



We Create Possibility of a Better Tomorrow....

January 2011

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Power Finance Corporation Limited

A Navratna PSU

Performance Highlights

**3rd Quarter & 9 months
ended on**

31st December 2010

(Standalone, Audited)

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Highlights – 9M FY11 vs 9M FY10



- **Net Profit increased by 15 % from ₹ 1,756 crore to ₹ 2,012 crore**
- **Comparable PAT increased by 23 % from ₹ 1,575 crore to ₹ 1,933 crore**
- **Interest Spread increased by 11 bps from 2.65 % to 2.76 %**
- **Total Income increased by 26 % from ₹ 5,969 crore to ₹ 7,537 crore**
- **Net Interest Income increased by 24 % from ₹ 2,166 crore to ₹ 2,680 crore**

Highlights – 9M FY11 vs 9M FY10



- **Net NPA reduced to Nil from 0.01% of Net Loan Assets**
- **Disbursements increased by 45 % from ₹ 15,355 crore to ₹ 22,270 crore**
- **Sanctions increased by 57 % from ₹ 38,976 crore to ₹ 61,077 crore**
- **Loan Assets increased by 27 % from ₹ 72,441 crore to ₹ 92,118 crore**
- **Net worth increased by 15 % from ₹ 12,453 crore to ₹ 14,322 crore**

Comparable Profit



(Y/E – March, ₹ Crores)

Comparable Profit	Q3 FY11	Q3 FY10	% change	9M FY 11	9M FY 10	% change	FY 10
Reported PAT	659	564	17 %	2,012	1,756	15 %	2,357
Adjustments (post-tax):							
Prior period Income Tax incl. interest thereon	(2)	(1)		(26)	(104)		(176)
Nodal Agency Fees and reimbursement of expenditure- R-APDRP	(15)	(5)		(80)	(19)		13
Translation / Actual Exchange Gain(-) / Loss(+)	18	(21)		27	(58)		(79)
Comparable PAT	660	537	23 %	1,933	1,575	23 %	2,115

Profit & Loss Account



(Y/E – March, ₹ Crores)

Income Statement#	Q3 FY11	Q3 FY10	9M FY11	9M FY10	FY10
Interest Income	2,508	1,985	7,267	5,777	7,845
Interest Expense	(1,582)	(1,238)	(4,587)	(3,611)	(4,937)
Net Interest Income	926	746	2,680	2,166	2,908
Other Income*	31	13	134	99	91
Operating Costs	(29)	(25)	(68)	(67)	(110)
Provisions	(6)	1	(6)	1	2
Profit Before Tax & Extra-ordinary Items	922	734	2,740	2,198	2,891
Extra-ordinary Items^	(21)	29	(16)	79	122
Tax Provisions	(204)	(201)	(678)	(525)	(665)
Provision for DTL	(38)	2	(34)	4	9
Profit after Tax	659	564	2,012	1,756	2,357

* 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, restructuring / prepayment premium etc.

#All items of Income Statement have been regrouped for analysis

Return on Average Assets



Dupont Analysis	Q3 FY11	Q3 FY10	9M FY11	9M FY10	FY10
Net Interest Income	0.97%	0.99%	2.94%	2.98%	3.80%
Other Income	0.03%	0.02%	0.15%	0.14%	0.12%
Operating Expenses	-0.03%	-0.03%	-0.07%	-0.09%	-0.14%
Operating Profit	0.97%	0.97%	3.01%	3.03%	3.78%
Provisions	-0.01%	0.001%	-0.01%	0.001%	0.003%
Profit Before Tax & Extra-ordinary items	0.97%	0.97%	3.01%	3.03%	3.78%
Extra-ordinary items	-0.02%	0.04%	-0.02%	0.11%	0.16%
Tax Provision	-0.21%	-0.27%	-0.74%	-0.72%	-0.87%
Provision for DTL(-) /DTA(+)	-0.04%	0.003%	-0.04%	0.01%	0.01%
Profit after Tax (ROA)	0.69%	0.75%	2.21%	2.42%	3.08%
Operating Profit (Annualised)	3.89%	3.88%	4.02%	4.04%	3.78%
Profit after Tax (ROA) (Annualised)	2.76%	2.98%	2.94%	3.23%	3.08%

Balance Sheet



(Y/E – March, ₹ Crores)

Liabilities	31.12.2010	31.12.2009	31.03.2010
Shareholders' Funds	15,274	13,264	13,261
Reserve for bad & doubtful debts (included in Shareholder's Funds)	951	811	842
Borrowings	76,447	58,514	67,108
Deferred Tax Liability	81	51	47
Interest Subsidy Fund	571	771	663
Current Liabilities & Provisions	5,108	4,328	3,669
Advances received from Subsidiaries (Included in Current Liabilities)	241	188	187
Total Liabilities	97,480	76,928	84,749
Assets	31.12.2010	31.12.2009	31.03.2010
Loan Assets	92,118	72,441	79,856
Investments	41	30	31
Fixed Assets	78	74	75
Current Assets	5,243	4,383	4,787
Advances to Subsidiaries (Included in Current Assets)	125	47	65
Total Assets	97,480	76,928	84,749

* Current liabilities and provisions includes R-APDRP fund from Gol

Increase in Loan Assets by ~ 27 %

Key Indicators



Key Indicators	Q3 FY11	Q3 FY10	9M FY11	9M FY10	FY10
Disbursements (₹ Crores)	7,802	6,493	22,270	15,355	25,808
Sanctions (₹ Crores)	17,800	4,247	61,077	38,976	65,466
Net outstanding Sanctions (₹ Crores)	170,821	125,207	170,821	125,207	141,813
Loan Assets (₹ Crores)	92,118	72,441	92,118	72,441	79,856
Yield on Assets*	11.08%	11.08%	11.18%	11.19%	10.73%
Cost of Funds*	8.35%	8.57%	8.42%	8.54%	8.14%
Interest Spread*	2.73%	2.51%	2.76%	2.65%	2.59%
Net Interest Margin*	4.09%	4.17%	4.12%	4.20%	3.98%
Return on Average Networth*	18.81%	18.51%	20.06%	20.15%	20.31%
Return on Average Networth* (before exchange gain/loss)	19.32%	17.86%	20.38%	19.39%	19.55%
Debt Equity Ratio	5.41	4.74	5.43	4.85	5.22
Leverage (Average assets / Average net worth)	6.81	6.21	6.81	6.24	6.59
Capital Adequacy Ratio	17.31%	17.63%	17.31%	17.63%	18.20%
EPS (Weighted average)* (₹)	22.96	19.65	23.37	20.41	20.54
EPS (Weighted average)* (₹) (before exchange gain/loss)	23.60	18.91	23.69	19.73	19.85
Book Value Per Share (₹)	124.78	108.50	124.78	108.50	108.20
Book Value Per Share (₹) (before exchange gain/loss)	124.94	108.31	125.02	107.99	107.51

* Quarterly and 9 monthly Ratios have been Annualised

Disbursements – Composition



(Y/E – March, ₹ Crores)

Disbursements	Q3 FY11		Q3 FY10		9M FY11		9M FY10		FY10	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Discipline-wise										
Generation	5,573	71%	4,811	74%	14,419	65%	11,729	76%	19,682	76%
Transmission	925	12%	202	3%	1,966	9%	678	5%	1,056	4%
Distribution	391	5%	72	1%	1,051	5%	368	2%	630	2%
R-APDRP (Part A)	28	0.4%	370	6%	46	0.2%	744	5%	1,125	4%
R-APDRP (Part B)	133	2%	-	-	953	4%	-	-	196	1%
Others*	751	10%	1,038	16%	3,835	17%	1,836	12%	3,119	12%
Total	7,802	100%	6,493	100%	22,270	100%	15,355	100%	25,808	100%
Borrower-wise										
State Sector	5,431	70%	3,728	57%	14,649	66%	9,090	59%	15,953	62%
Central Sector	1,265	16%	1,865	29%	3,418	15%	3,930	26%	6,351	25%
Joint Sector	383	5%	615	10%	1,085	5%	1,639	11%	2,449	9%
Private sector	722	9%	285	4%	3,117	14%	696	4%	1,055	4%

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

Cumulative Disbursements till 31 Dec'10 ₹ 161,197 Crores

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Sanctions – Composition



(Y/E – March, ₹ Crores)

Sanctions	Q3 FY11		Q3 FY10		9M FY11		9M FY10		FY10	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Discipline-wise										
Generation	12,500	70%	1,777	42%	40,769	67%	28,053	72%	43,629	67%
Transmission	300	2%	643	15%	3,710	6%	5,650	15%	11,620	18%
Distribution	12	0.1%	240	6%	157	0.3%	276	1%	295	0.5%
R-APDRP (Part A)	343	2%	676	16%	552	1%	2,913	7%	3,179	5%
R-APDRP (Part B)	3,995	22%	-	-	11,795	19%	-	-	3,059	5%
Others*	650	4%	911	21%	4,095	7%	2,084	5%	3,684	6%
Total	17,800	100%	4,247	100%	61,077	100%	38,976	100%	65,466	100%
Borrower-wise										
State Sector	13,500	76%	2,277	54%	43,598	71%	15,716	40%	38,970	60%
Central Sector	-	-	-	-	2,500	4%	3,747	10%	2,248	3%
Joint Sector	-	-	-	-	-	-	8,462	22%	8,462	13%
Private sector	4,300	24%	1,970	46%	14,979	25%	11,051	28%	15,786	24%

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

Cumulative Sanctions till 31 Dec'10 ₹ 332,018 Crores

Loan Assets – Composition



(Y/E – March, ₹ Crores)

Loan Assets*	31.12.2010		31.12.2009		31.03.2010	
	Amount	%	Amount	%	Amount	%
Discipline-wise						
Generation	77,833	85%	60,488	84%	67,013	84%
Transmission	7,139	8%	6,154	9%	6,284	8%
Distribution	4,072	4%	3,239	4%	3,402	4%
Others**	2,996	3%	2,451	3%	3,163	4%
Total	92,041	100%	72,332	100%	79,861	100%
Borrower-wise						
State Sector	60,107	65%	49,561	68%	54,142	68%
Central Sector	17,939	19%	12,761	18%	15,015	19%
Joint Sector	7,412	8%	5,823	8%	6,525	8%
Private Sector	6,582	7%	4,187	6%	4,179	5%

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

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

Outstanding Sanctions as on 31.12.2010



(Y/E – March, ₹ Crores)

	O_S Sanctions where			Total Outstanding Sanctions
	doc. executed & disb. commenced	doc. executed but disb. not commenced	doc. not executed	
<u>Discipline-wise</u>				
Generation	52,965	16,263	57,265	126,492
Transmission	10,996	3,792	4,491	19,279
Distribution	4,382	383	752	5,517
R-APDRP (Part A)	3,594	-	559	4,153
R-APDRP (Part B)	4,268	1,597	7,839	13,705
Others*	481	416	778	1,674
Total	76,686	22,451	71,684	170,821
<u>Borrower-wise</u>				
State Sector	52,622	15,087	40,765	108,474
Central Sector	11,292	2	2,500	13,794
Joint Sector	2,014	400	7,046	9,460
Private sector	10,757	6,962	21,373	39,092

Loan Quality



(Y/E – March, ₹ Crores)

Particulars	31.12.2010	31.12.2009	31.03.2010	31.03.2009
Gross NPAs	13	13	13	13
Less: Provisions & write-offs	(13)	(7)	(7)	(7)
Net NPAs	0	6	6	6
<i>As a % of Loan Assets:</i>				
<i>Gross NPAs</i>	<i>0.01%</i>	<i>0.02%</i>	<i>0.02%</i>	<i>0.02%</i>
<i>Net NPAs</i>	<i>-</i>	<i>0.01%</i>	<i>0.01%</i>	<i>0.01%</i>

Borrowing Profile



(Y/E – March, ₹ Crores)

Borrowings	31.12.2010		31.12.2009		31.03.2010	
	Amount	%	Amount	%	Amount	%
Bonds	56,269	74%	42,724	73%	46,622	69%
Domestic	55,454		41,876		45,801	
Foreign	815		848		820	
Term Loans	19,206	25%	14,773	25%	18,161	27%
Short Term Loans	971	1%	1,017	2%	2,325	3%
Borrowings O/s	76,446	100%	58,514	100%	67,108	100%
<i>Of which:</i>						
<i>Rupee Denominated</i>	72,633	95%	57,061	98%	64,350	96%
<i>Foreign Currency Loans</i>	3,813	5%	1,453	2%	2,759	4%

Resource Profile



(Y/E – March, ₹ Crores)

Resources	31.12.2010		31.12.2009		31.03.2010	
	Amount	%	Amount	%	Amount	%
Shareholders' Funds	15,274	17%	13,264	18%	13,261	16%
Reserve for bad & doubtful debts (included in Shareholder's Funds)	951		811		842	
Deferred Tax Liability	81	0.1%	51	0.1%	47	0.1%
Interest Subsidy Fund	571	1%	771	1%	663	1%
Bonds (Domestic)	55,454	60%	41,876	58%	45,801	56%
Rupee Term Loans	16,208	18%	14,168	20%	16,223	20%
Short Term Loans	971	1%	1,017	1%	2,325	3%
Foreign Currency Loans	3,813	4%	1,453	2%	2,759	3%
Total	92,372	100%	72,600	100%	81,080	100%

Major Projects Sanctioned in 9M FY 2011

PROPOSAL DISCRIPTION	Sanctions (₹ in crores)
2X800 MW Coal Based TPP of APGENCO at Vodarevu in AP	6,806
2X660 Mw IB Thermal Power Station Being Setup by OPGCL in Orissa	5,625
700 MW Coal Based TPS Unit 3 At Bellary of KPCL in Karnataka	3,081
1220 MW Combined Cycle Power Plant by MSBGCL in Uran, Maharashtra	2,575
1X600 MW Ennore Annexe TPS of TNEB in Tamilnadu	2,509
800 KV, 6000 MW Multi Terminal System Package of Power Grid Corporation of India Ltd in UP	2,500
1750 MW Demwe Lower HE Project of Athena Demwe power Ltd. in AP	2,300
3960 MW Coal Based UMPP of Coastal Andhra Power Limited at Krishnapatnam in AP	2,000
2X500 MW TPS Unit-I & II of Chhatisgarh State Electricity Board at Marwa in Chhattisgarh	1,930
1320 MW Coal Based TPP by NCC Power in Srikakulam, AP	1,650

Shareholding Pattern



Category	Holding (%)			
	As on 31.12.2010	As on 31.12.2009	As on 31.03.2010	As on 31.03.2009
President of India	89.78%	89.78%	89.78%	89.78%
FIs	3.51%	3.81%	3.85%	4.01%
Indian FIs & Banks	2.21%	2.07%	2.10%	1.92%
Bodies Corporate	2.08%	1.41%	1.60%	0.90%
Resident Individuals	1.34%	1.49%	1.44%	1.83%
Mutual Funds	0.88%	1.23%	1.05%	1.29%
Employees	0.08%	0.09%	0.08%	0.11%
Others	0.13%	0.11%	0.09%	0.17%
Total	100%	100%	100%	100%

S. No.	Top 10 Shareholders (as on 31.12.2010)	Holding (%)	Category
1	PRESIDENT OF INDIA	89.78%	POI
2	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	0.98%	LTD
3	LIFE INSURANCE CORPORATION OF INDIA	0.77%	IFI
4	LIC OF INDIA - MARKET PLUS	0.48%	IFI
5	LIC OF INDIA MARKET PLUS - 1	0.46%	IFI
6	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	0.27%	LTD
7	INDIA CAPITAL OPPORTUNITIES 1 LIMITED	0.26%	FII
8	RELIANCE LIFE INSURANCE COMPANY LIMITED	0.26%	LTD
9	INDIA CAPITAL FUND LIMITED	0.22%	FII
10	SBI LIFE INSURANCE CO. LTD	0.21%	LTD



Thank You!