



Funding for a Brighter Tomorrow....

Power Finance Corporation Limited

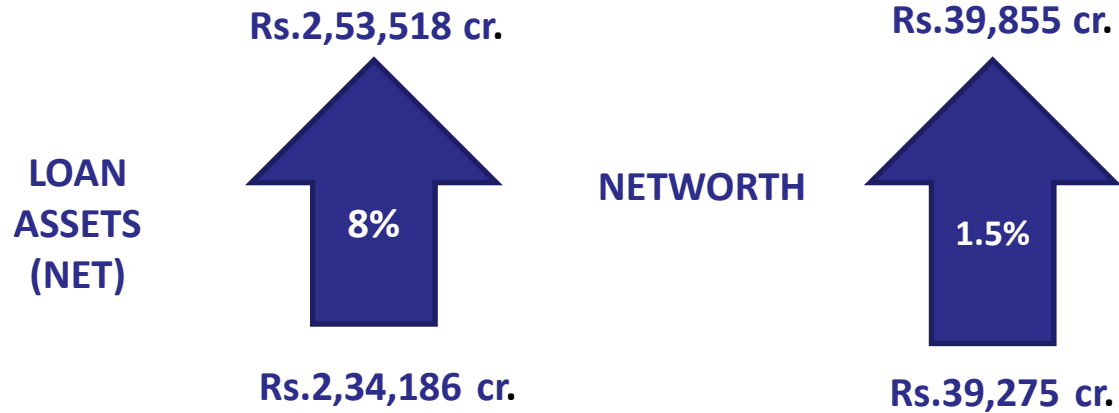
A Navratna PSU

Performance Highlights
(Standalone, Un-Audited)

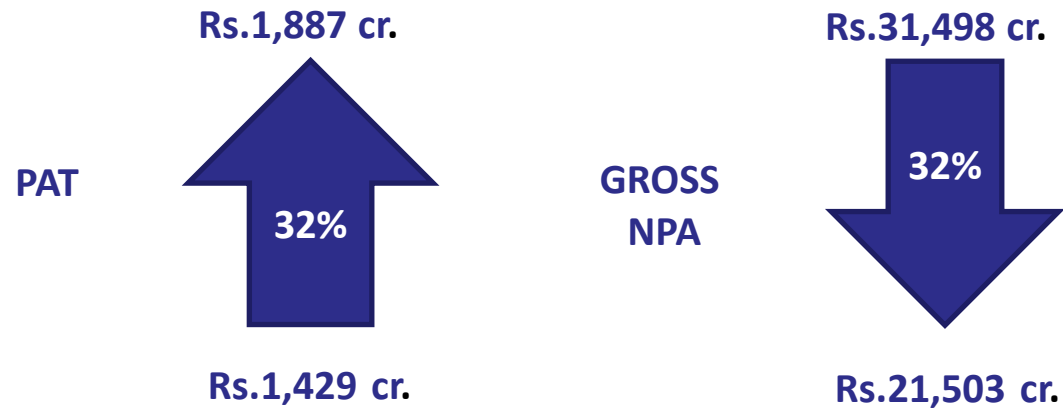
Quarter Ended
30th September, 2017

- This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward looking statements. The future involves uncertainties and risks that could cause actual results to differ materially from the current views being expressed. Potential uncertainties and risks include factors such as general economic conditions, currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.
- Figures are regrouped / reclassified to make them comparable.
- 'Analytical data' are best estimates to facilitate understanding of business and NOT meant to reconcile reported figures.
- Answers will be given only to non-price sensitive questions.

H1 FY18 vs. H1 FY17



Q2 FY18 vs. Q1 FY18



SNAPSHOT - As on 30.09.2017

(Amt -Rs. Crore)

<i>Profit & Loss - Highlights</i>	H1'18	Q2'18
PAT	3,315	1,887
Interest Income	13,881	6,984
Interest Expense	8,396	4,263
Net Interest Income	5,485	2,721
Net Interest Margin	4.31%	4.19%
Cost of Funds	8.27%	8.23%
Interest Spread	2.64%	2.52%

<i>Balance Sheet - Highlights</i>	As on 30.09.2017
Additions in Gross NPA from Q1'18	(9,996)
Total Net NPAs	16,970
Net NPA (% of Net Loan Assets)	6.69%
Restructured Loan Assets Additions - from Q1'18	Nil
Upgrades - NPA to Restructured Standard-(a)	5,591
Restructured Loan Assets (excluding (a) above)	53,392
Provisions on Restructured Loan Assets	3,239
Capital Adequacy Ratio	19.90%
of which Tier I	16.90%
of which Tier II	3.00%

Financial Performance

Revenue & Profit Growth

(Rs.'crore)

	Q2 FY 18	Q1 FY 18	Q2 FY 17	H1 FY 18	H1 FY 17	FY 17
Interest Income	6,984	6,897	6,968	13,881	14,120	26,688
Interest Expense	(4,263)	(4,133)	(4,052)	(8,396)	(8,221)	(16,326)
Net Interest Income	2,721	2,764	2,916	5,485	5,899	10,362
Operating Costs	(56)	(204)	(42)	(260)	(244)	(354)
Provisions*	(122)	(413)	(301)	(535)	(475)	(5,094)
Profit before Tax & Extra-Ordinary Items	2,568	2,156	2,598	4,724	5,212	5,043
Tax Provisions	(722)	(737)	(791)	(1,459)	(1,453)	(3,074)
DTL(-) / DTA(+)	(7)	13	1	5	(115)	91
Profit After Tax	1,887	1,429	1,873	3,315	3,586	2,126

*Includes provisioning on Standard Assets, Restructured Standard Assets, NPA Assets & provision for decline in value of investment .

Key Ratios

	Q2 FY 18	Q1 FY 18	Q2 FY 17	H1 FY 18	H1 FY 17	FY 17
Yield on Assets	10.75%	11.07%	11.75%	10.91%	11.84%	11.14%
Cost of Funds	8.23%	8.31%	8.44%	8.27%	8.45%	8.41%
Interest Spread	2.52%	2.76%	3.31%	2.64%	3.39%	2.73%
Net Interest Margin	4.19%	4.44%	4.92%	4.31%	4.95%	4.33%

The P&L reflects only major items and therefore, the totals may not reconcile with the reported figures. Ratios are annualised & are based on daily average & excluding exchange/loss gain.

Balance Sheet Growth

(Rs.'crore)

	H1 FY 18	H1 FY 17	FY 17
Assets	2,68,272	2,45,491	2,58,344
Loan Assets (Net)	2,53,518	2,34,186	2,40,169
Investments	3,550	3,337	3,591
Fixed & Other Assets	11,205	7,969	14,583
Liabilities	2,68,272	2,45,491	2,58,344
Shareholder Funds	39,855	39,275	36,470
Borrowings	2,08,985	1,94,697	2,02,588
Provisions (other than for NPA)*	4,853	2,341	4,472
Other Liabilities & DTL	14,580	9,179	14,813

*Mainly Includes provisioning on Standard Assets & Restructured Standard Assets.

Key Ratios

	Q2 FY 18	Q2 FY 17	H1 FY 18	H1 FY 17	FY 17
Net worth (Share Capital + All Reserves)	39,855	39,275	39,855	39,275	36,470
Return on Average Net worth	19.39%	19.61%	17.37%	19.11%	5.89%
Return on Average Assets	2.85%	3.06%	2.52%	2.91%	0.84%
Debt Equity Ratio	5.24	4.96	5.24	4.96	5.55
Capital Adequacy Ratio	19.90%	21.77%	19.90%	21.77%	19.28%
EPS* (after considering bonus share issue of 1:1 in Sep'16)	Rs.28.58	Rs.28.38	Rs.25.11	Rs.27.17	Rs.8.05
Book Value Per Share (after considering bonus share issue of 1:1 in Sep'16)	Rs.150.96	Rs.148.76	Rs.150.96	Rs.148.76	Rs.138.14

*Ratios are annualised. The B/s reflects only major items and therefore, the totals may not reconcile with the reported figures

(Y/E – March)

Operational Performance

Sanctions - Composition



(Rs.'crore)

	Q2 FY 18		Q2 FY 17		H1 FY 18		H1 FY 17		FY 17	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Sanctions	13,047	100%	36,592	100%	62,686	100%	71,205	100%	100,603	100%

Discipline Wise

Generation	2,807	22%	28,213	77%	41,126	66%	56,143	79%	41,794	42%
Transmission	2,457	19%	1,525	4%	3,542	6%	1,955	3%	16,666	17%
Distribution	1,217	9%	1,166	3%	5,317	8%	1,205	2%	5,697	6%
Others	6,566	50%	5,688	16%	12,701	20%	11,902	17%	36,446	36%

Borrower-Wise

State Sector	11,466	88%	11,848	32%	42,480	68%	43,747	61%	82,263	82%
Central Sector	0	0%	2,519	7%	0	0%	4,118	6%	4,118	4%
Joint Sector	305	2%	18,833	51%	16,306	26%	18,932	27%	2,760	3%
Private Sector	1,276	10%	3,392	9%	3,901	6%	4,408	6%	11,462	11%

<u>R-APDRP/IPDS</u>	576	100%	1,622	100%	676	100%	3,196	100%	3,045	100%
R-APDRP (Part A)	0	0%	28	2%	0	0%	28	1%	28	1%
R-APDRP (Part B)	0	0%	335	21%	0	0%	335	10%	-	-
IPDS	576	100%	1,259	78%	676	100%	2,833	89%	3,018	99%

Sanctions - Outstanding Sanctions as at 30.09.2017



(Rs.'crore)

Particulars	O/S Sanctions where			Total Outstanding Sanctions
	Doc. Executed & Disb. Commenced	Doc. Executed but Disb. not Commenced	Doc. Not Executed	
Outstanding Sanctions	73,060	45,885	45,285	1,64,230

Discipline Wise

Generation	51,281	35,374	19,885	1,06,541
Transmission	14,053	4,739	14,011	32,802
Distribution	5,677	1,529	9,247	16,453
Others	2,048	4,243	2,143	8,434

Borrower-Wise

State Sector	54,805	32,631	29,109	1,16,545
Central Sector	2,312	-	-	2,312
Joint Sector	3,429	918	10,898	15,245
Private Sector	12,514	12,336	5,279	30,128

Disbursements - Composition



(Rs.'crore)

	Q2 FY 18		Q2 FY 17		H1 FY 18		H1 FY 17		FY 17	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Disbursements	13,820	100%	14,510	100%	26,669	100%	22,265	100%	62,798	100%

Discipline Wise

Generation	7,887	57%	8,596	59%	13,737	52%	11,819	53%	25,767	41%
Transmission	613	4%	944	7%	1,360	5%	1,609	7%	3,605	6%
Distribution	511	4%	321	2%	714	3%	495	2%	1,580	3%
Others	4,809	35%	4,649	32%	10,858	41%	8,342	37%	31,846	51%

Borrower-Wise

State Sector	7,878	57%	7,424	51%	17,591	66%	13,347	60%	45,757	73%
Central Sector	200	1%	2,530	17%	484	2%	2,898	13%	4,659	7%
Joint Sector	3,929	28%	3,372	23%	4,233	16%	3,693	17%	4,730	8%
Private Sector	1,812	13%	1,184	8%	4,361	16%	2,327	10%	7,652	12%

R-APDRP/IPDS	934	100%	912	100%	1,657	100%	1,570	100%	3,914	100%
R-APDRP (Part A)	52	6%	80	9%	96	6%	240	15%	655	17%
R-APDRP (Part B)	112	12%	46	5%	120	7%	365	23%	926	24%
IPDS	769	82%	786	86%	1,440	87%	965	61%	2,333	60%

Loan Assets - Composition



(Rs.'crore)

As on	30.09.2017		30.09.2016		31.03.2017	
	Amt.	%	Amt.	%	Amt.	%
Gross Loan Assets	2,58,050	100%	2,36,065	100%	245,525	100%

Discipline Wise

Generation	1,87,832	73%	1,79,110	76%	1,83,379	75%
Transmission	17,206	7%	15,624	7%	16,607	7%
Distribution	6,702	3%	6,689	3%	6,443	3%
Others	46,310	18%	34,642	15%	39,095	16%

Borrower-Wise

State Sector	1,70,780	66%	1,55,137	66%	161,137	66%
Central Sector	21,695	8%	22,366	9%	22,931	9%
Joint Sector	23,070	9%	18,872	8%	19,378	8%
Private Sector	42,505	16%	39,689	17%	42,079	17%

❑ Expected Developments in Q 3

- Loan to J&K SPDCL (State) of Rs. 1.60 cr (approx). to move out of NPA category on account of loan being repaid fully in October.
- Expected Up gradations in Q3
 - Upgrade from NPA to Restructured Standard Category - Chhattisgarh PGCL (State) loan of Rs. 7000 cr. (approx).
 - Restructured Standard category to Standard category - MB Power (Pvt.) loan of Rs. 1300 cr. (approx) of Moser Baer Group

❑ Developments in Q2'18

- Status of Restructured Standard Assets
 - New loans added in Q2 FY'18 - NIL except loan asset of Rs. 5591 cr. upgraded from NPA to Restructured Standard Category
 - Moved out of Restructured Standard category on account of loan repaid fully - Loan of Rs. 217 cr. to Rajasthan Rajya Vidyut Utpadan Nigam Ltd. - Ramgargh Gas project.
- Status of NPA
 - Decrease in NPA Assets by 32% from Q1'18 - from Rs.31,498 cr. to Rs 21,503 cr.
 - Upgraded from NPA - MP Genco Loans of Rs. 10,991 cr. Out of this:
 - ✓ Upgraded NPA to Standard Category - Rs.5,400 cr.
 - ✓ Upgraded NPA to Restructured Standard Category - Rs. 5591 cr. & on which restructured asset provisioning of 5% being made as per RBI norms.
 - Major Additions to NPA in Q2
 - ✓ East Coast Energy Pvt ltd - Rs. 1193.05 cr.

➤ Provisioning for Standard & Restructured Standard Assets

- As per RBI norms Standard Asset provisioning of 0.40% & Restructured Standard Asset provisioning of 5% is to be made by 31.03.2018. The said provisioning has been made in Q2'18 itself.

➤ Provisioning under S4A Scheme

- S4A invoked in 2 loans and accordingly, a provision of 10% has been made on such loans.

➤ Provisioning - RKM Loan

- RKM Power Gen Loan currently a Standard Asset in view of ad-interim stay from Hon'ble Madras High Court.
- As a matter of prudence, provisioning of Rs. 311.74 cr. made in Q2.

Loan Quality & Provisions - NPA Status



(Rs.'crore)

	30.09.2017		30.06.2017		30.09.2016		31.03.2017	
	Amt.	% of Loan Assets	Amt.	% of Loan Assets	Amt.	% of Loan Assets	Amt.	% of Loan Assets
Gross NPAs	21,503	8.33%	31,498	12.46%	7,585	3.21%	30,702	12.50%
a) State Sector	13,037	5.05%	24,084	9.53%	819	0.35%	24,031	9.79%
b) Private Sector	8,466	3.28%	7,414	2.93%	6,766	2.87%	6,671	2.72%
NPA Provisions	4,533	1.76%	5,607	2.22%	1,879	0.80%	5,356	2.18%
a) State Sector	1,516	0.59%	2,623	1.04%	154	0.07%	2,617	1.07%
b) Private Sector	3,017	1.17%	2,984	1.18%	1,725	0.73%	2,739	1.12%
Net NPAs	16,970	6.69%	25,892	10.48%	5,706	2.44%	25,346	10.55%

36% NPA provisioning (Rs. 3,017 cr.) has been made against Pvt. Sector NPA Assets of Rs.8,466 cr.

NPAs – As a % of Loan Assets (without considering Govt. Loans which are being serviced regularly but have been downgraded to NPA due to Restructuring under RBI norms)

Gross NPAs	3.41%	3.07%	3.21%	3.01%
Net NPAs	2.17%	1.81%	2.44%	1.68%

Loan Quality & Provisions - Restructured Standard Loan Assets



(Rs.'crore)

Particulars	30.09.2017	30.06.2017	30.09.2016*	31.03.2017
Restructured Loan assets	58,982	54,595	29,898	55,441
State sector #	41,821	36,505	8,453	35,995
Private Sector	17,161	18,090	21,444	19,446
Provisions on Restructured Standard Loan Assets	3,239	2,451	1,159	2,356
State sector	2,091	1,620	328	1,530
Private sector	1,148	831	831	826

Includes loan amount of Rs. 5,591 cr. which has been upgraded from NPA category to Restructured Standard Category.

* PFC has been following MoP, GoI approved prudential norms. In Q4-FY17, PFC has realigned with RBI prudential and made provisioning accordingly.

Loan Quality & Provisions - Provisioning Status



(Rs.'crore)

Particulars	Assets (as on 30.09.2017)	30.09.2017	30.06.2017	30.09.2016	31.03.2017
Provision against Standard assets	1,77,565	1,007	604	645	558
Provision against Restructured Standard assets	58,982	3,239	2,451	1,159	2,356
Provision against NPA	21,503	4,533	5,607	1,879	5,356
Reserve for bad & doubtful debts (RBDD)	-	3,236	3,127	2,768	3,015
Total	2,58,050	12,015	11,789	6,451	11,285

Borrowing Profile



(Rs.'crore)

Borrowings	30.09.2017		30.09.2016		31.03.2017	
	Amt.	%	Amt.	%	Amt.	%
Bonds	185,493	89%	1,78,984	92%	190,911	94%
Term Loans	7,311	3%	9,507	5%	9,277	5%
Short Term Loans	16,181	8%	6,206	3%	2,401	1%
Total	208,985	100%	1,94,697	100%	202,588	100%
of which:						
Rupee Denominated	201,674	97%	1,83,980	94%	194,144	96%
Foreign Currency Loans	7,311	3%	10,717	6%	8,444	4%

Shareholding Pattern



(Holding %)

Particulars	30.09.2017	30.09.2016	31.03.2017
President of India	66.35%	67.80%	66.35%
FII's & FPIs	15.41%	13.23%	15.51%
Indian FI's & Banks	8.23%	12.73%	9.51%
Bodies Corporate	1.40%	1.23%	1.44%
Resident Individuals	3.56%	2.92%	3.19%
Mutual Funds	4.33%	1.47%	3.25%
Employees	0.05%	0.06%	0.06%
Others	0.68%	0.56%	0.70%
Total	100%	100%	100%

SL.No	Top 10 Shareholders (as on 30.09.2017)	Holding (%)	Category
1	President of India	66.35	POI
2	Life Insurance Corporation of India	7.24	INS
3	HDFC Trustee Company Limited - HDFC Prudence fund	1.22	MUT
4	CPSE ETF	0.81	MUT
5	Morgan Stanley Mauritius company limited	0.70	FPI
6	UBS Principal Capital Asia Ltd	0.64	FPI
7	HDFC Trustee Company Ltd - A/c HDFC Mid – Cap Opportunities Fund	0.60	MUT
8	AQR Emerging Equities Fund, L.P.	0.46	FPI
9	HDFC Trustee Company Limited - HDFC Top 200 Fund	0.45	MUT
10	Vanguard Emerging Markets Stock Index Fund	0.44	FPI

Investor Relations Cell

PFC aims to connect with the current and prospective investors and build a strong and enduring positive relationship with the investment community. For this, PFC has a dedicated Investor Relations Cell to provide information to investors on companies' performance.

For queries relating to PFC's financial performance, please contact the Investor Relations Cell at the following :

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Thank You!