



We Create Possibility of a Better Tomorrow....

Jan-10						
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31					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

Power Finance Corporation Limited

A Navratna PSU

Performance Highlights

3rd Quarter & 9 months ended

31st December 2009

(Standalone, Un-audited)

Highlights – 9M FY10 vs 9M FY09



- **Net Profit increased by 82% from Rs. 965 crore to Rs. 1,756 crore**
- **Comparable PAT increased by 36% from Rs. 1,168 crore to Rs. 1,594 crore**
- **Operating Profit to Avg. Assets increased by 48 bps from 3.56% to 4.04%**
- **Return on Avg. assets increased by 107 bps from 2.16% to 3.23%**
- **Interest Spread increased by 56 bps from 2.09% to 2.65%**
- **Total Income increased by 25% from Rs. 4,764 crore to Rs. 5,969 crore**

Highlights – 9M FY10 vs 9M FY09



- **Net Interest Income increased by 34% from Rs. 1,616 crore to Rs. 2,166 crore**
- **Net NPA at a low level of 0.01% of Net Loan Assets**
- **Disbursement increased by 9% from Rs. 14,101 crore to Rs. 15,355 crore**
- **Loan Assets increased by 20% from Rs. 60,441 crore to Rs. 72,441 crore**
- **Networth increased by 30% from Rs. 9,587 crore to Rs. 12,453 crore**

Comparable Profit



(Y/E – March, Rs. Crores)

Comparable Profit	Q3 FY10	Q3 FY09	% change	9M FY10	9M FY09	% change	FY09
Reported PAT	564	339	66%	1756	965	82%	1,970
Adjustments (post-tax):							
DTL (+) / Deferred Tax Liability Write-back (-) on Special Reserve		36			110		-483
Prior period Income Tax incl. interest thereon	-1	-5		-104	-42		-46
Translation / Actual Exchange Gain(-) / Loss(+)	-21	38		-58	135		177
Comparable PAT	542	408	33%	1594	1168	36%	1,618

Profit & Loss Account



(Y/E – March, Rs. Crores)

Income Statement#	Q3 FY10	Q3 FY09	9M FY10	9M FY09	FY09
Interest Income	1,985	1,681	5,777	4,629	6,396
Interest Expense	(1,238)	(1,120)	(3,611)	(3,013)	(4,145)
Net Interest Income	746	561	2,166	1,616	2,251
Other Income*	13	11	99	43	67
Operating Costs	(25)	(23)	(67)	(63)	(91)
Provisions	1	9	1	(3)	(4)
Profit Before Tax & Extra-ordinary Items	734	557	2,198	1,592	2,223
Extra-ordinary Items^	29	(57)	79	(194)	(233)
Tax Provisions	(201)	(142)	(525)	(393)	(460)
Provision for DTL	2	(19)	4	(41)	440
Profit after Tax	564	339	1,756	965	1,970

*Other Income includes Consultancy income incl. UMPP fee (Nil in H1FY10, H1FY09 & FY09 due to launch of PFC Consulting Ltd.), 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	Q3 FY10	Q3 FY09	9M FY10	9M FY09	FY09
Net Interest Income	0.99%	0.89%	2.98%	2.71%	3.66%
Other Income	0.02%	0.02%	0.14%	0.07%	0.11%
Operating Expenses	-0.03%	-0.04%	-0.09%	-0.11%	-0.15%
Operating Profit	0.97%	0.87%	3.03%	2.67%	3.62%
Provisions	0.001%	0.01%	0.001%	-0.004%	-0.01%
Profit Before Tax & Extra-ordinary items	0.97%	0.89%	3.03%	2.67%	3.62%
Extra-ordinary items	0.04	-0.09%	0.11%	-0.33%	-0.38%
Tax Provision	-0.27%	-0.23%	-0.72%	-0.66%	-0.75%
Provision for DTL(-) /DTA(+)	0.003%	-0.03%	0.005%	-0.07%	0.72%
Profit after Tax (ROA)	0.75%	0.54%	2.42%	1.62%	3.21%
Operating Profit (Annualised)	3.88%	3.49%	4.04%	3.56%	3.62%
Profit after Tax (ROA) (Annualised)	2.98%	2.16%	3.23%	2.16%	3.21%

Balance Sheet



(Y/E – March, Rs. Crores)

Liabilities	9M FY10	9MFY09	FY09
Shareholders' Funds	13,264	10,294	11,508
Reserve for bad & doubtful debts (included in Shareholder's Funds)	811	707	718
Borrowings	58,514	48,655	52,160
Deferred Tax Liability	51	1,281	55
Interest Subsidy Fund	771	868	909
Current Liabilities & Provisions	4,328	3,520	3,576
Advances received from Subsidiaries (Included in Current Liabilities)	188	173	208
Total Liabilities	76,928	64,618	68,209
Assets	9M FY10	9M FY09	FY09
Loan Assets	72,441	60,441	64,429
Investments	30	65	36
Fixed Assets	74	76	75
Current Assets	4,383	4,037	3,669
Advances to Subsidiaries (Included in Current Assets)	47	75	67
Total Assets	76,928	64,618	68,209

Increase in Loan Assets by ~ 20%

Key Indicators



Key Indicators	Q3 FY10	Q3 FY09	9M FY10	9M FY09	FY09
Sanctions (Rs. Crores)	4247	13841	38976	43131	57,030
Outstanding sanctions (Net) (Rs. Crores)	125,207	116,204	125,207	116,204	120,860
Disbursements (Rs. Crores)	6493	4277	15355	14101	21,054
Loan Assets (Rs. Crores)	72441	60441	72441	60441	64,429
Yield on Assets*	11.08%	11.24%	11.19%	10.86%	10.92%
Cost of Funds*	8.57%	9.27%	8.54%	8.78%	8.71%
Interest Spread*	2.51%	1.97%	2.65%	2.09%	2.21%
Net Interest Margin*	4.17%	3.75%	4.20%	3.79%	3.84%
Return on Average Network*	18.51%	14.38%	20.15%	14.08%	20.23%
Return on Average Network* (before exchange gain / loss)	17.86%	15.89%	19.39%	15.93%	21.83%
Debt Equity Ratio	4.74	5.13	4.85	5.01	4.88
Leverage (Average assets / Average net worth)	6.21	6.67	6.24	6.53	6.31
Capital Adequacy Ratio	17.63%	16.21%	17.63%	16.21%	17.15%
EPS (Weighted average)* (Rs.)	19.65	11.81	20.41	11.21	17.16
EPS (Weighted average)* (Rs.) (before exchange gain / loss)	18.91	13.15	19.73	12.78	18.70
Book Value Per Share (Rs.)	108.50	83.53	108.50	83.53	94.01
Book Value Per Share (Rs.) (before exchange gain/loss)	108.31	83.86	107.99	84.71	95.55

* Quarterly Ratios have been Annualised

Disbursements – Composition



(Y/E – March, Rs. Crores)

Disbursements	Q3 FY10		Q3 FY09		9M FY10		9M FY09		FY09	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	4,811	74%	3403	80%	11,729	76%	10,447	74%	15,942	76%
Transmission	202	3%	222	5%	678	5%	948	7%	1,296	6%
Distribution	72	1%	101	2%	368	2%	423	3%	610	3%
R-APDRP (Part A)	370	6%	-	-	744	5%	-	-	325	1%
Others*	1,038	16%	551	13%	1836	12%	2282	16%	2,881	14%
Total	6,493	100%	4,277	100%	15,355	100%	14,101	100%	21,054	100%
<u>Borrower-wise</u>										
State Sector	3728	57%	3205	75%	9090	59%	10,097	72%	14,657	70%
Central Sector	1865	29%	590	14%	3930	26%	1482	10%	3,130	15%
Joint Sector	615	10%	270	6%	1639	11%	2103	15%	2,647	12%
Private sector	285	4%	213	5%	696	4%	419	3%	620	3%

* Includes Computerisation, Studies, Short Term Loans, Buyer Line of Credit etc.

Cumulative Disbursements till 31 Dec'09 Rs. 128,474 Crores

Sanctions – Composition



(Y/E – March, Rs. Crores)

Sanctions	Q3 FY10		Q3 FY09		9M FY10		9M FY09		FY09	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	1,777	42%	12,135	88%	28,053	72%	34,979	81%	44,609	78%
Transmission	643	15%	876	6%	5,650	15%	4,250	10%	5,866	10%
Distribution	240	6%	222	2%	276	1%	1,485	3%	1,500	3%
R-APDRP (Part A)	676	16%	-	-	2,913	7%	-	-	1,948	3%
Others*	911	21%	609	4%	2,084	5%	2,417	6%	3,108	6%
Total	4,247	100%	13,841	100%	38,976	100%	43,131	100%	57,030	100%
<u>Borrower-wise</u>										
State Sector	2277	54%	10821	78%	15,716	40%	20,501	48%	29,661	52%
Central Sector	-	-	-	-	3,747	10%	18,127	42%	18,127	32%
Joint Sector	-	-	-	-	8,462	22%	1,350	3%	1,350	2%
Private sector	1970	46%	3020	22%	11,051	28%	3153	7%	7,892	14%

* Includes Computerisation, Studies, Short Term Loans, Buyer Line of Credit etc.

Cumulative Sanctions till 31 Dec'09 Rs. 253,681 Crores

10

Loan Assets – Composition



(Y/E – March, Rs. Crores)

Loan Assets*	9M FY10		9M FY09		FY09	
	Amount	%	Amount	%	Amount	%
Generation	60,488	84%	47,748	79%	52,345	81%
Transmission	6,154	9%	6,359	10%	6,494	10%
Distribution	3,239	4%	3,358	6%	3,410	5%
Others**	2,451	3%	2,837	5%	2,172	4%
Total	72332	100%	60,302	100%	64,421	100%
<u>Borrower-wise</u>						
State Sector	49,561	68%	45,149	75%	46,443	72%
Central Sector	12,761	18%	7,779	13%	9,283	14%
Joint Sector	5,823	8%	3,171	5%	4,360	7%
Private Sector	4,187	6%	4,203	7%	4,335	7%

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

** Includes Computerisation, Studies, Short Term Loans, Buyer Line of Credit etc.

Loan Quality



(Y/E – March, Rs. Crores)

Particulars	9M FY10	9M FY09	FY09
Gross NPAs	13	13	13
Less: Provisions & write-offs	(7)	(7)	(7)
Net NPAs	6	6	6
<i>As a % of Loan Assets:</i>			
<i>Gross NPAs</i>	<i>0.02%</i>	<i>0.02%</i>	<i>0.02%</i>
<i>Net NPAs</i>	<i>0.01%</i>	<i>0.01%</i>	<i>0.01%</i>

Borrowing Profile



(Y/E – March, Rs. Crores)

Borrowings	9M FY10		9M FY09		FY09	
	Amount	%	Amount	%	Amount	%
Bonds	42,724	73%	36,146	74%	36,882	71%
Domestic	41,876	-	34,792	-	35,479	-
Foreign	848	-	1,354	-	1,402	-
Term Loans	14,773	25%	11,108	23%	13,879	26%
Short Term Loans	1,017	2%	1,400	3%	1,400	3%
Borrowings O/s	58,514	100%	48,655	100%	52,160	100%
<i>Of which:</i>						
<i>Rupee Denominated</i>	<i>57,061</i>	<i>98%</i>	<i>46,136</i>	<i>95%</i>	<i>49,571</i>	<i>95%</i>
<i>Foreign Currency Loans</i>	<i>1,453</i>	<i>2%</i>	<i>2,518</i>	<i>5%</i>	<i>2,589</i>	<i>5%</i>

Resource Profile



(Y/E – March, Rs. Crores)

Resources	9M FY10		9M FY09		FY09	
	Amount	%	Amount	%	Amount	%
Shareholders' Funds	13,264	18%	10,294	17%	11,508	18%
Reserve for bad & doubtful debts (included in Shareholder's Funds)	811	-	707	-	718	-
Deferred Tax Liability	51	0.07%	1,281	2%	55	0.1%
Interest Subsidy Fund	771	1%	868	1%	909	1%
Bonds (Domestic)	41,876	58%	34,792	57%	35,479	55%
Rupee Term Loans	14,168	20%	9,945	16%	12,692	20%
Short Term Loans	1,017	1.4%	1,400	2%	1,400	2%
Foreign Currency Loans	1,453	2%	2,518	4%	2,589	4%
Total	72,600	100%	61,098	100%	64,632	100%

Major Projects Sanctioned in 9M FY10



- Yermarus TPS, Karnataka (2x800 MW) Rs. 7,046 Crores
- Nabinagar TPP (1000 MW), Bihar Rs. 3,747 Crores
- Pragati Power CCPP Phase-III (1371 MW), Delhi Rs. 3,637 Crores
- Palatana CCGT (726.6 MW), Tripura Rs. 2,223 Crores
- Shahpurkandi HEP (4X40 MW + 1X8 MW), Punjab Rs. 1,863 Crores
- Srikakulum TPP (1320 MW), Andhra Pradesh Rs. 1,640 Crores
- Palatana - Bongaigaon TRS line (400KV D/C) Rs. 1,416 Crores
- Thermal Powertech – TPP (2x660 MW) Nellore, Rs. 1,315 Crores

Shareholding Pattern



Category	Holding (%)
	As 31.12.2009
President of India	89.78%
FIs	3.81%
Resident Individuals	1.49%
Mutual Funds	1.23%
Bodies Corporate	1.41%
Indian FIs & Banks	2.07%
Employees	0.09%
Others	0.11%
Total	100%

S. No.	Top 10 Shareholders (as on 31.12.2009)	Holding (%)	Category
1	PRESIDENT OF INDIA	89.78%	POI
2	LIFE INSURANCE CORPORATION OF INDIA	0.62%	IFI
3	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	0.52%	BC
4	LIC OF INDIA - MARKET PLUS	0.51%	IFI
5	LIC OF INDIA MARKET PLUS - 1	0.42%	IFI
6	JF INDIA FUND	0.37%	FII
7	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	0.34%	IFI
8	INDIA CAPITAL FUND LIMITED	0.26%	FII
9	INDIA CAPITAL OPPORTUNITIES 1 LIMITED	0.26%	FII
10	CAAM FUNDS INDIA	0.21%	FII

Thank You!