



*We Create Possibility of a Better Tomorrow....*

### April 2010

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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

(Standalone, Provisional & Un-audited)

## Quarter & Year Ended

### 31<sup>st</sup> March 2010

## PFC Overview

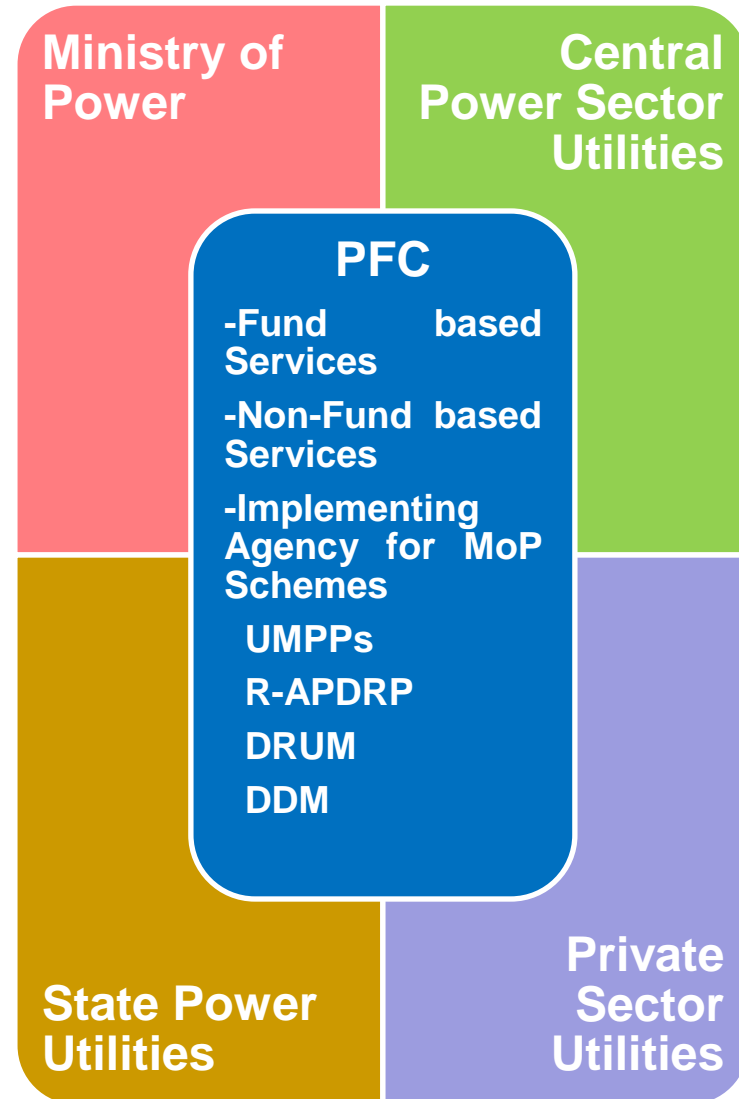
## Focus & Strategy

## 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 9001:2008 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
  - ▶ Conferred "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

## 2008

- Limited Cumulative Sanctions & Disbursements crossed Rs. 2,00,000 crore & Rs. 1,00,000 crore
- Successfully awarded Krishnapatnam UMPP to Reliance Power Ltd.
- Launch of PFC Consulting Ltd.
- Designated by Gol as the Nodal Agency for the Restructured APDRP Scheme
- PFC jointly with NSE and NCDEX has floated Power Exchange India

## 2010

1. Tilaiya UMPP transferred to Reliance Power
2. ENICL ITP transferred to Sterlite Technologies
3. PFC certified ISO 9001:2008
4. Conferred with “Dalal Street Investor Journal PSU Award 2010” for being
  - a) Heavy weight Navratna PSU
  - b) Fastest growing Navratna PSU
5. Received prestigious “India Pride Award 2009” in the NBFC category
6. Received Dalal Street’s “First DSIJ Award 2009” for “PSU having highest Profit per Employee”

2007

## 2007

- Successfully awarded Mundra UMPP to Tata Power and Sasan UMPP to Reliance Power Ltd.
- Successful IPO of Rs. 997 crore
- Conferred ‘Navratna’ status in June

2008

2009

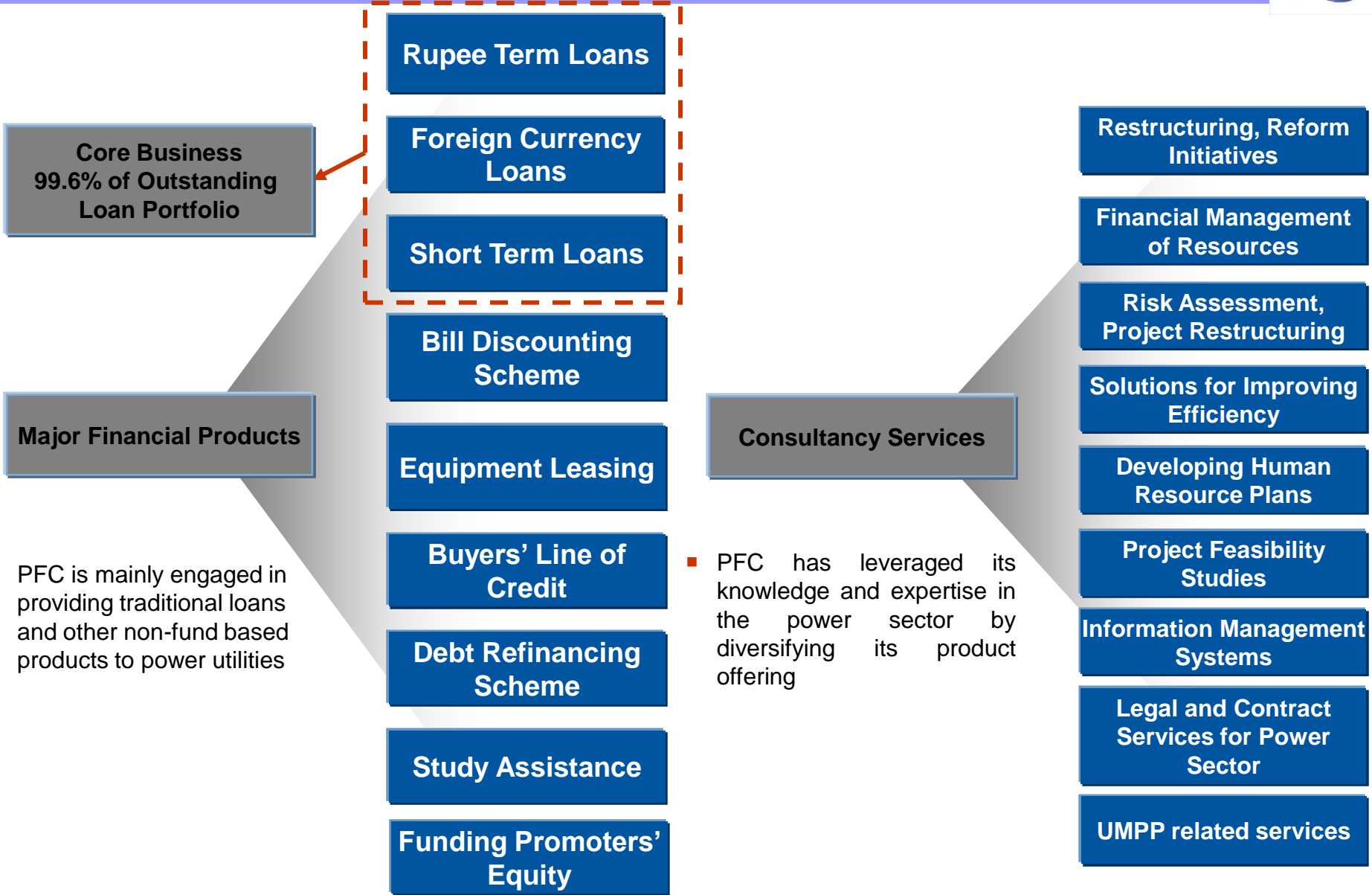
## 2009

- Successfully awarded Tilaiya UMPP to Reliance Power
- Launch of R-APDRP website
- PFC in the list of Top 500 Global Financial Brands 2009
- PFC lists in Forbes Global 2000 ranking

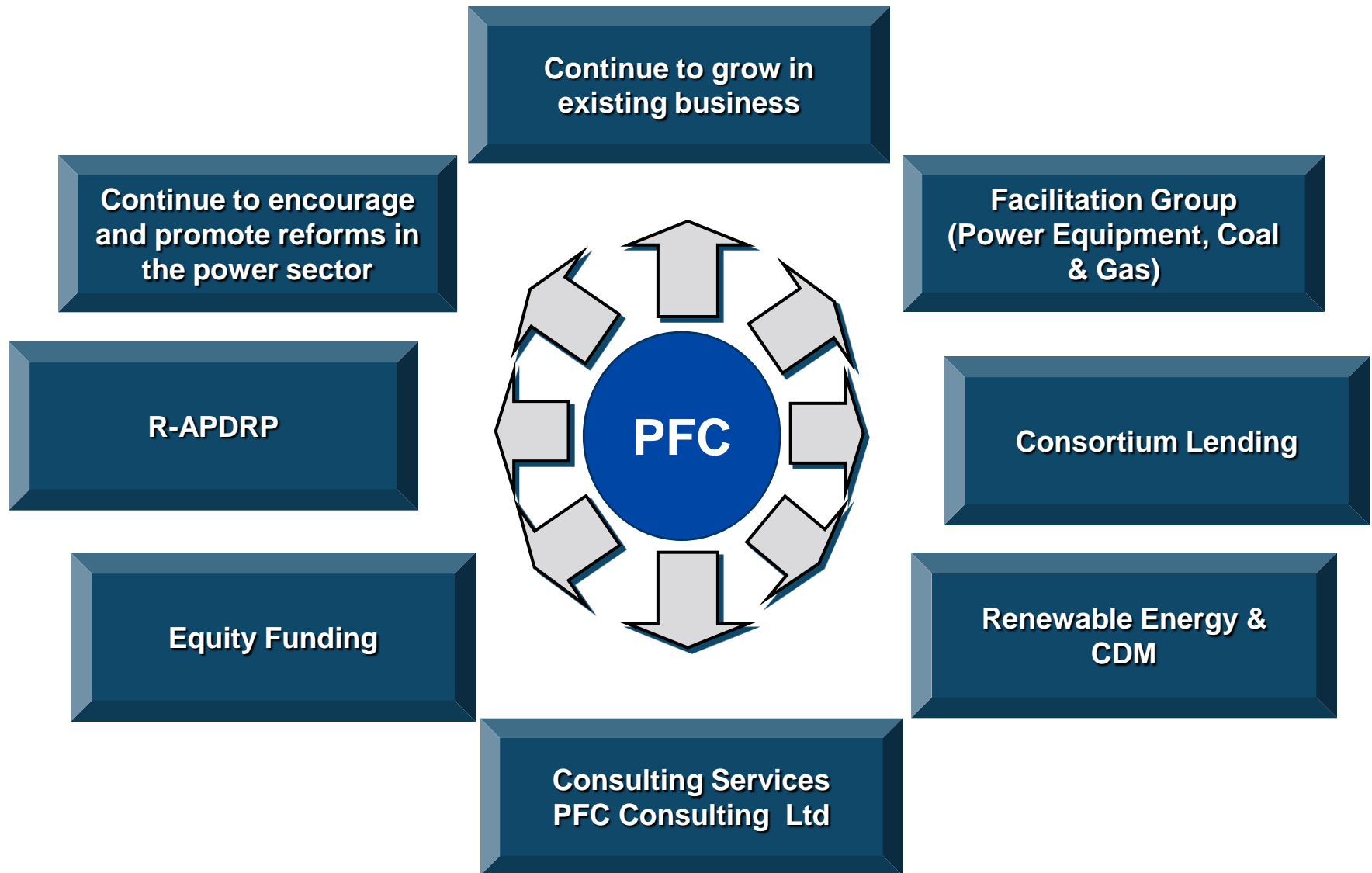
2010



# Exclusive Focus on Financing the Power Sector

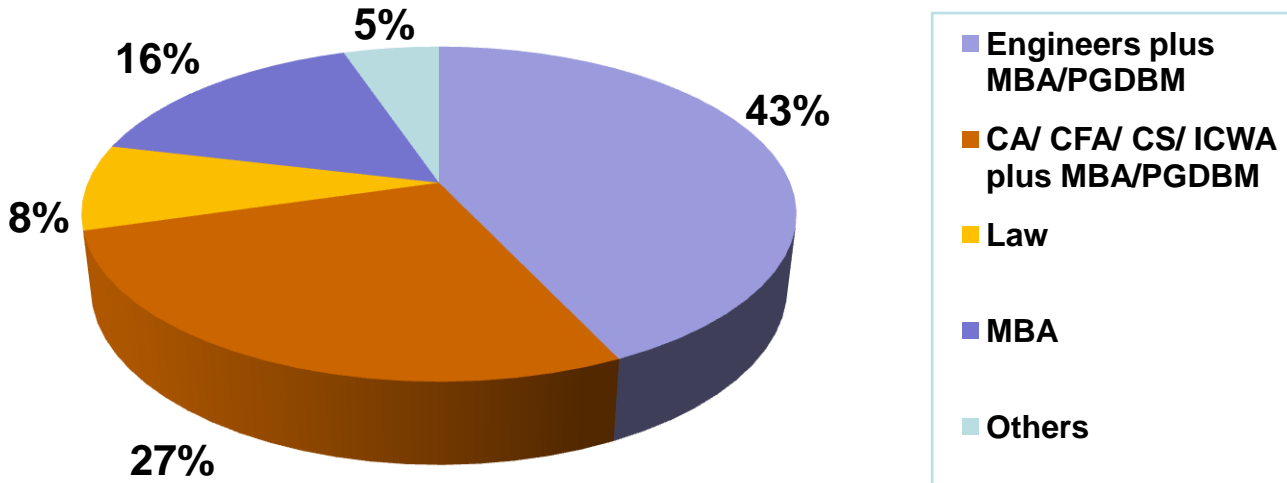


# Business Strategy



# Competent and Committed Workforce

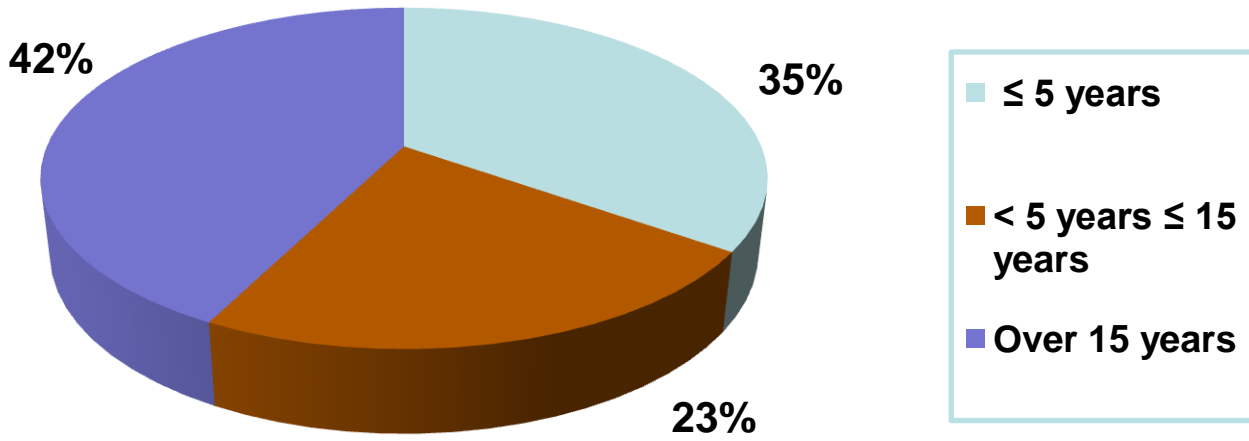
## Academic background of Executives (193)



(as on 31.03.2010)  
**Workforce:302**  
 Executives:193  
 Non-Executives:109

(FY 2009-10)  
**Disbursement per Employee**  
 Rs. 85 crores

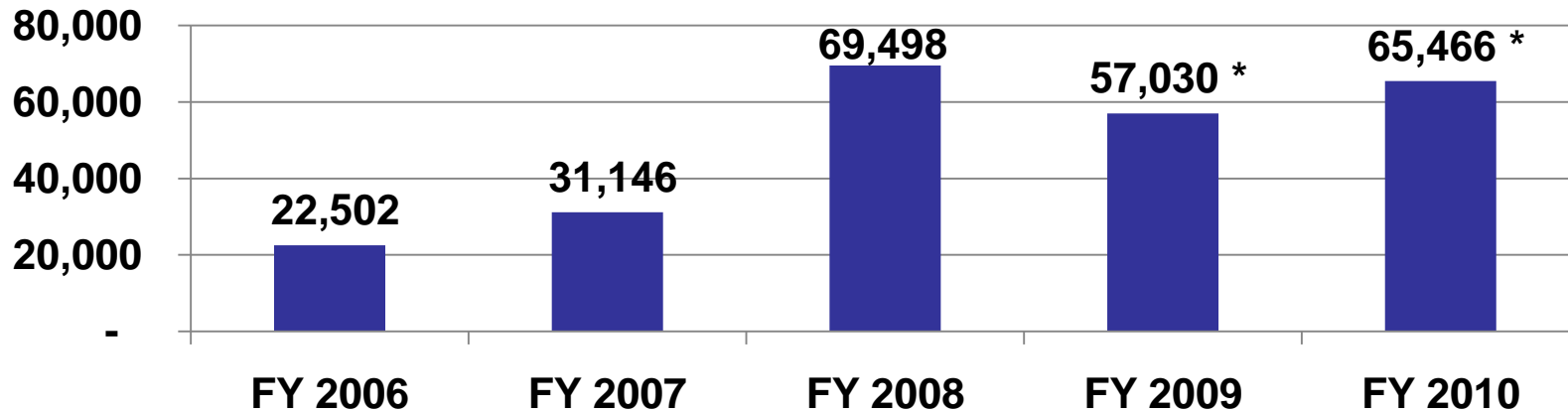
## Experience Profile of Executives (193)



(FY 2009-10)  
**PAT per Employee**  
 Rs. 7.80 crores

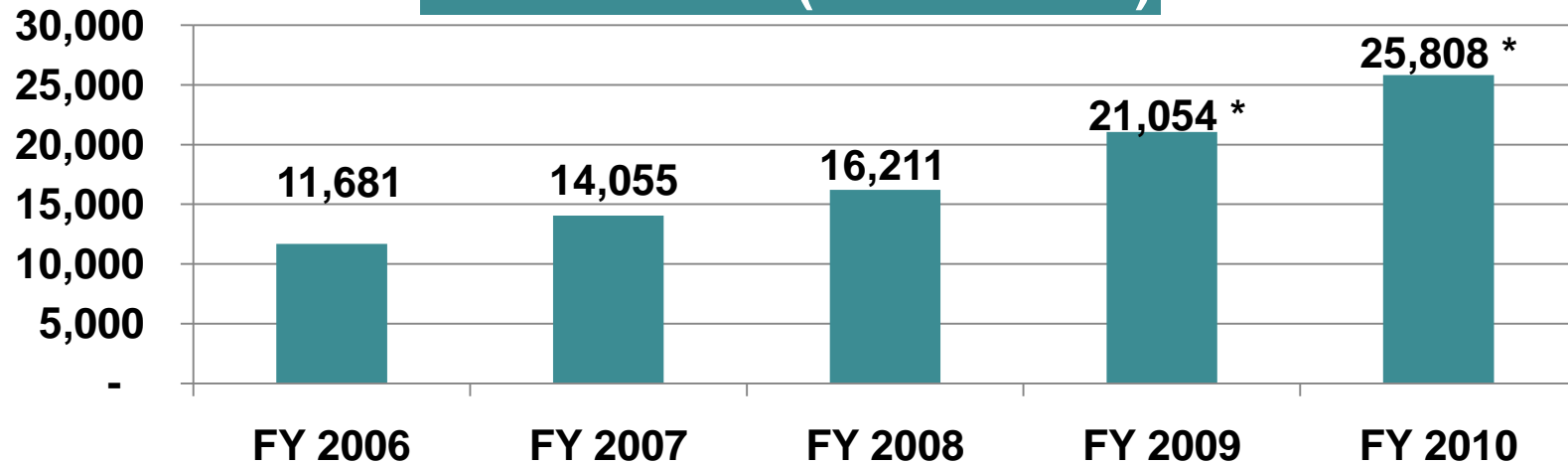
# Performance at a Glance

## Sanctions (Rs. in crores)



5 Yr  
CAGR  
29 %

## Disbursement (Rs. in crores)



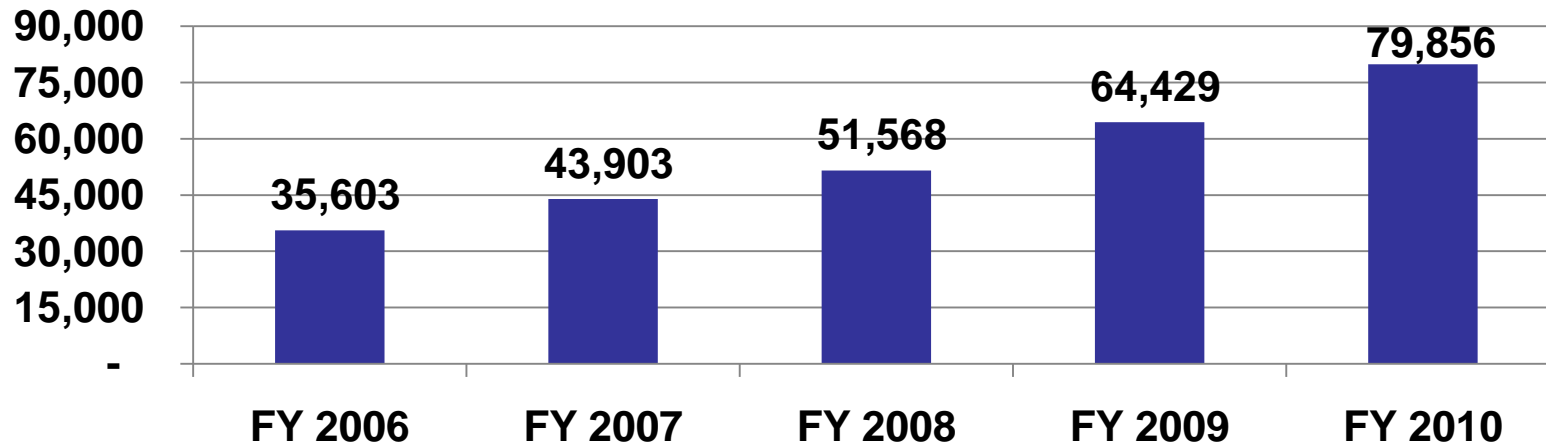
5 Yr  
CAGR  
22 %

\* Sanctions and Disbursements for FY 2009 and FY 2010 include R-APDRP (Part A and Part B)



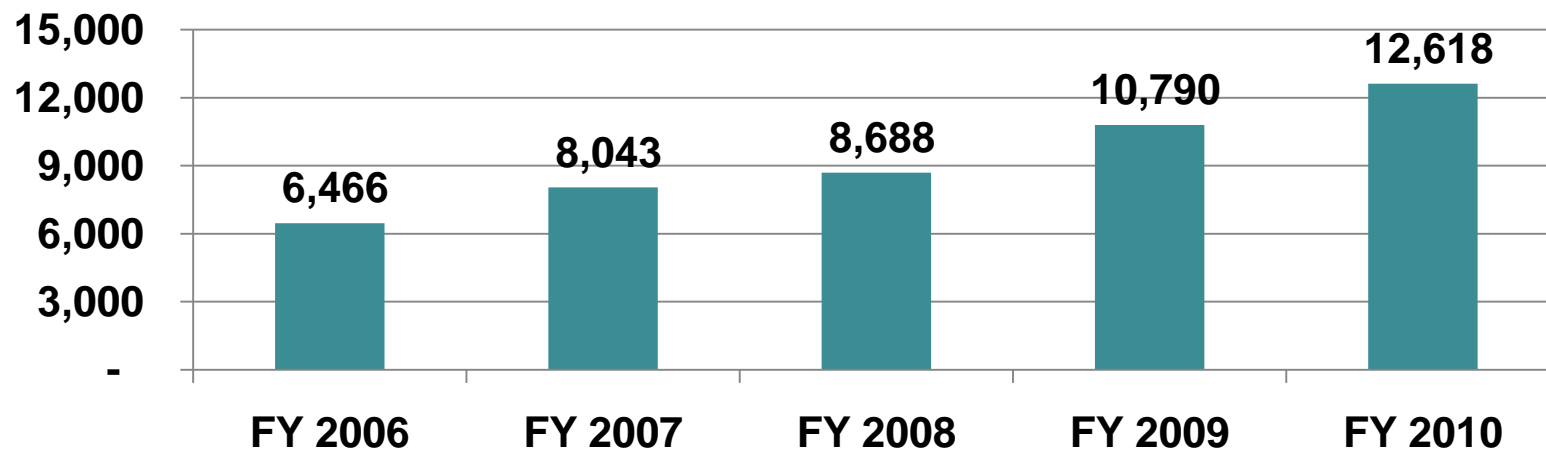
# Performance at a Glance

## Loan Assets (Rs. in crores)



5 Yr  
CAGR  
22 %

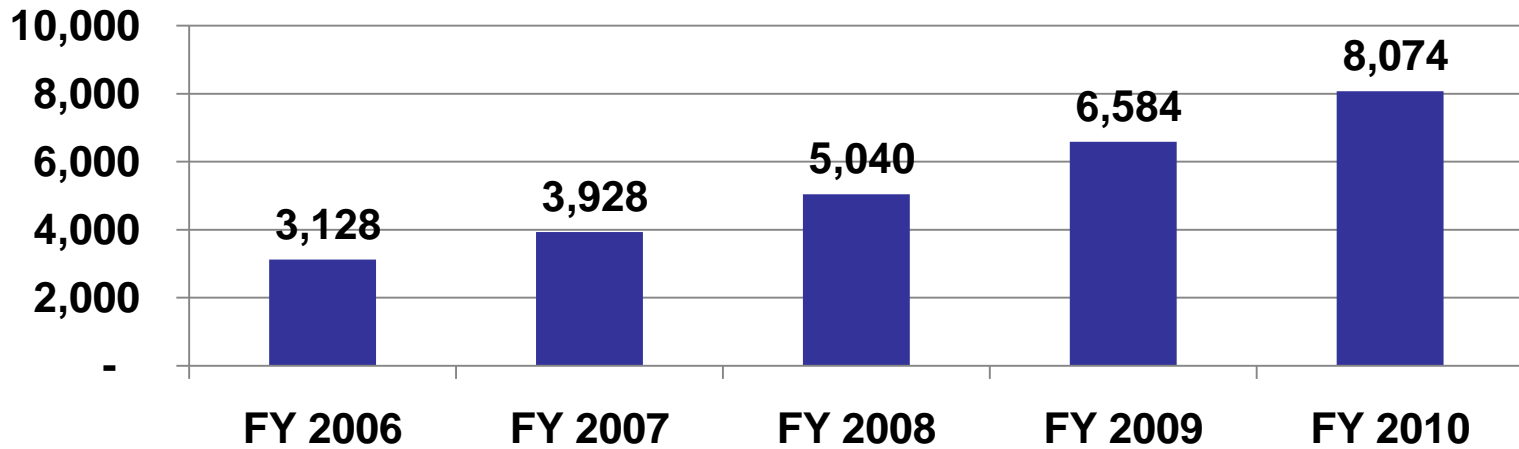
## Networth (Rs. in crores)



5 Yr  
CAGR  
16 %

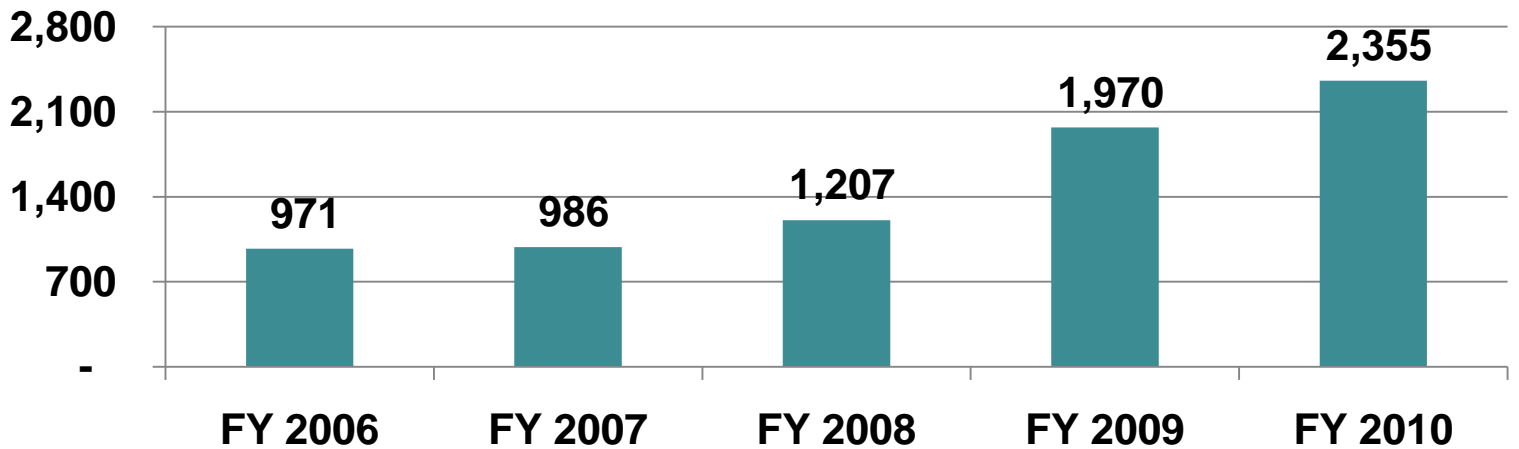
# Performance at a Glance

**Total income (Rs. in crores)**



5 Yr  
CAGR  
22 %

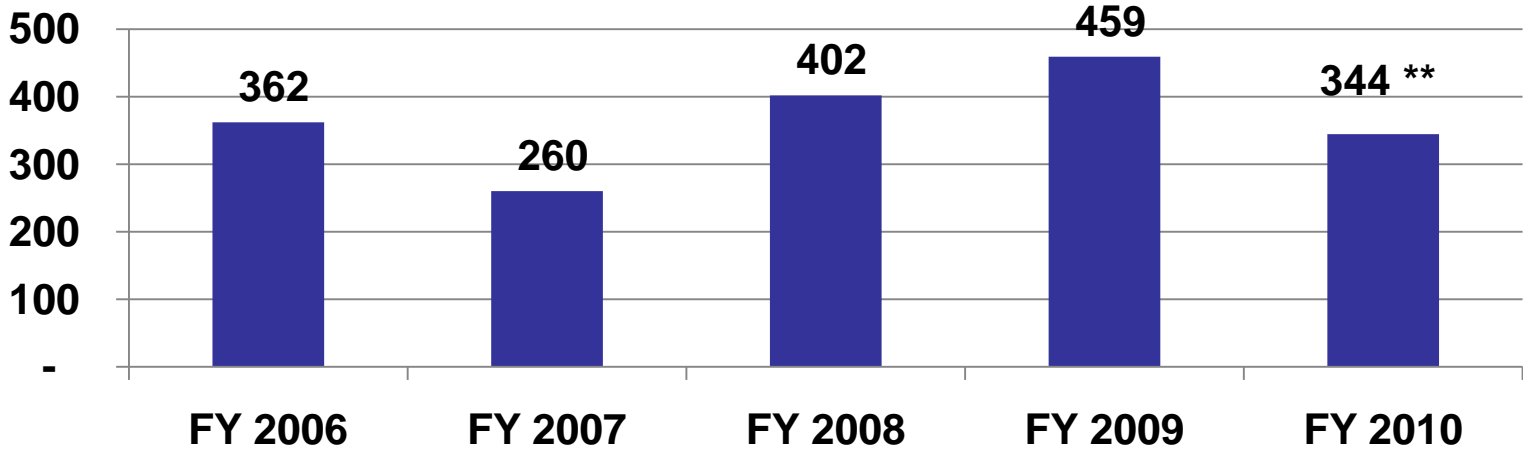
**PAT (Rs. in crores)**



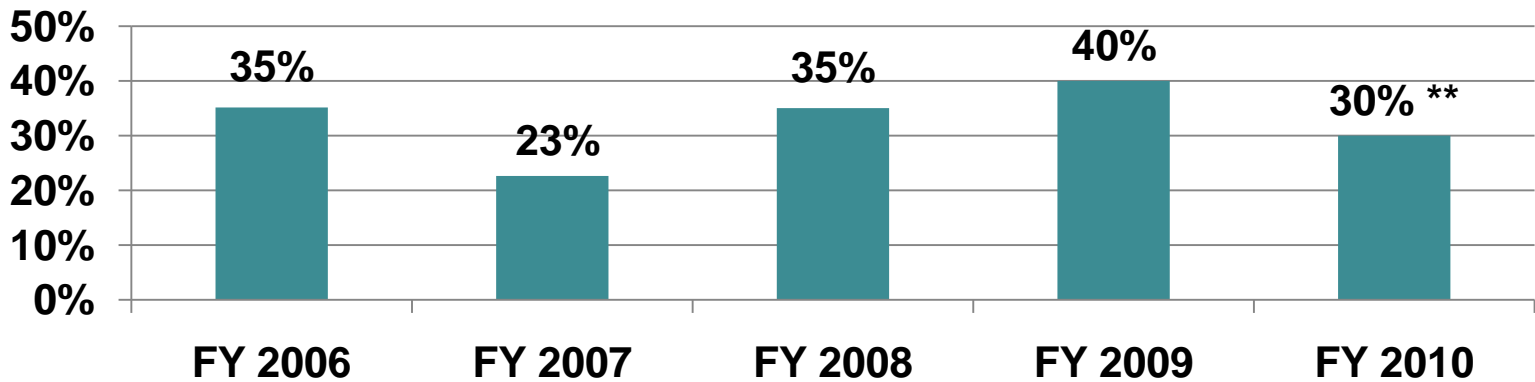
5 Yr  
CAGR  
19 %

# Performance at a Glance

**Dividend (Rs. in crores)**



**Dividend Payout \* (%)**



**Healthy & Consistent Dividend Track record**

\* Dividend payout as a % of paid-up capital;  
 \*\* Dividend for FY 2010 relates only to interim dividend

# Highlights – FY 10 vs. FY 09



- **Net Profit increased by 20% from Rs. 1,970 crore to Rs. 2,355 crore**
- **Comparable PAT increased by 32% from Rs. 1,605 crore to Rs. 2,113 crore**
- **Operating Profit to Avg. Assets increased by 18 bps from 3.62% to 3.80%**
- **Total Income increased by 23% from Rs. 6,584 crore to Rs. 8,074 crore**
- **Net Interest Income increased by 30% from Rs. 2,251 crore to Rs. 2,923 crore**

# Highlights – FY 10 vs. FY 09 (contd.)



- **Disbursements increased by 23% from Rs. 21,054 crore to Rs. 25,808 crore**
- **Sanctions increased by 15% from Rs. 57,030 crore to Rs. 65,466 crore**
- **Loan Assets increased by 24% from Rs. 64,429 crore to Rs. 79,856 crore**
- **Networth increased by 17% from Rs. 10,790 crore to Rs. 12,618 crore**

# Comparable Profit



(Y/E – March, Rs. Crores)

Comparable Profit	Q4 FY 2010	Q4 FY 2009	% change	FY 2010	FY 2009	% change
<b>Reported PAT</b>	<b>599</b>	<b>1,005</b>	<b>-40%</b>	<b>2,355</b>	<b>1,970</b>	<b>20%</b>
<b>Adjustments (post-tax):</b>						
DTL (+) / Deferred Tax Liability Write-back (-) on Special Reserve		(593)			(483)	
Prior period Income Tax incl. interest thereon	(72)	(3)		(176)	(46)	
Nodal Agency Fees - R-APDRP	32	(13)		13	(13)	
Translation / Actual Exchange Gain(-) / Loss(+)	(21)	29		(79)	177	
<b>Comparable PAT</b>	<b>538</b>	<b>426</b>	<b>26%</b>	<b>2,113</b>	<b>1,605</b>	<b>32%</b>

# Profit & Loss Account



(Y/E – March, Rs. Crores)

Income Statement#	Q4 FY 2010	Q4 FY 2009	FY 2010	FY 2009
Interest Income	2,083	1,767	7,860	6,396
Interest Expense	(1,326)	(1,131)	(4,937)	(4,145)
Net Interest Income	757	636	2,923	2,251
Other Income*	(11)	24	88	67
Operating Costs	(40)	(27)	(107)	(91)
Provisions	1	(1)	2	(4)
Profit Before Tax & Extra-ordinary Items	707	632	2,905	2,223
Extra-ordinary Items^	29	(40)	107	(233)
Tax Provisions	(139)	(67)	(664)	(460)
Provision for DTL	3	480	7	440
Profit after Tax	599	1,005	2,355	1,970

\*Other Income includes UMPP fee income, 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 FY 2010	Q4 FY 2009	FY 2009-10	FY 2008-09
Net Interest Income	0.94%	0.96%	3.82%	3.66%
Other Income	-0.01%	0.04%	0.11%	0.11%
Operating Expenses	-0.05%	-0.04%	-0.14%	-0.15%
Operating Profit	0.87%	0.95%	3.80%	3.62%
Provisions	0.00%	0.00%	0.00%	-0.01%
Profit Before Tax & Extra-ordinary items	0.87%	0.95%	3.80%	3.62%
Extra-ordinary items	0.04%	-0.06%	0.14%	-0.38%
Tax Provision	-0.17%	-0.10%	-0.87%	-0.75%
Provision for DTL	0.00%	0.72%	0.01%	0.72%
Profit after Tax (ROA)	0.74%	1.51%	3.08%	3.21%
Operating Profit (Annualised)	3.49%	3.81%	3.80%	3.62 %
Profit after Tax (ROA) (Annualised)	2.96%	6.06%	3.08%	3.21 %



# Balance Sheet



(Y/E – March, Rs. Crores)

Liabilities	FY 2010	FY 2009
<b>Shareholders' Funds</b>	<b>13,460</b>	<b>11,508</b>
Reserve for bad & doubtful debts (included in Shareholder's Funds)	842	718
<b>Borrowings</b>	<b>67,108</b>	<b>52,160</b>
<b>Deferred Tax Liability</b>	<b>48</b>	<b>55</b>
<b>Interest Subsidy Fund</b>	<b>664</b>	<b>909</b>
<b>R-APDRP Fund from Gol</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities &amp; Provisions</b>	<b>3,466</b>	<b>3,576</b>
Advances received from Subsidiaries (Included in Current Liabilities)	185	208
<b>Total Liabilities</b>	<b>84,746</b>	<b>68,209</b>
Assets	FY 2010	FY 2009
<b>Loan Assets</b>	<b>79,856</b>	<b>64,429</b>
<b>Investments</b>	<b>31</b>	<b>36</b>
<b>Fixed Assets</b>	<b>74</b>	<b>75</b>
<b>Current Assets</b>	<b>4,785</b>	<b>3,669</b>
Advances to Subsidiaries (Included in Current Assets)	63	67
<b>Total Assets</b>	<b>84,746</b>	<b>68,209</b>

Increase in Loan Assets by ~ 24 %

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# Key Indicators



Key Indicators	Q4 FY 2010	Q4 FY 2009	FY 2010	FY 2009
Sanctions (Rs. Crores)	28,256	14,255	65,466	57,030
Net outstanding sanctions (Rs. Crores)	141,813	120,860	141,813	120,860
Disbursements (Rs. Crores)	10,453	6,954	25,808	21,054
Loan Assets (Rs. Crores)	79,856	64,429	79,856	64,429
Yield on Assets*	10.81%	11.20%	10.75%	10.92%
Cost of Funds*	8.32%	8.79%	8.14%	8.71%
Interest Spread*	2.49%	2.41%	2.61%	2.21%
Net Interest Margin*	3.93%	4.03%	4.00%	3.84%
Return on Average Network*	19.11%	39.47%	20.12%	20.23%
Return on Average Network* (before exchange gain/loss)	18.47%	40.29%	19.37%	21.83%
Debt Equity Ratio	5.08	5.05	5.18	4.88
Leverage ( Average assets / Average net worth)	6.45	6.52	6.53	6.31
Capital Adequacy Ratio	19.25%	17.15%	19.25%	17.15%
EPS (Weighted average)* (Rs.)	20.87	35.04	20.52	17.16
EPS (Weighted average)* (Rs.) (before exchange gain/loss)	20.14	36.05	19.83	18.70
Book Value Per Share (Rs.)	109.94	94.01	109.94	94.01
Book Value Per Share (Rs.) (before exchange gain/loss)	109.75	94.26	109.25	95.55

\* Quarterly Ratios have been Annualised

# Sanctions – Composition



(Y/E – March, Rs. Crores)

Sanctions	Q4 FY 10		Q4 FY 09		FY 2009-10		FY 2008-09	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%
Generation	17,075	60%	9,831	69%	43,629	67%	44,609	78%
Transmission	5,938	21%	1,616	11%	11,620	18%	5,866	10%
Distribution	19	0.1%	15	0.1%	295	0.5%	1,500	3%
R-APDRP (Part A)	265	1%	1,948	14%	3,179	5%	1,948	3%
R-APDRP (Part B)	3,059	11%	-	-	3,059	5%	-	-
Others*	1,900	7%	845	6%	3,684	6%	3,108	6%
<b>Total</b>	<b>28,256</b>	<b>100%</b>	<b>14,255</b>	<b>100%</b>	<b>65,466</b>	<b>100%</b>	<b>57,030</b>	<b>100%</b>
<u>Borrower-wise</u>								
State Sector	23,522	83%	9,516	67%	38,970	60%	29,660	52%
Central Sector	-	-	-	-	2,248	3%	18,127	32%
Joint Sector	-	-	-	-	8,462	13%	1,350	2%
Private sector	4,735	17%	4,739	33%	15,786	24%	7,892	14%

**Cumulative Sanctions till 31 Mar'10 Rs. 280,833 Crores**

# Disbursements – Composition



(Y/E – March, Rs. Crores)

Disbursements	Q4 FY 2010		Q4 FY 2009		FY 2009-10		FY 2008-09	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%
Generation	7,952	76%	5,495	79%	19,682	76%	15,942	76%
Transmission	378	4%	348	5%	1,056	4%	1,296	6%
Distribution	262	3%	187	3%	630	2%	610	3%
R-APDRP (Part A)	381	4%	325	5%	1,125	4%	325	2%
R-APDRP (Part B)	196	2%	-	-	196	1%	-	-
Others*	1,284	12%	599	9%	3,119	12%	2,881	14%
<b>Total</b>	<b>10,453</b>	<b>100%</b>	<b>6,954</b>	<b>100%</b>	<b>25,808</b>	<b>100%</b>	<b>21,054</b>	<b>100%</b>
<u>Borrower-wise</u>								
State Sector	6,863	66%	4,600	66%	15,953	62%	14,657	70%
Central Sector	2,421	23%	1,648	24%	6,351	25%	3,130	15%
Joint Sector	810	8%	504	7%	2,449	9%	2,647	12%
Private sector	359	3%	201	3%	1,055	4%	620	3%

**Increase in Disbursements by ~ 23% (Y-o-Y)**

**Cumulative Disbursements till 31 Mar'10 Rs. 139,020 Crores**

# Loan Assets – Composition



(Y/E – March, Rs. Crores)

Loan Assets*	FY 2010		FY 2009	
	Amount	%	Amount	%
<b>Discipline-wise</b>				
<b>Generation</b>	<b>67,013</b>	<b>84%</b>	<b>52,345</b>	<b>81%</b>
<b>Transmission</b>	<b>6,284</b>	<b>8%</b>	<b>6,494</b>	<b>10%</b>
<b>Distribution</b>	<b>3,402</b>	<b>4%</b>	<b>3,410</b>	<b>5%</b>
<b>Others**</b>	<b>3,163</b>	<b>4%</b>	<b>2,172</b>	<b>4%</b>
<b>Total</b>	<b>79,861</b>	<b>100%</b>	<b>64,421</b>	<b>100%</b>
<b>Borrower-wise</b>				
<b>State Sector</b>	<b>54,142</b>	<b>68%</b>	<b>46,443</b>	<b>72%</b>
<b>Central Sector</b>	<b>15,015</b>	<b>19%</b>	<b>9,283</b>	<b>14%</b>
<b>Joint Sector</b>	<b>6,525</b>	<b>8%</b>	<b>4,360</b>	<b>7%</b>
<b>Private Sector</b>	<b>4,179</b>	<b>5%</b>	<b>4,335</b>	<b>7%</b>

\* 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	FY 2010	FY 2009
<b>Gross NPAs</b>	<b>13</b>	<b>13</b>
<b>Less: Provisions &amp; write-offs</b>	<b>(7)</b>	<b>(7)</b>
<b>Net NPAs</b>	<b>6</b>	<b>6</b>
<i><u>As a % of Loan Assets:</u></i>		
<i>Gross NPAs</i>	<i>0.02%</i>	<i>0.02%</i>
<i>Net NPAs</i>	<i>0.01%</i>	<i>0.01%</i>

# Borrowing Profile



(Y/E – March, Rs. Crores)

Borrowings	FY 2009-10		FY 2008-09	
	Amount	%	Amount	%
<b>Bonds</b>	<b>46,622</b>	<b>69%</b>	<b>36,882</b>	<b>71%</b>
Domestic	45,801	-	35,479	-
Foreign	820	-	1,402	-
<b>Term Loans</b>	<b>18,161</b>	<b>27%</b>	<b>13,879</b>	<b>26%</b>
<b>Short Term Loans</b>	<b>2,325</b>	<b>3%</b>	<b>1,400</b>	<b>3%</b>
<b>Borrowings O/s</b>	<b>67,108</b>	<b>100%</b>	<b>52,160</b>	<b>100%</b>
<i>Of which:</i>				
<i>Rupee Denominated</i>	<b>64,350</b>	<b>96%</b>	<b>49,571</b>	<b>95%</b>
<i>Foreign Currency Loans</i>	<b>2,759</b>	<b>4%</b>	<b>2,589</b>	<b>5%</b>

# Resource Profile



(Y/E – March, Rs. Crores)

Resources	FY 2009-10		FY 2008-09	
	Amount	%	Amount	%
<b>Shareholders' Funds</b>	<b>13,460</b>	<b>17%</b>	<b>11,508</b>	<b>18%</b>
Reserve for bad & doubtful debts (included in Shareholder's Funds)	842	-	718	-
<b>Deferred Tax Liability</b>	<b>48</b>	<b>0.1%</b>	<b>55</b>	<b>0.1%</b>
<b>Interest Subsidy Fund</b>	<b>664</b>	<b>1%</b>	<b>909</b>	<b>1%</b>
<b>Bonds (Domestic)</b>	<b>45,801</b>	<b>56%</b>	<b>35,479</b>	<b>55%</b>
<b>Rupee Term Loans</b>	<b>16,223</b>	<b>20%</b>	<b>12,691</b>	<b>20%</b>
<b>Short Term Loans</b>	<b>2,325</b>	<b>3%</b>	<b>1,400</b>	<b>2%</b>
<b>Foreign Currency Loans</b>	<b>2,759</b>	<b>3%</b>	<b>2,589</b>	<b>4%</b>
<b>Total</b>	<b>81,281</b>	<b>100%</b>	<b>64,632</b>	<b>100%</b>



# Major Projects Sanctioned in FY 2010

PROPOSAL DISCRIPTION	Sanctions (Rs. in crores)
2X800 SUPER CRITICAL YERMARUS TPS OF RAICHUR POWER CORPORATION LTD. IN KARNATAKA	7,046
1371 MW GAS BASED CCPP OF PRAGATI POWER CORPORATION LTD. AT BAWANA IN DELHI	3,637
2X500 MW EXTENSION UNIT AT SAGARDIGHI TPS OF WEST BENGAL POWER DEV. CORPORATION IN WEST BENGAL	3,390
1X600 MW RAYALSEEMA STAGE IV TPP OF A. P. POWER GENERATION CORP. LTD. IN A.P.	2,423
1000 MW NABINAGAR TPP OF BHARTIYA RAIL BIJLEE COMPANY LTD. IN BIHAR	2,248
727 MW PALATANA CCGT PROJECT OF ONGC TRIPURA POWER COMPANY LTD. IN TRIPURA	2,224
(2X500 - 600MW) MALWA TPS OF M.P. POWER GENERATING COMPANY LTD. IN M.P.	1,918
3600 MW TPS OF KSK MAHANIDHI IN CHATTISGARH	1,894
(4X40MW+1X8MW) SHAHPURKANDI HEP OF PUNJAB STATE ELECTRICITY BOARD IN PUNJAB	1,863
5X270 MW NASIK TPP OF INDIABULLS REALTECH LIMITED IN MAHARASHTRA	1,800

# Key Performance Targets for FY 2010-11

<b>PARAMETERS</b>	<b>Amount (Rs. in crores)</b>
<b>Sanctions</b>	<b>69,000</b>
Other than R-APDRP	60,000
R-APDRP	9,000
<b>Disbursements</b>	<b>29,500</b>
Other than R-APDRP	27,000
R-APDRP	2,500
<b>Resource mobilisation</b>	<b>27,700</b>

# Shareholding Pattern



Category	Holding (%)	
	As on 31.03.2010	As on 31.03.2009
President of India	89.78%	89.78%
Indian FIs & Banks	2.10%	1.92%
Bodies Corporate	1.60%	0.90%
FIs	3.85%	4.01%
Resident Individuals	1.44%	1.83%
Mutual Funds	1.05%	1.29%
Employees	0.08%	0.11%
Others	0.09%	0.17%
<b>Total</b>	<b>100%</b>	<b>100%</b>

S. No.	Top 10 Shareholders (as on 31.03.2010)	Holding (%)	Category
1	President of India	89.78%	POI
2	HDFC Standard Life Insurance Company Limited	0.63%	LTD
3	Life Insurance Corporation Of India	0.62%	IFI
4	LIC of India - Market Plus	0.51%	IFI
5	LIC of India Market Plus - 1	0.46%	IFI
6	JF India Fund	0.37%	FII
7	ICICI Prudential Life Insurance Company Ltd	0.34%	LTD
8	India Capital Fund Limited	0.26%	FII
9	India Capital Opportunities 1 Limited	0.26%	FII
10	LIC of India Money Plus	0.21%	IFI



*Thank You!*