

Jul-Dec, 2016

Infrastructure Finance Review

**Infrastructure Housing &
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1. Infrastructure Finance Overview

Infrastructure projects have recently seen increase in financing from Banks and Development Finance Institutions (DFIs). The Infrastructure Finance Review (Jul-Dec, 2016) is prepared based on half yearly data received from banks and DFIs. It includes infrastructure projects financed (both fund & non-fund based) by banks & DFIs, as defined in the IPF Guidelines. An analysis of the infrastructure financing portfolio of banks & DFIs for H1 of FY-17 depicts the following trends:

At the end of Dec-16, amount outstanding against infrastructure sectors reached Rs 471

billion, witnessing growth of Rs 53.4 billion or 12.8% as compared to the preceding half year (Jan-Jun, 2016).

Non-performing loans (NPLs) as a percentage of gross outstanding loan portfolio decreased from 3.39% to 2.69% on HY basis and from 3.83% to 2.69% on YoY basis.

During the period under review (Jul-Dec, 2016) banks & DFIs disbursed Rs 78 billion, mainly to power generation, power transmission, oil & gas, petroleum and road infrastructure sectors.

Table A: Infrastructure Project Financing Portfolio of Banks & DFIs

(Amount in Billion Rupees)	% Change				
	Dec-15	Jun-16	Dec-16	HY	YoY
Amount Outstanding	368.4	417.8	471.2	12.8%	27.9%
NPLs	14.11	14.16	12.7		
NPLs as %age of Amount Outstanding	3.83%	3.39%	2.69%		
Disbursements during half year	36.74	72.90	78.0	7.0%	112.2%
Cumulative Disbursements	453.2	518.8	583.8	12.5%	28.8%
Total Amount Sanctioned	706.9	1024.4	1104.3	7.8%	56.2%
HY – Half Yearly					
YoY - Year on Year					

2. Outstanding Loan Portfolio

The total amount outstanding, against infrastructure finance, at the end of Dec-2016 reached Rs 471.2 billion, recording an increase of 12.8%, when compared with Rs 417 billion at the end of June-16. Infrastructure Project Financing (IPF) portfolio of banks & DFIs has witnessed substantial growth since December 2013.

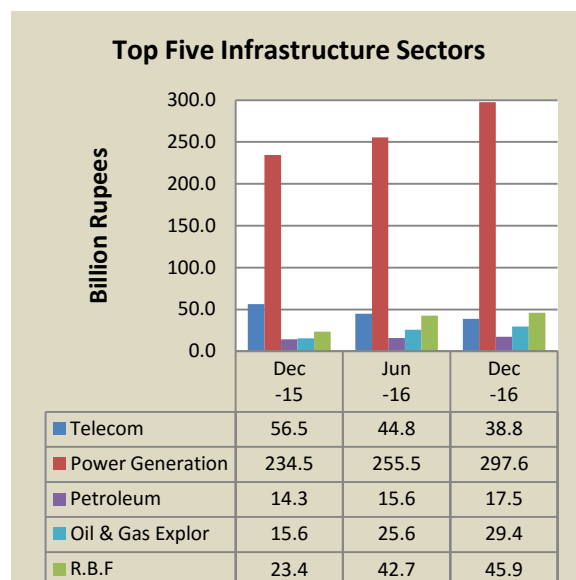
Power generation, petroleum, oil & gas and roads have noticed a growth in outstanding portfolio on HY basis. Following is the list of top infrastructure sectors where lending has been provided by banks/DFIs:-

- a) Power Generation (PG)
- b) Road, Bridge, Flyover (RBF)
- c) Telecom
- d) Oil & Gas (O&G) Exploration/Distribution
- e) Petroleum
- f) Power Transmission (PT)
- g) Other sectors

On YoY basis, outstanding amount increased by Rs 103 billion or 28 percent. Except for telecom, all sectors witnessed growth in outstanding financing.

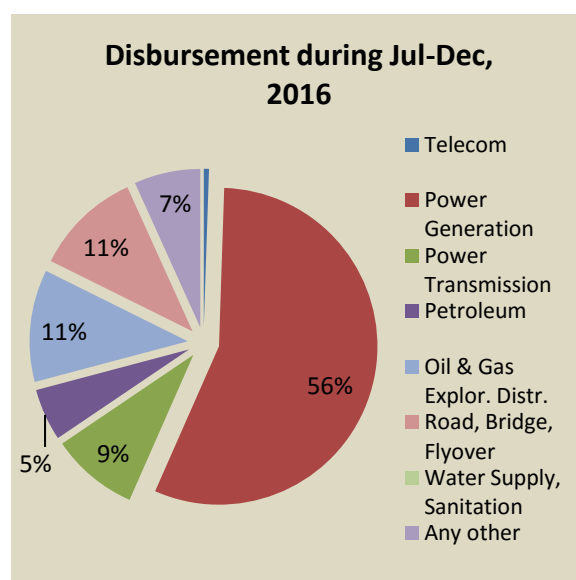
3. Non Performing Loans

Non-performing loans (NPLs) as a percentage of gross outstanding loan portfolio decreased from 3.39% to 2.69% on HY basis and from 3.83% to 2.69% on YoY basis.



4. Disbursements

Disbursements during Jul-Dec, 2016 reached Rs 78 billion. The sectors where disbursements were made during H1 include power generation, power transmission, oil & gas, petroleum and road infrastructure sectors. The figure below shows share of these sectors in disbursements during first half of FY17.

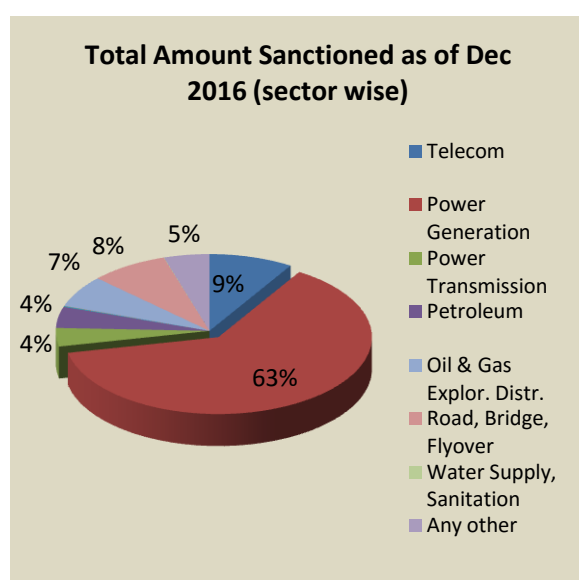


The cumulative amount disbursed as of Dec-2016 increased by 12.5% on HY basis to reach Rs 584 billion.

5. Amount Sanctioned

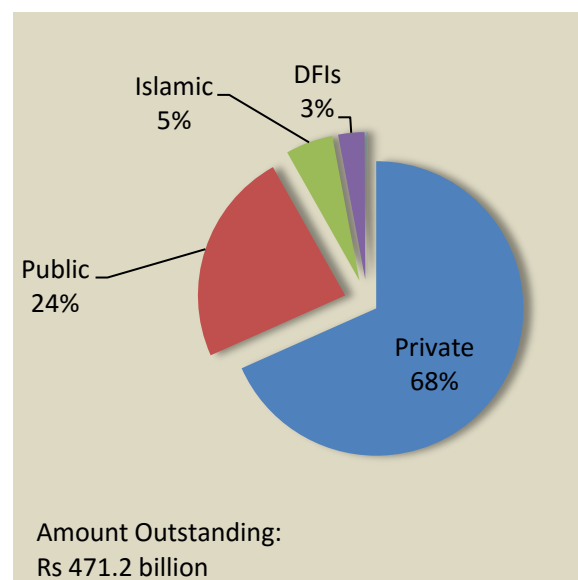
At the end of the period under review, the total amount sanctioned by Banks & DFIs for infrastructure projects reached Rs 1,104 billion.

The sectors witnessing growth in sanctioned amount during the half year are power generation and oil & gas sectors.



6. Banking-sector wise share

The institutional share in outstanding portfolio has largely remained the same with a large share resting with private sector banks followed by public sector banks (figure below).



Infrastructure financing portfolio of banks & DFIs has shown encouraging growth since December 2013 when it was at Rs 255 billion.

Annexure

Table B: Infrastructure Project Financing Trend Over the Years							
(Amount in Rs. Billions)	Periods						
	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16
Amount Outstanding (as on)	298.5	265.5	289.3	255.2	297.8	368.4	471.2
NPLs (as on)	10.4	17.1	17.5	19.4	16.1	14.1	12.7
Yearly Disbursements (Jan – Dec)	-	-	-	51.2	76.6	76.4	150.8
Cumulative Disbursements (as on)	349.0	356.2	356.3	351.9	367.7	453.2	583.8
Total Sanctioned Amount (as on)	520.3	482.6	493.5	502.9	591.2	706.9	1104.3

Acronyms

<i>IPF</i>	<i>Infrastructure Project Financing</i>
<i>DFI</i>	<i>Development Finance Institution</i>
<i>QoQ</i>	<i>Quarter-on-Quarter</i>
<i>YoY</i>	<i>Year-on-Year</i>
<i>PG</i>	<i>Power Generation</i>
<i>O&G</i>	<i>Oil and Gas</i>
<i>RB&F</i>	<i>Road, Bridge & Flyover</i>
<i>PT</i>	<i>Power Transmission</i>
<i>WSS</i>	<i>Water Supply & Sanitation</i>
<i>NPLs</i>	<i>Non-Performing Loans</i>
<i>FY</i>	<i>Fiscal Year</i>
<i>LPG</i>	<i>Liquefied Petroleum Gas</i>