,256	36%
Total	9,777	100%	9,672	100%	18,012	100%	17,555	100%	45,151	100%
<u>Borrower-wise</u>										
State Sector	5,984	61%	7,163	74%	12,136	67%	12,830	73%	34,781	77%
Central Sector	234	2%	423	4%	377	2%	621	4%	1,577	3%
Joint Sector	534	5%	408	4%	987	5%	1,280	7%	2,062	5%
Private sector	3,023	31%	1,678	17%	4,511	25%	2,825	16%	6,731	15%
Total	9,777	100%	9,672	100%	18,012	100%	17,555	100%	45,151	100%
R-APDRP (Part A)	17	100%	149	28%	297	100%	161	20%	393	32%
R-APDRP (Part B) #	0	0%	392	72%	0	0%	641	80%	824	68%
Total	17	100%	541	100%	297	100%	802	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 30 Sep '13 ₹ 2,72,128 Crores

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Outstanding Sanctions as on 30.09.2013



(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	52,316	33,047	36,786	1,22,150
Transmission	11,100	3,578	4,873	19,552
Distribution #	4,317	1,103	5,587	11,007
Others*	3,343	982	5,823	10,148
Total	71,076	38,711	53,070	1,62,857
<u>Borrower-wise</u>				
State Sector #	49,562	22,926	41,114	1,13,602
Central Sector	2,200	0	400	2,599
Joint Sector	3,217	400	0	3,617
Private sector	16,098	15,385	11,557	43,039
Total	71,076	38,711	53,070	1,62,857

* 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 ₹ 4,777 cr

Loan Assets – Composition



(Y/E – March, ₹ Crores)

Loan Assets*	30.09.2013		30.09.2012		31.03.2013		31.03.2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Generation	1,34,646	78%	1,18,223	84%	1,26,773	79%	1,07,426	83%
Transmission	11,451	7%	10,232	7%	11,089	7%	9,922	8%
Distribution	6,206	4%	5,943	4%	6,144	4%	5,667	4%
Others**	19,356	11%	5,977	4%	16,447	10%	7,195	6%
Total	1,71,659	100%	1,40,376	100%	1,60,453	100%	1,30,209	100%
Borrower-wise								
State Sector	1,12,146	65%	88,428	63%	1,05,078	65%	81,480	63%
Central Sector	23,639	14%	24,397	17%	24,570	15%	24,691	19%
Joint Sector	11,511	7%	10,427	7%	10,869	7%	9,302	7%
Private Sector	24,363	14%	17,123	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	30.09.2013	30.09.2012	31.03.2013	31.03.2012
Gross NPAs	1,158	1,362	1,135	1,358
Less: Provisions & write-offs	(236)	(144)	(121)	(144)
Net NPAs	922	1,217	1,013	1,215
<i>As a % of Loan Assets:</i>				
<i>Gross NPAs</i>	0.67%	0.97%	0.71%	1.04%
<i>Net NPAs</i>	0.54%	0.86%	0.63%	0.93%
Contingent Provision against Standard assets	236	0	133	0
Specific provisions for Loan Assets	236	144	121	144
Reserve for bad & doubtful debts (RBDD)	1,532	1,264	1,409	1,159
Total	2,004	1,408	1,663	1,302

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Borrowing Profile



(Y/E – March, ₹ Crores)

Borrowings	30.09.2013		30.09.2012		31.03.2013		31.03.2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Bonds	1,13,602	79%	91,334	77%	1,06,321	76%	84,847	77%
Term Loans	24,001	17%	21,942	19%	24,442	18%	21,207	19%
Short Term Loans	6,907	5%	4,688	4%	8,820	6%	4,071	4%
Borrowings O/s	1,44,510	100%	1,17,964	100%	1,39,583	100%	1,10,126	100%
<i>Of which:</i>								
<i>Rupee Denominated</i>	1,35,094	93%	1,10,730	94%	1,31,159	94%	1,04,536	95%
<i>Foreign Currency Loans</i>	9,416	7%	7,234	6%	8,424	6%	5,590	5%

Resource Profile



(Y/E – March, ₹ Crores)

Resources	30.09.2013		30.09.2012		31.03.2013		31.03.2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Shareholders' Funds	26,528	15%	22,718	16%	24,054	15%	20,708	16%
Reserve for bad & doubtful debts (included in Shareholder's Funds)	1532		1264		1409		1159	
Deferred Tax Liability	466	0.3%	290	0.2%	220	0.1%	87	0.1%
Interest Subsidy Fund	128	0.1%	149	0.1%	146	0.1%	376	0.3%
Bonds (Domestic)	1,12,464	66%	90,377	64%	1,05,334	64%	83,920	64%
Rupee Term Loans	15,723	9%	15,665	11%	17,005	10%	16,545	13%
Short Term Loans	6,907	4%	4,688	3%	8,820	5%	4,071	3%
Foreign Currency Loans	9,416	5%	7,234	5%	8,424	5%	5,590	4%
Total	1,71,632	100%	1,41,120	100%	1,64,002	100%	1,31,297	100%

Major Loans Sanctioned in H1 FY 2014

PROPOSAL DISCRPTION	Sanctions (₹ in crores)
660 MW extension unit of Satpura TPP of M.P. Power Generating Company Ltd.	3,720
850 MW HEP of GVK Ratle Hydro Electric Project Pvt Ltd, in Kistwar Dist, J&K	2,500
Corporate Term Loan to GSPC Pipavav Power Company Ltd.	2,394
Underwriting of 850 MW HEP of GVK Ratle Hydro Electric Project Pvt Ltd, in Kistwar Dist, J&K	2,206
2X800 MW TPS of AP Power Development Corporation, in AP	2,083
Debt Refinancing to West Bengal Power Dev. Corporation	1,494
Establishment of 400KV SS of Tamil Nadu Transmission Corporation Limited, in Tamil Nadu	1,303
Capacity addition & System Strengthening in 23 distribution circles of Kerala State Electricity Board	1,270

Shareholding Pattern



Category	Holding (%)			
	30.09.2013	30.09.2012	31.03.2013	31.03.2012
President of India	73.71%	73.72%	73.72%	73.72%
FIs	11.48%	10.25%	12.46%	9.85%
Indian FIs & Banks	7.29%	6.77%	5.81%	5.91%
Bodies Corporate	2.42%	3.67%	2.45%	4.63%
Resident Individuals	2.86%	2.76%	2.47%	2.88%
Mutual Funds	1.77%	2.40%	2.70%	2.51%
Employees	0.08%	0.08%	0.08%	0.08%
Others	0.39%	0.35%	0.31%	0.42%
Total	100%	100%	100%	100%

S No	Top 10 Shareholders (as on 30.09.2013)	Holding (%)	Category
1	PRESIDENT OF INDIA	73.71%	POI
2	LIFE INSURANCE CORPORATION OF INDIA	5.46%	IFI
3	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	1.01%	LTD
4	GOVERNMENT PENSION FUND GLOBAL	0.93%	FII
5	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	0.71%	IFI
6	SANLAM UNIVERSAL FUNDS PLC	0.68%	FII
7	MORGAN STANLEY ASIA (SINGAPORE) PTE.	0.57%	FII
8	ROBECO CAPITAL GROWTH FUNDS	0.56%	FII
9	VANGUARD EMERGING MARKETS STOCK INDEX FUND ASERIE	0.50%	FII
10	GOLDMAN SACHS INVESTMENTS (MAURITIUS) I LTD	0.46%	FII



Thank You!