



We Create Possibility of a Better Tomorrow....

Power Finance Corporation Limited

A Navratna PSU

Performance Highlights

(Standalone, Provisional & Un-audited)

Quarter & Year Ended

31st March 2009

Apr-09						
S	M	T	W	T	F	S
			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	29	30		

PFC Overview

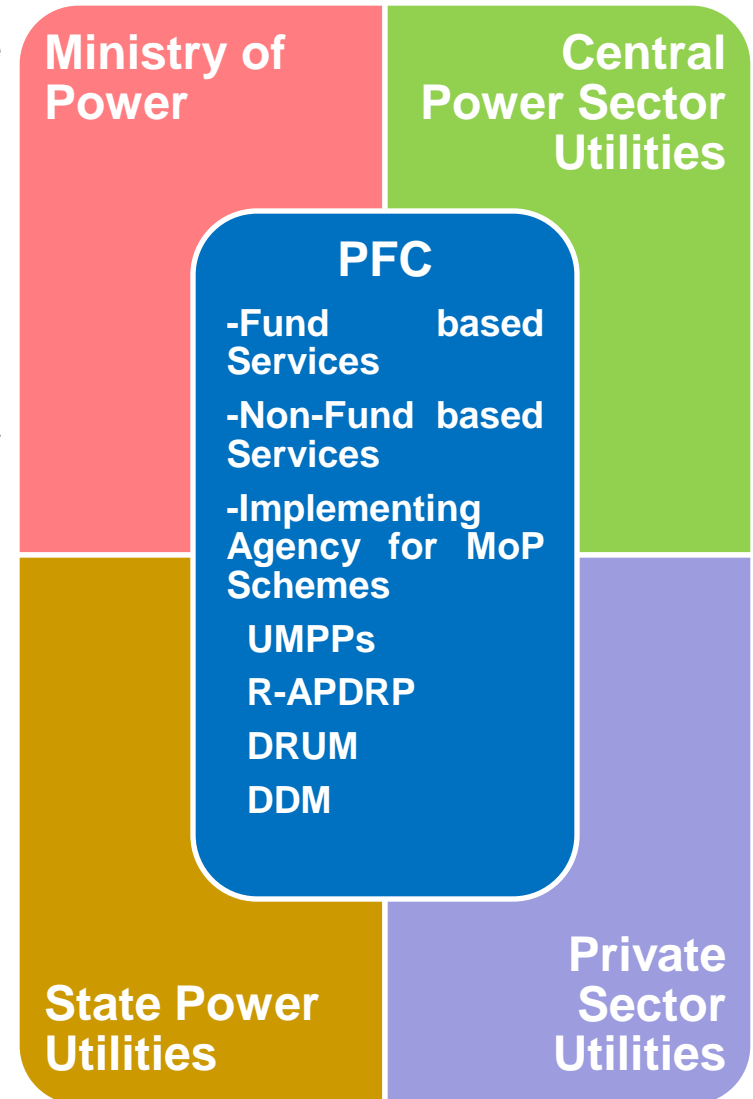
Focus & Strategy

Operational Performance

Shareholding Pattern

PFC Overview

- Declared a Public Financial Institution under Sec 4A of The Companies Act, 1956; Registered as NBFC with RBI
- PFC occupies a niche position as a provider of finance exclusively focused on the Indian power sector
- Rated Baa3 / BBB- / BBB- by Moody's, S&P and Fitch respectively; Ratings are at par with Indian sovereign rating
- Highest credit rating of "AAA" and "LAAA" from CRISIL and ICRA, respectively for domestic borrowings
- Strong growth prospects driven by sustained increase in power sector spending
- Healthy asset quality driven by robust credit appraisal methodology (ISO 9001:2000 certified)
 - ▶ Virtually non-existent non performing assets
- Consistent financial performance driven by low cost of funds, tight management of operating costs and low default rate
- Viewed as one of the most successfully managed public enterprises
 - ▶ Lean cost structure with a highly efficient workforce
 - ▶ Assigned "Navratna" status by the Government of India in 2007
 - ▶ Performance consistently rated "Excellent" by Gol
- ▶ PFC has played a key role in various Government programmes for powers sector and currently the nodal agency of R-APDRP



Key Milestones (Calendar year)

2008

1. Cumulative Sanctions & Disbursements crossed Rs. 2,00,000 crore & Rs. 1,00,000 crore
2. Successfully awarded Krishnapatnam UMPP to Reliance Power Ltd.
3. Launch of PFC Consulting Ltd.
4. Institutional Development & Administration Division certified ISO 9001:2000
5. Designated by Gol as the Nodal Agency for the Restructured APDRP Scheme
6. PFC jointly with NSE and NCDEX has floated Power Exchange India Limited

Annual Disbursements crossed Rs. 10,000 crore
Set up 7 subsidiaries for developing UMPPs

Launched consultancy services for power utilities

Started funding private power projects

Provided first guarantee to M/s Mitsui and Company, Japan for payment of principal

Signed First MoU with Gol in relation to operational targets and rated excellent on the basis of all round performance

Incorporation of our company

1986

1989

1993

1996

1998

1999

2004

2006

2007

2008

2009

1. Successfully awarded Mundra UMPP to Tata Power and Sasan UMPP to Reliance Power Ltd.
2. Successful IPO of Rs. 997 crore
3. Granted 'Navratna' status in June
4. Finance Division certified ISO 9001:2000

1. LOI for Tilaiya UMPP issued to Reliance Power
2. Launch of R-APDRP website
3. [PFC in the list of Top 500 Global Financial Brands 2009](#)
4. [PFC lists in Forbes Global 2000 ranking](#)

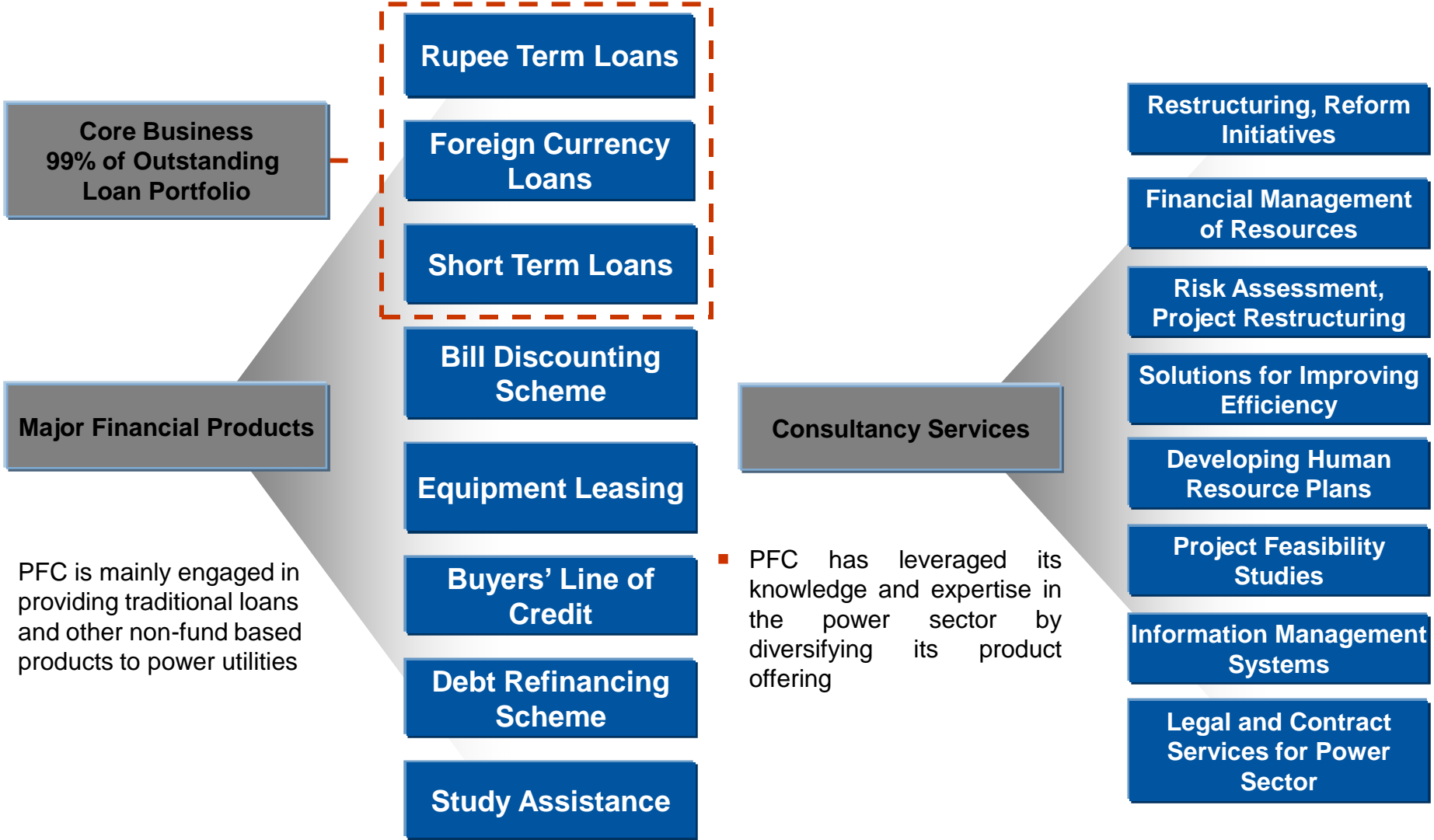
PFC Overview

Focus & Strategy

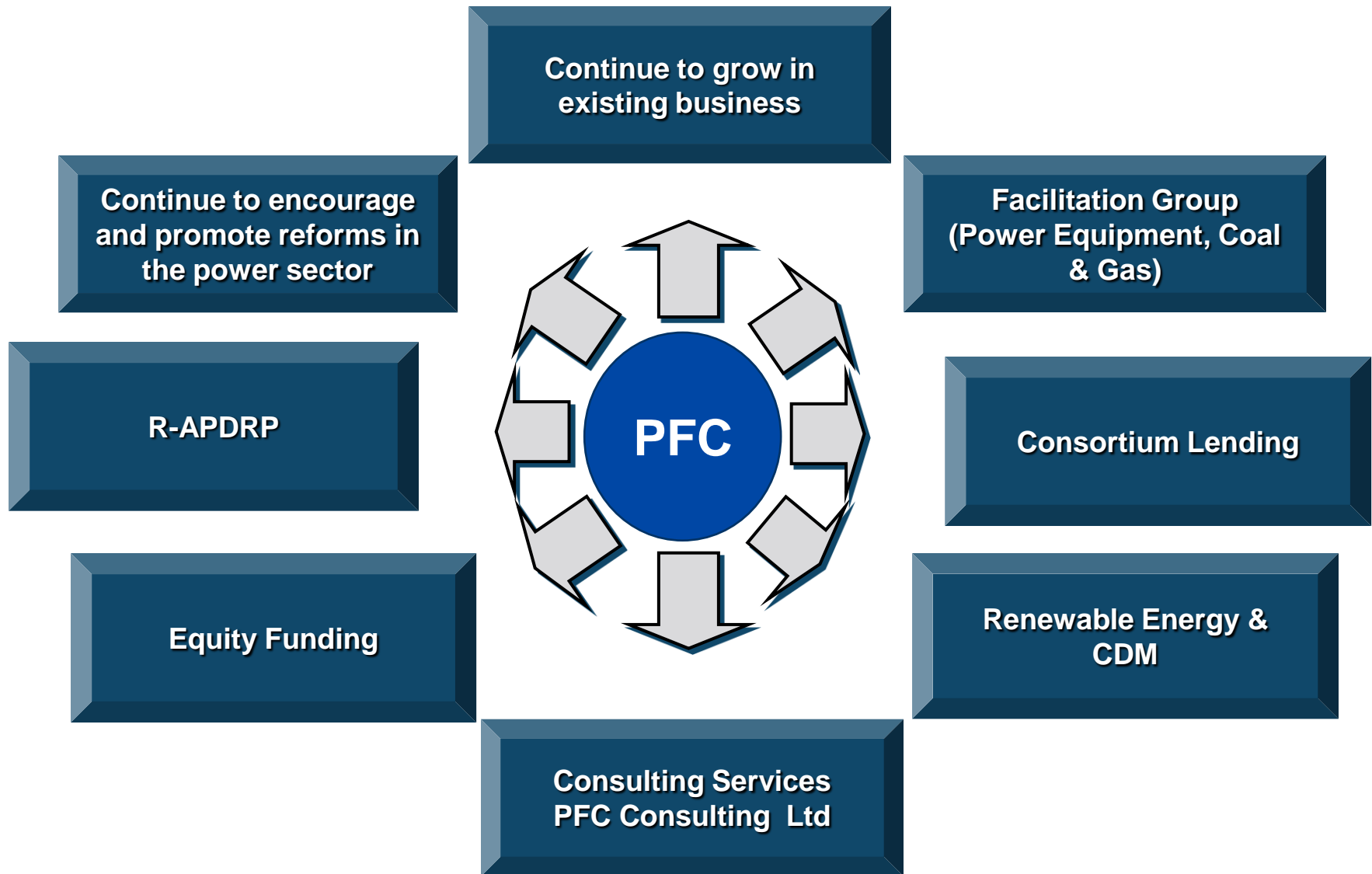
Operational Performance

Shareholding Pattern

Exclusive Focus on Financing the Power Sector

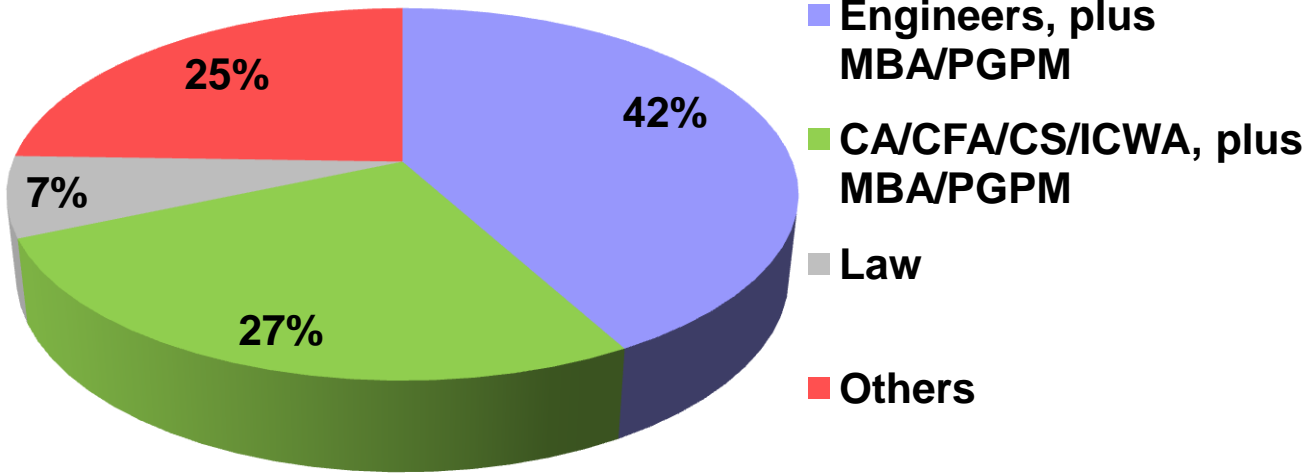


Business Strategy



Competent and Committed Workforce

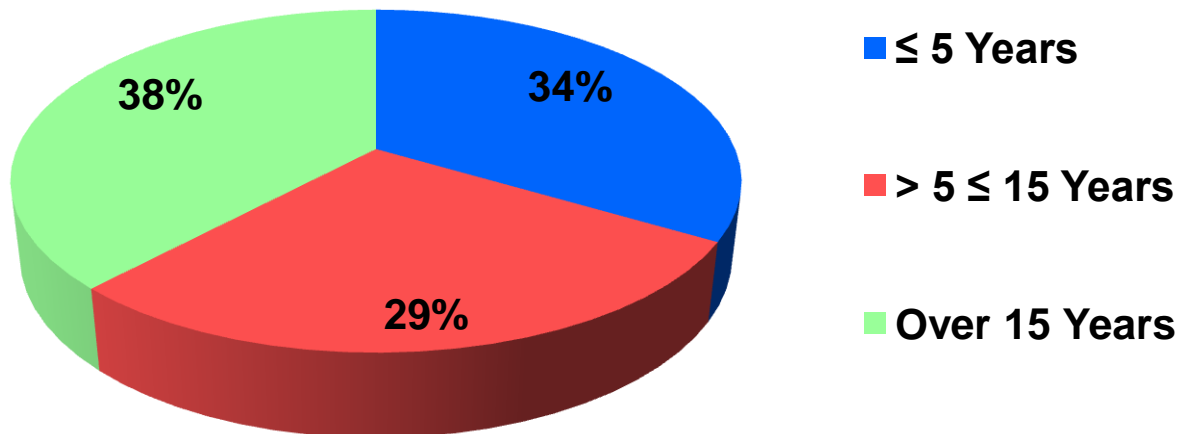
Academic Background of Executives (200)



Workforce:316
Executives:200
Non-Executives:116

**Disbursement per Employee
Rs. 66 Crores**

Experience Profile of Executives (200)



**PAT per Employee
Rs. 4.3 Crores**

PFC Overview

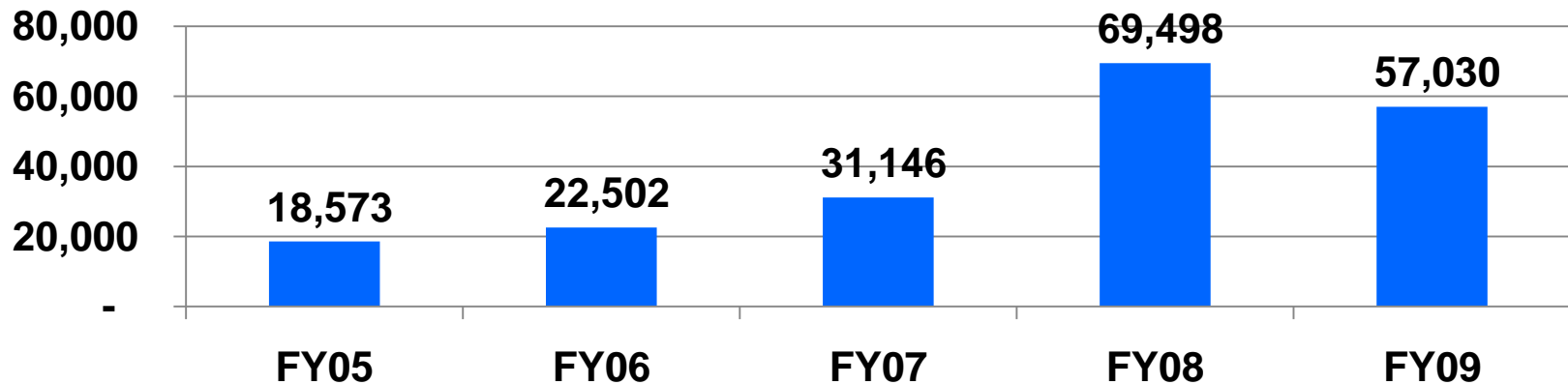
Focus & Strategy

Operational Performance

Shareholding Pattern

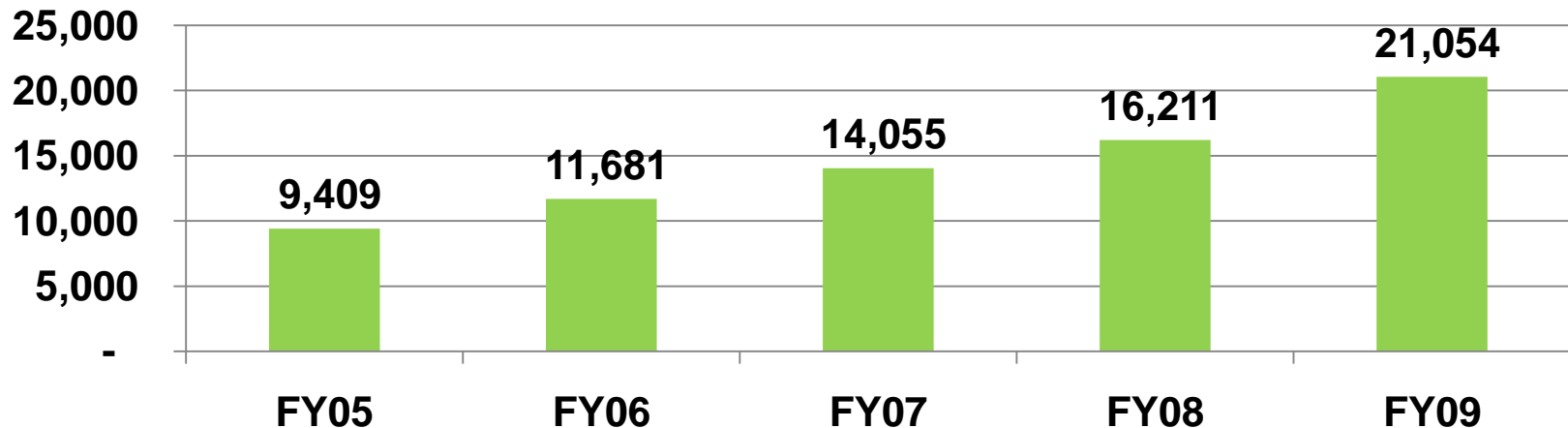
Performance at a Glance

Sanctions (INR Crores)



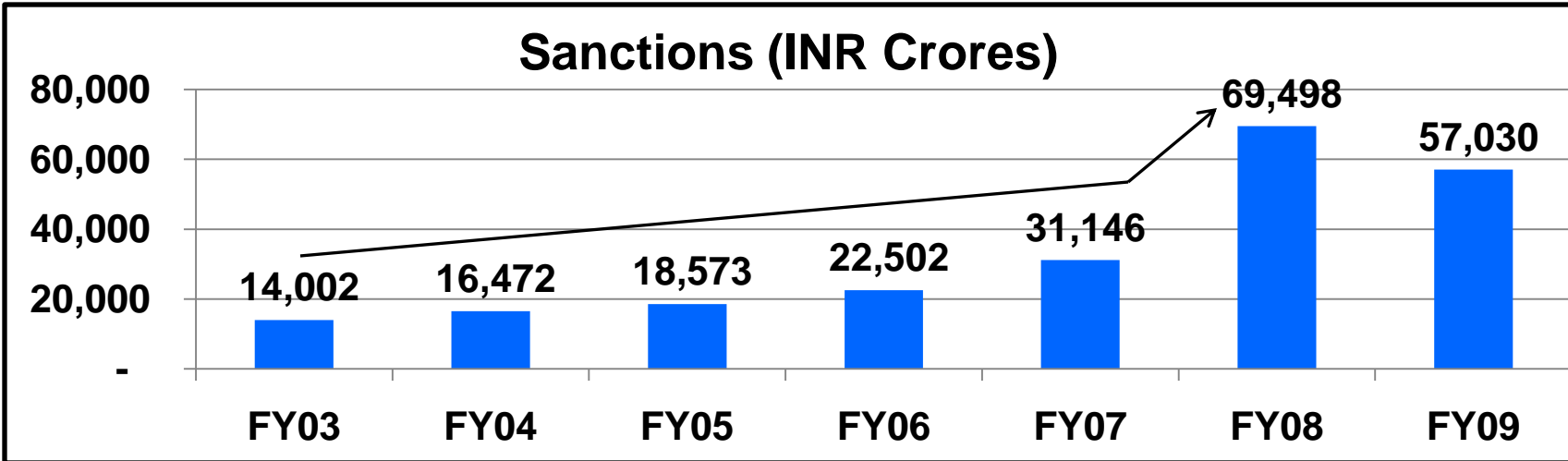
5 Yr
CAGR
28%

Disbursements (INR Crores)



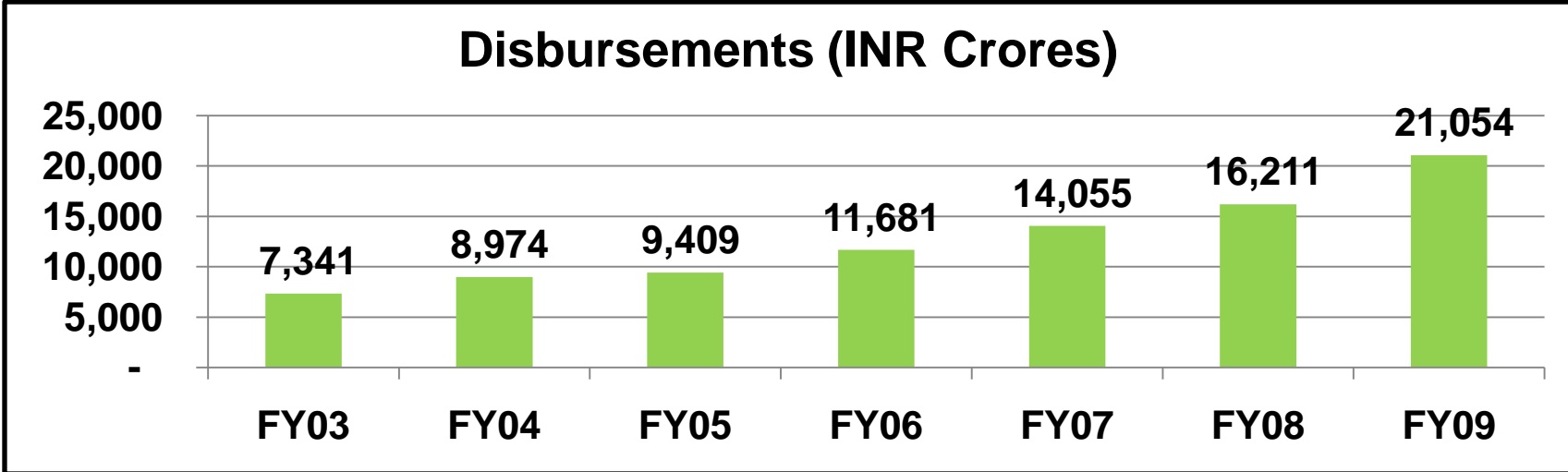
5 Yr
CAGR
19%

Performance at a Glance



5 Yr
CAGR
28%

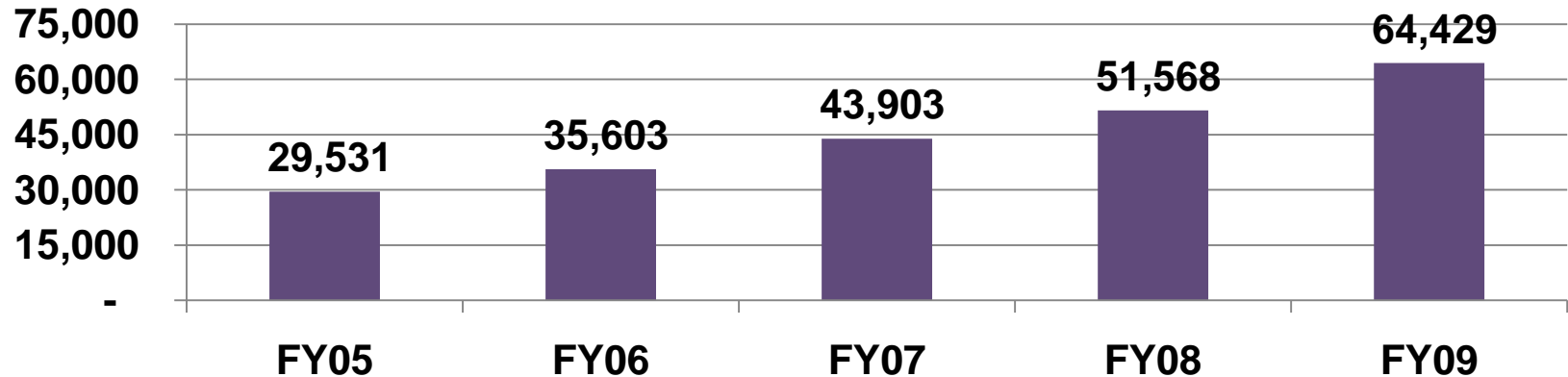
In first 2 yrs of XI Plan: Sanctions of over Rs. 1.26 Trillion; Disbursements of over Rs. 372 Billion



5 Yr
CAGR
19%

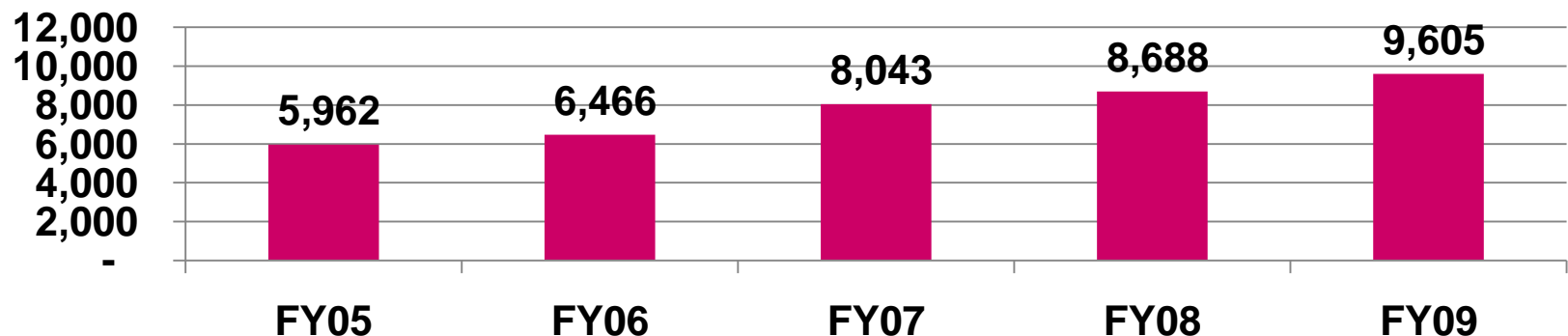
Performance at a Glance

Loan Assets (INR Crores)



Loan Assets has grown at 5 Yr CAGR of 21%

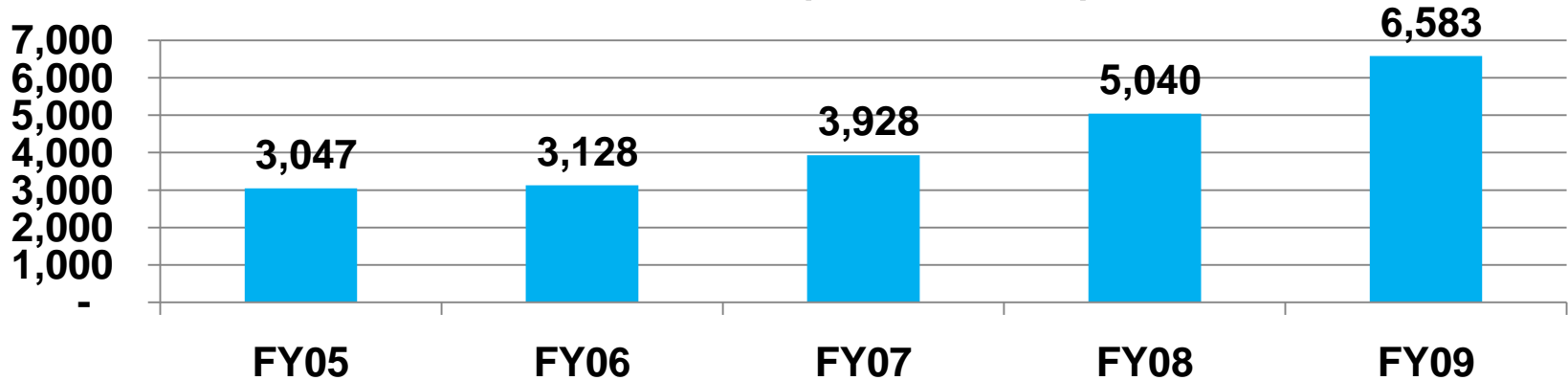
Networth* (INR Crores)



* Networth figure does not include DTL

Performance at a Glance

Total Income (INR Crores)



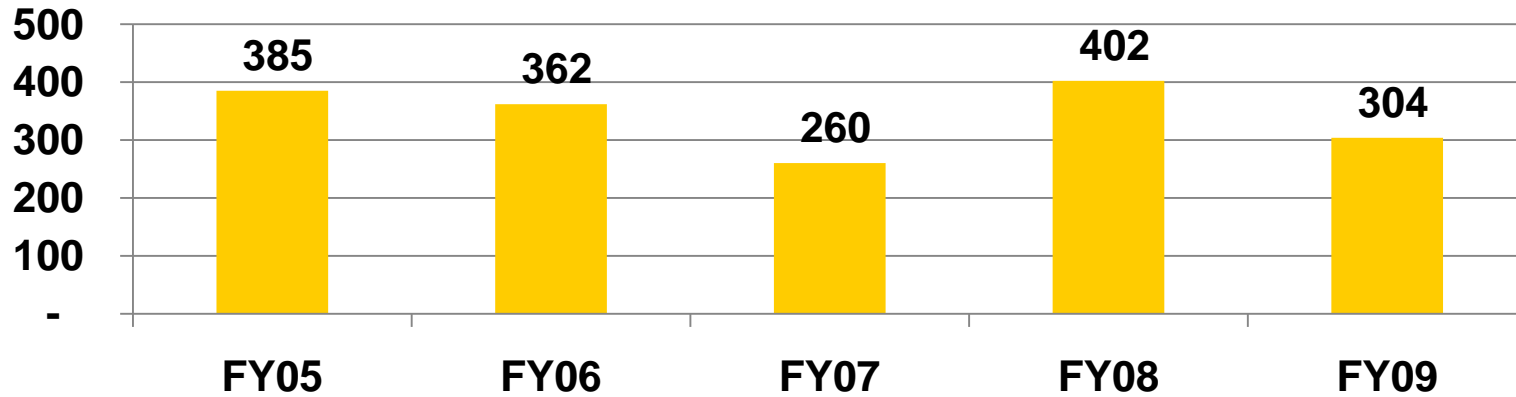
Total Income has grown at 5 Yr CAGR of 12%

PAT (INR Crores)

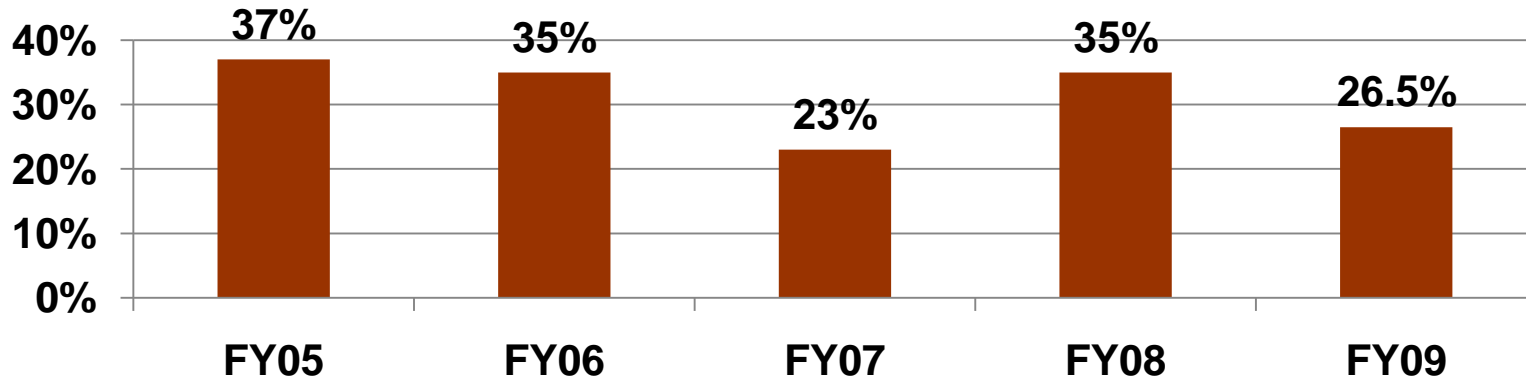


Performance at a Glance

Dividend* (INR Crores)



Dividend Payout* (%)



**Healthy
&
Consistent
Dividend
Track
record**

* Dividend as a % of paid-up capital; Dividend Fig. for FY09 relates only to interim dividend

Highlights – FY09 vs FY08



- **Net Profit increased by 12% from Rs. 1,207 crore to Rs. 1,355 crore**
- **Comparable PAT increased by 20% from Rs. 1,223 crore to Rs. 1,470 crore**
- **Operating Profit to Avg. Assets increased by 8 bps from 3.54% to 3.62%**
- **Total Income increased by 31% from Rs. 5,040 crore to Rs. 6,583 crore**
- **Net Interest Income increased by 25% from Rs. 1,807 crore to Rs. 2,252 crs**

Highlights – FY09 vs FY08 (contd.)



- **Gross NPAs as a % of Loan Assets decreased from 0.03% to 0.02%**
- **Disbursements increased by 30% from Rs. 16,211 crore to Rs. 21,054 crs**
- **Loan Assets increased by 25% from Rs. 51,568 crore to Rs. 64,429 crore**
- **Networth increased by 11% from Rs. 8,688 crore to Rs. 9,605 crore**

Comparable Profit



(Y/E – March, Rs. Crores)

Comparable Profit	Q4 FY09	Q4 FY08	% change	FY09	FY08	% change
Reported PAT	391	295	32%	1,355	1,207	12%
Adjustments (post-tax):						
Provision for Wage Revision other than for the reported period	(2)	10		(1)	3	
Prior period Income Tax incl. interest thereon	(3)	1		(45)		
Translation / Actual Exchange Gain(-) / Loss(+)	26	26		161	14	
Comparable PAT	412	333	24%	1,470	1,223	20%

Profit & Loss Account



(Y/E – March, Rs. Crores)

Income Statement#	Q4 FY09	Q4 FY08	FY09	FY08
Interest Income	1,767	1,309	6,396	4,884
Interest Expense	(1,130)	(827)	(4,144)	(3,077)
Net Interest Income	637	482	2,252	1,807
Other Income*	24	33	66	71
Operating Costs	(28)	(36)	(91)	(85)
Provisions	(0.9)	(0.02)	(4)	10
Profit Before Tax & Extra-ordinary Items	632	479	2,223	1,803
Extra-ordinary Items^	(40)	(36)	(233)	(15)
Tax Provisions	(106)	(130)	(499)	(483)
Provision for DTL	(95)	(18)	(136)	(98)
Profit after Tax	391	295	1,355	1,207

*Other Income includes Consultancy income incl. UMPP fee (Nil in Q4FY09 & FY09 due to launch of PFC Consulting Ltd., Rs. 21.8 Crore in Q4 FY08, Rs. 36.4 Crore in FY08), lease income and other income given in P&L account

^ Extraordinary Items includes translation/actual gains/losses, prior period adjustments etc.

#All items of Income Statement have been regrouped for analysis

Return on Average Assets



Dupont Analysis	Q4 FY09	Q4 FY08	FY09	FY08
Net Interest Income	0.96%	0.90%	3.66%	3.56%
Other Income	0.04%	0.06%	0.11%	0.14%
Operating Expenses	-0.04%	-0.07%	-0.15%	-0.17%
Operating Profit	0.95%	0.89%	3.62%	3.54%
Provisions	-0.00%	0.00%	-0.01%	0.02%
Profit Before Tax & Extra-ordinary items	0.95%	0.89%	3.62%	3.56%
Extra-ordinary items	-0.06%	-0.07%	-0.38%	-0.03%
Tax Provision	-0.16%	-0.24%	-0.81%	-0.95%
Provision for DTL	-0.14%	-0.03%	-0.22%	-0.19%
Profit after Tax (ROA)	0.59%	0.55%	2.21%	2.38%
Operating Profit (Annualised)	3.81%	3.58%	-	-

Balance Sheet



(Y/E – March, Rs. Crores)

Liabilities	FY09	FY08
Shareholders' Funds	10,329	9,330
Reserve for bad & doubtful debts (included in Shareholder's Funds)	724	642
Borrowings	52,160	40,648
Deferred Tax Liability	1,376	1,240
Interest Subsidy Fund	909	1,067
Current Liabilities & Provisions	3,434	2,416
Advances received from Subsidiaries (Included in Current Liabilities)	208	125
Total Liabilities	68,209	54,700
Assets	FY09	FY08
Loan Assets	64,429	51,568
Investments	34	66
Fixed Assets	75	77
Current Assets	3,670	2,990
Advances to Subsidiaries (Included in Current Assets)	67	45
Total Assets	68,209	54,700

Increase in Loan Assets by ~ 25%

20

Key Indicators

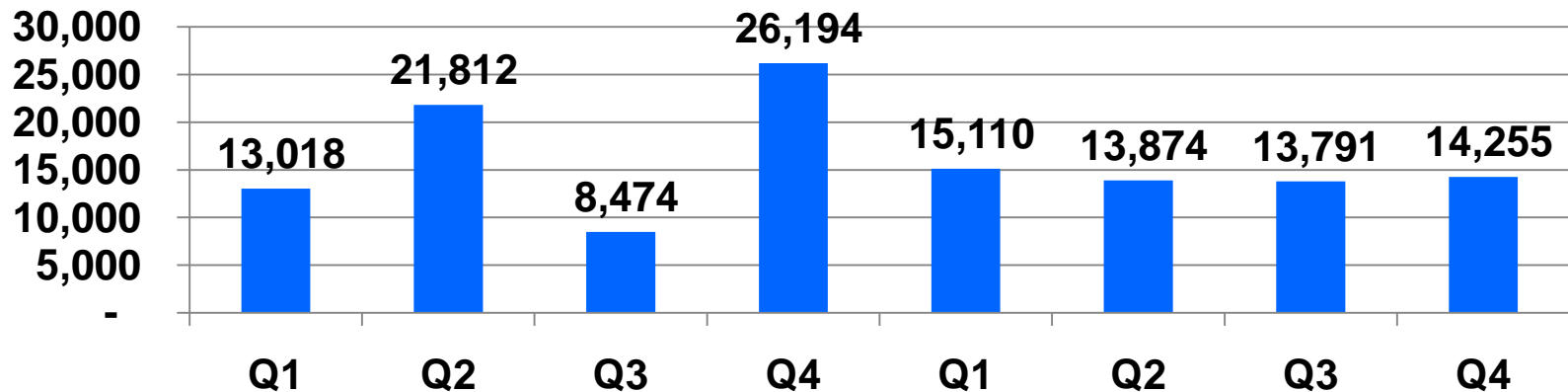


Key Indicators	Q4 FY09	Q4 FY08	FY09	FY08
Sanctions (Rs. Crores)	14,255	26,194	57,030	69,498
Disbursements (Rs. Crores)	6,954	6,485	21,054	16,211
Loan Assets (Rs. Crores)	64,429	51,568	64,429	51,568
Yield on Assets*	11.20%	10.24%	10.92%	10.11%
Cost of Funds*	8.78%	8.15%	8.71%	8.03%
Interest Spread*	2.42%	2.10%	2.21%	2.08%
Net Interest Margin*	4.04%	3.77%	3.84%	3.74%
Return on Average Network*	16.28%	13.45%	14.82%	14.43%
Return on Average Network* (before exchange gain/loss)	17.23%	14.62%	16.42%	14.58%
Debt Equity Ratio	5.20	4.58	5.20	4.58
Leverage (Average assets / Average net worth)	6.72	6.06	6.72	6.06
Capital Adequacy Ratio	15.31%	17.20%	15.31%	17.20%
EPS (Weighted average)* (Rs.)	13.61	10.29	11.81	10.51
EPS (Weighted average)* (Rs.) (before exchange gain/loss)	14.52	11.20	13.21	10.63
Book Value Per Share (Rs.)	83.68	75.70	83.68	75.70
Book Value Per Share (Rs.) (before exchange gain/loss)	85.09	75.81	85.09	75.81

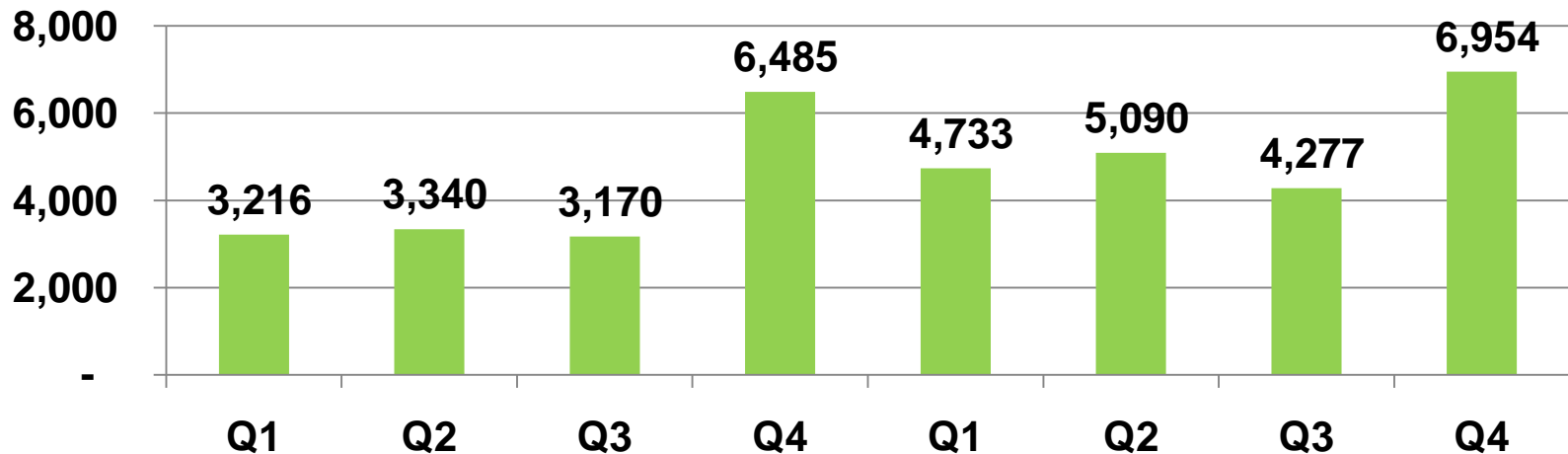
* Quarterly Ratios have been Annualised

Quarterly Sanctions/Disbursements

Sanctions 2007-08 & 2008-09 (INR Crores)

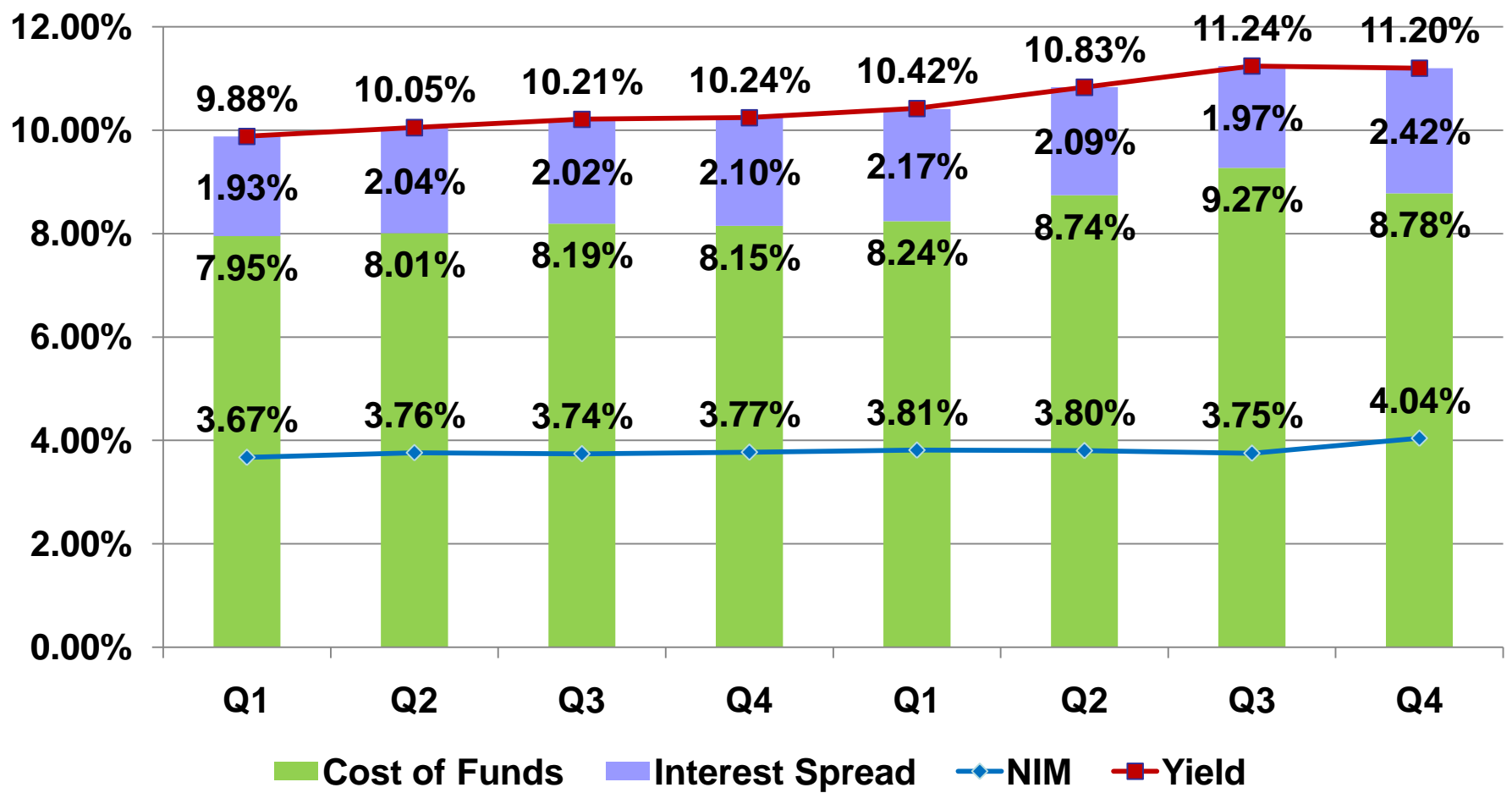


Disbursements 2007-08 & 2008-09 (INR Crores)



Quarterly NIM & Spread

Key Indicators 2007-08 & 2008-09



Disbursements – Composition



(Y/E – March, Rs. Crores)

Disbursements	Q4 FY09		Q4 FY08		FY09		FY08	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%
Generation	5,495	79%	4,127	64%	15,942	76%	10,591	66%
Transmission	348	5%	671	10%	1,296	6%	1,976	12%
Distribution	187	3%	895	14%	610	3%	1,161	7%
R-APDRP (Part A)	325	5%	-	-	325	2%	-	-
Others*	599	9%	792	12%	2,881	14%	2,483	15%
Total	6,954	100%	6,485	100%	21,054	100%	16,211	100%
<u>Borrower-wise</u>								
State Sector	4,600	66%	5,566	86%	14,657	70%	13,479	83%
Central Sector	1,648	24%	473	7%	3,130	15%	1,670	10%
Joint Sector	504	7%	201	3%	2,647	12%	200	1%
Private sector	201	3%	245	4%	620	3%	862	6%

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

Increase in Disbursements by ~ 30% (y-o-y)

Cumulative Disbursements till 31 Mar'09 Rs. 113,119 Crores

Sanctions – Composition



(Y/E – March, Rs. Crores)

Sanctions	Q4 FY09		Q4 FY08		FY09		FY08	
	Amount	%	Amount	%	Amount	%	Amount	%
<u>Discipline-wise</u>								
Generation	9,831	69%	22,847	87%	44,609	78%	58,700	85%
Transmission	1,616	11%	81	0.3%	5,866	10%	3,045	4%
Distribution	15	0.1%	2,612	10%	1,500	3%	4,754	7%
R-APDRP (Part A)	1,947	14%	-	-	1,947	3%	-	-
Others*	845	6%	654	2%	3,108	6%	2,999	4%
Total	14,255	100%	26,194	100%	57,030	100%	69,498	100%
<u>Borrower-wise</u>								
State Sector	9,516	67%	22,432	86%	29,660	52%	52,751	76%
Central Sector	-	-	1,006	4%	18,127	32%	6,336	9%
Joint Sector	-	-	-	-	1,350	2%	5,180	7%
Private sector	4,739	33%	2,756	10%	7,892	14%	5,231	8%

Cumulative Sanctions till 31 Mar'09 Rs. 233,978 Crores

Loan Assets – Composition



(Y/E – March, Rs. Crores)

Loan Assets*	FY09		FY08	
	Amount	%	Amount	%
Discipline-wise				
Generation	52,345	81%	39,717	77%
Transmission	6,494	10%	6,069	12%
Distribution	3,410	5%	3,262	6%
Others**	2,172	4%	2,494	5%
Total	64,421	100%	51,542	100%
Borrower-wise				
State Sector	46,443	72%	39,870	77%
Central Sector	9,283	14%	6,667	13%
Joint Sector	4,360	7%	1,118	2%
Private Sector	4,335	7%	3,887	8%

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

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

Loan Quality



(Y/E – March, Rs. Crores)

Particulars	FY09	FY08
Gross NPAs	13	13
Less: Provisions & write-offs	(7)	(6)
Net NPAs	6	7
<i><u>As a % of Loan Assets:</u></i>		
<i>Gross NPAs</i>	<i>0.02%</i>	<i>0.03%</i>
<i>Net NPAs</i>	<i>0.01%</i>	<i>0.01%</i>

Borrowing Profile



(Y/E – March, Rs. Crores)

Borrowings	FY09		FY08	
	Amount	%	Amount	%
Bonds	36,882	71%	24,730	61%
Domestic	35,479	-	23,543	-
Foreign	1,402	-	1,187	-
Term Loans	13,879	26%	13,438	33%
Short Term Loans	1,400	3%	2,480	6%
Borrowings O/s	52,160	100%	40,648	100%
<i>Of which:</i>				
<i>Rupee Denominated</i>	<i>49,571</i>	<i>95%</i>	<i>38,414</i>	<i>95%</i>
<i>Foreign Currency Loans</i>	<i>2,589</i>	<i>5%</i>	<i>2,234</i>	<i>5%</i>

Resource Profile



(Y/E – March, Rs. Crores)

Resources	FY09		FY08	
	Amount	%	Amount	%
Shareholders' Funds	10,329	16%	9,330	18%
Reserve for bad & doubtful debts (included in Shareholder's Funds)	724	-	642	-
Deferred Tax Liability	1,376	2%	1,240	2%
Interest Subsidy Fund	909	1%	1,067	2%
Bonds (Domestic)	35,479	55%	23,543	45%
Rupee Term Loans	12,691	20%	12,391	24%
Short Term Loans	1,400	2%	2,480	5%
Foreign Currency Loans	2,589	4%	2,234	4%
Total	64,775	100%	52,285	100%

Major Projects Sanctioned in FY09

- Tipaimukh HEP (1500 MW), Manipur Rs. 4,772 Crores
- OBRA 'C' TPS (2 x 500 MW), Uttar Pradesh Rs. 3,837 Crores
- Bellary TPS (1 x 500 MW), Karnataka Rs. 1,806 Crores
- Chhabra TPS Unit 3 & 4 (2 x 250 MW), Rajasthan Rs. 1,760 Crores
- Omkareshwar HEP-Debt Refinancing, NHDCL (8 x 65 MW) Rs. 1,350 Crores
- RKM Powergen Unit 2,3 & 4 of TPS (3 x 360 MW) Rs. 1,250 Crores
- CSEB - Power Evacuation of Korba (W) Stage III Rs. 646 Crores
- Bangalore Transmission Zone Rs. 404 Crores

PFC Overview

Focus & Strategy

Operational Performance

Shareholding Pattern

Shareholding Pattern



Category	Holding (%)	
	As on 31.03.2009	As on 31.03.2008
President of India	89.78%	89.78%
FIs	4.01%	5.54%
Resident Individuals	1.83%	1.89%
Mutual Funds	1.29%	0.74%
Bodies Corporate	0.90%	0.88%
Indian FIs & Banks	1.92%	0.93%
Employees	0.11%	0.13%
Others	0.17%	0.12%
Total	100%	100%

S. No.	Top 10 Shareholders (as on 31.03.2009)	Holding (%)	Category
1	President of India	89.78%	POI
2	Life Insurance Corporation of India	0.62%	IFI
3	LIC of India – Market Plus	0.51%	IFI
4	JF India Fund	0.39%	FII
5	India Fund Inc	0.36%	FII
6	LIC of India – Market Plus-1	0.32%	IFI
7	Lloyd George Investment Management (Bermuda) Ltd	0.30%	FII
8	ICICI Prudential Life Insurance Company Limited	0.28%	LTD
9	India Capital Fund Limited	0.26%	FII
10	India Capital Opportunities Limited	0.26%	FII

Thank You!