



We Create Possibility of a Better Tomorrow....

May 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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27	28	29	30	31		

Power Finance Corporation Limited

A Navratna PSU

Performance Highlights

Quarter & Year Ended

31st March, 2012

(Standalone, Audited)

PFC Overview

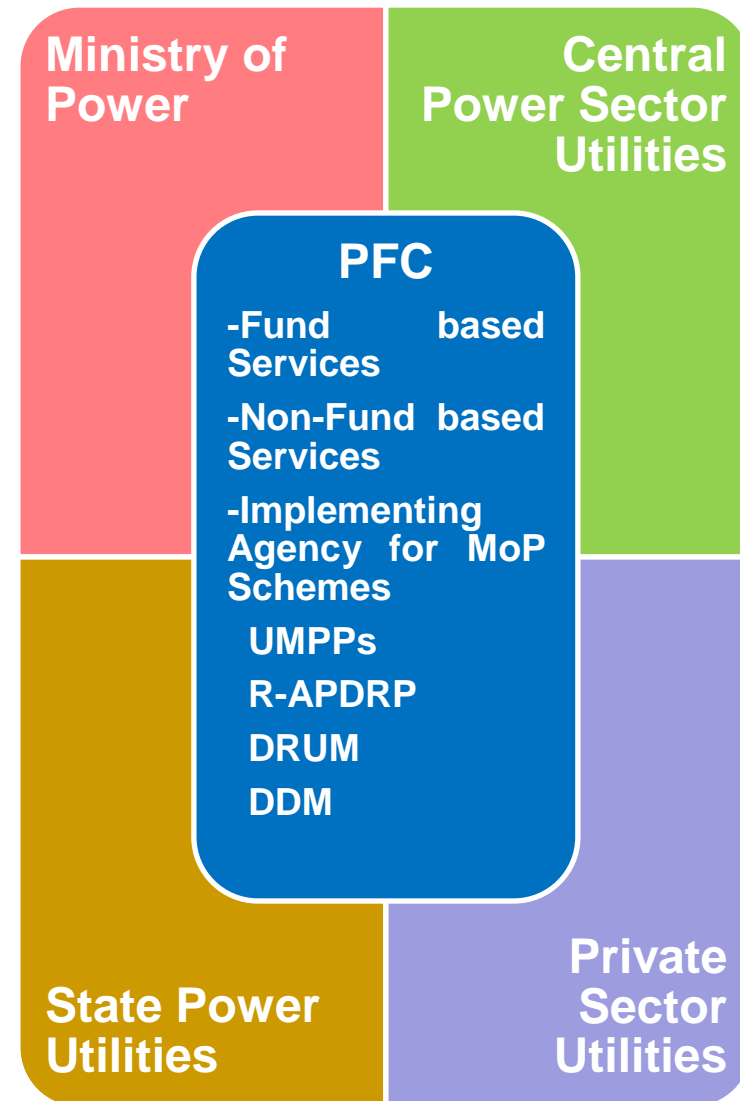
Focus & Strategy

Operational Performance

Shareholding Pattern

PFC Overview

- Declared a Public Financial Institution under Sec 4A of The Companies Act, 1956; Registered as NBFC with RBI
 - RBI accorded 'Infrastructure Finance Company (IFC)' Status to PFC
- 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 "AAA" 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

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

2010

- ENICL ITP transferred to Sterlite Technologies
- Received Dalal Street's "First DSIJ Award 2009" for "PSU having highest Profit per Employee"
- RBI accorded IFC status to PFC on 28.07.2010
- PFC awarded by 'Asia Pacific HRM Congress' for Leading HR Practices in "Learning & Human Capital MoU Signed between PFC & NPCIL"
- PFC received MOU Excellence Award for the year 2008-09

2012

- PFC received MOU Excellence Award for the year 2009-10
- Tax Free bonds – ₹ 4,033 cr (Public issue)
- NMTCL, ITP transferred to PGCIL
- Received SCOPE Gold Trophy for Best Managed Bank, Financial Institution or Insurance Company for the year 2010-11'

2008

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
- PFC certified ISO 9001:2008 in December

2009

2010

2011

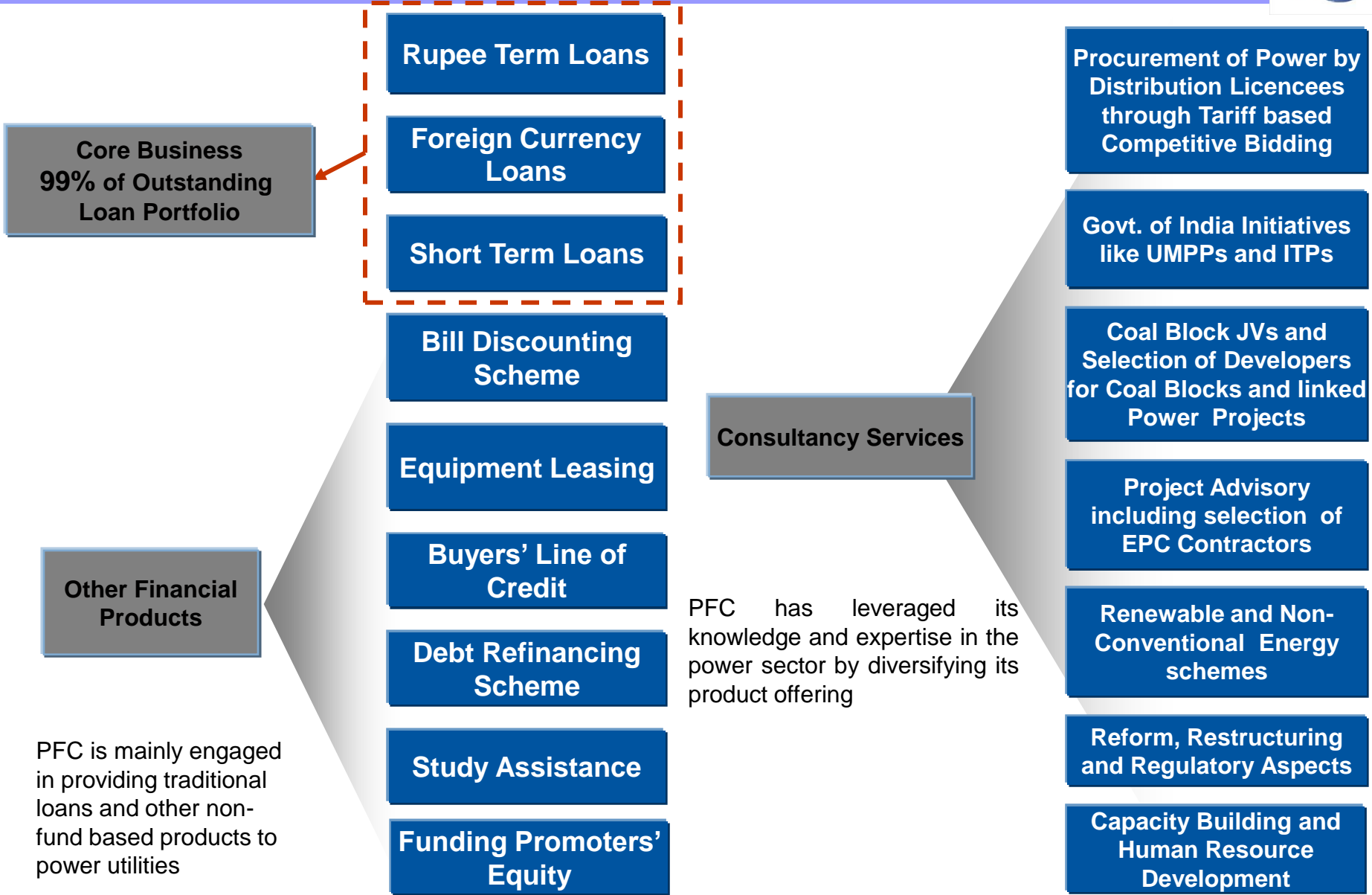
2011

- Successful FPO of ₹ 3433 cr
- Loan assets crossed ₹ 1,00,000 cr
- Incorporated PFC Green Energy & PFC Capital Advisory Services Ltd.
- BDTCL ITP transferred to Sterlite Transmission Projects Pvt. Ltd
- JTCL ITP transferred to Sterlite Transmission Projects Pvt. Ltd
- Received "Gentle Giants, The Largest Navratna (Non-Manufacturing)"

2012

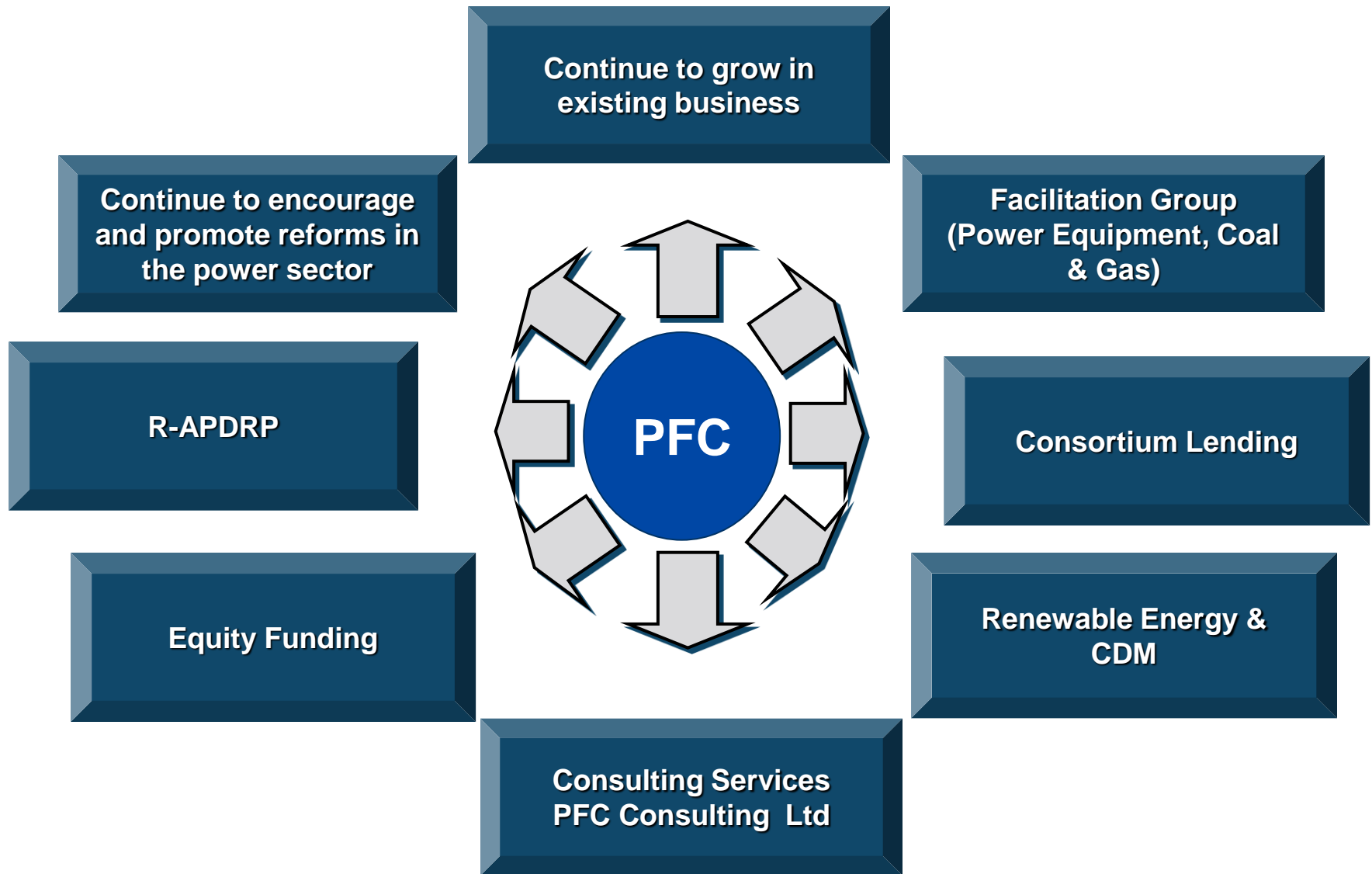


Exclusive Focus on Financing the Power Sector



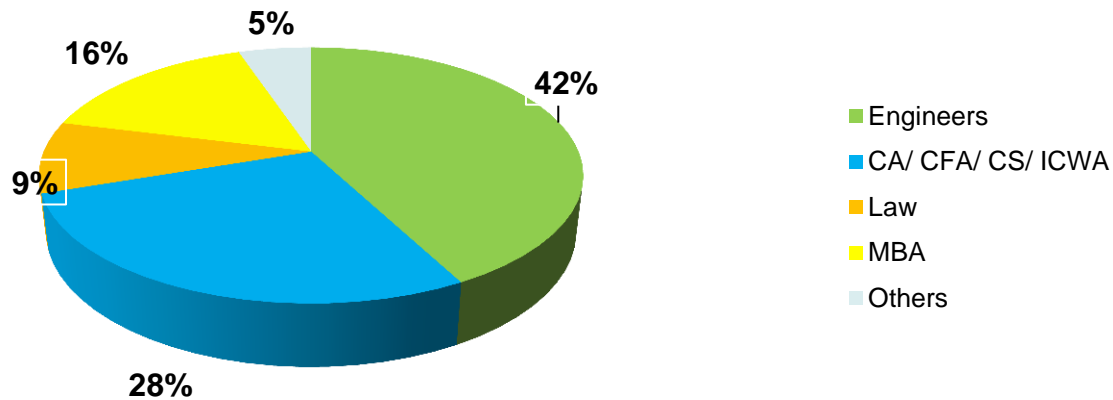
PFC is mainly engaged in providing traditional loans and other non-fund based products to power utilities

Business Strategy



Competent and Committed Workforce

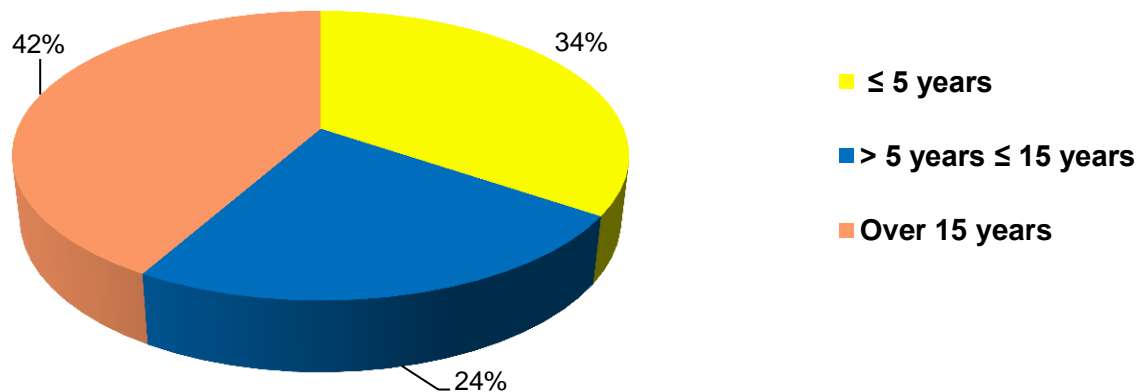
Academic background of Executives (232 Employees)



(as on 31.03.2012)
Workforce: 342
 Executives: 232
 Non-Executives: 110

(FY 2011-12)
Disbursement per Employee
 ₹ 121 crores

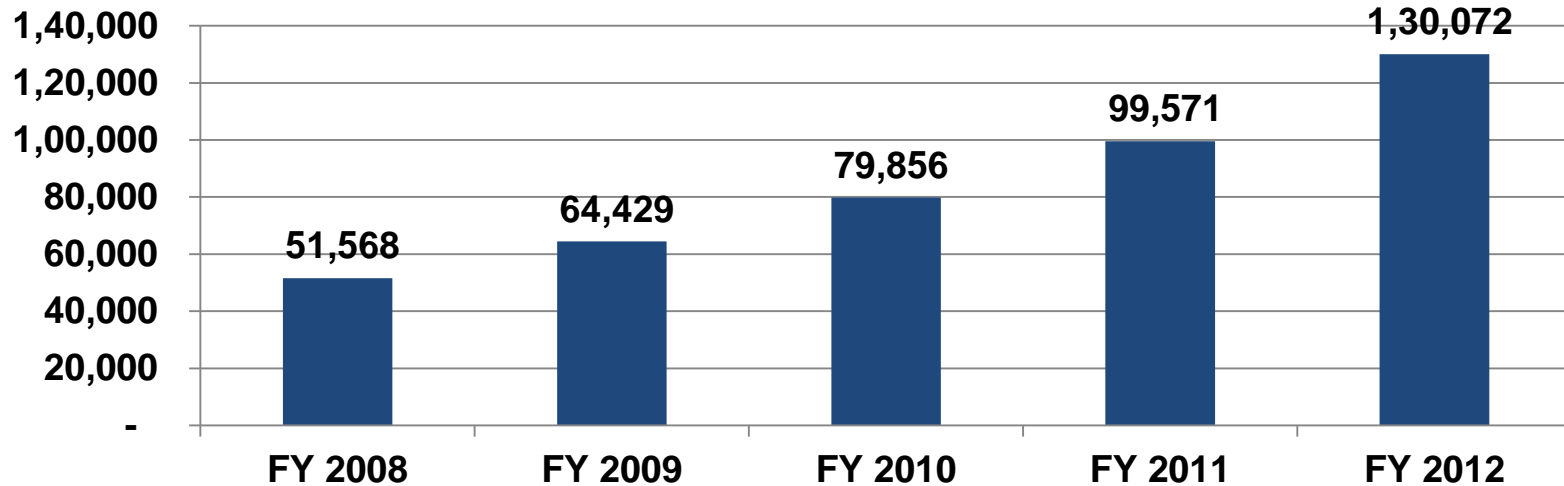
Experience Profile of Executives (232)



(FY 2011-12)
PAT per Employee
 ₹ 8.86 crores

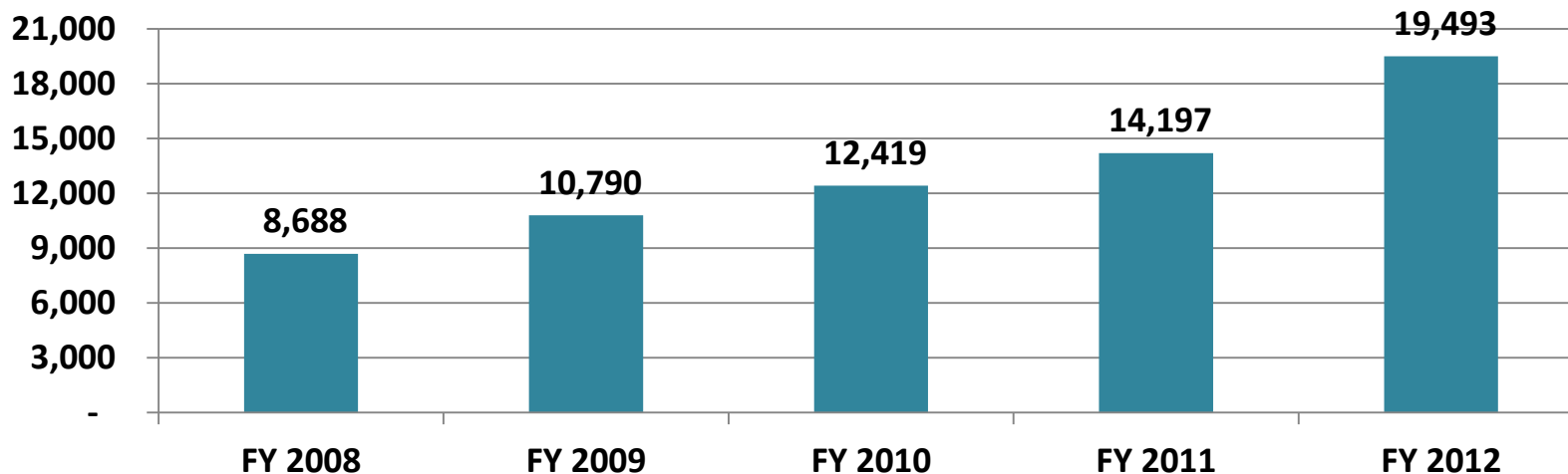
Performance at a Glance

Loan Assets (₹ in crores)



5 Yr
CAGR
24 %

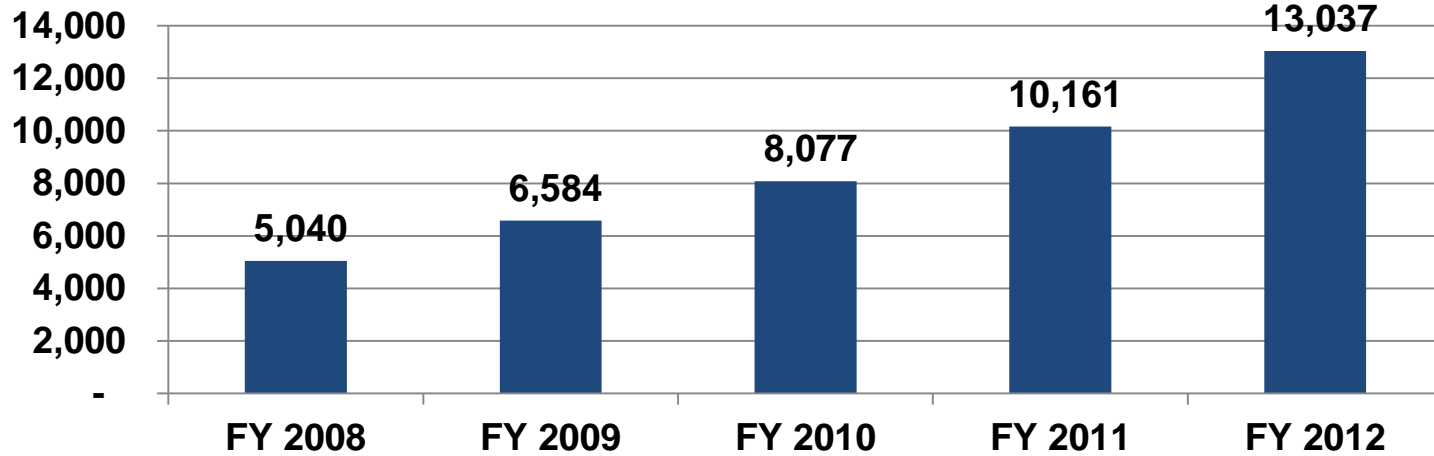
Networth (₹ in crores)



5 Yr
CAGR
19 %

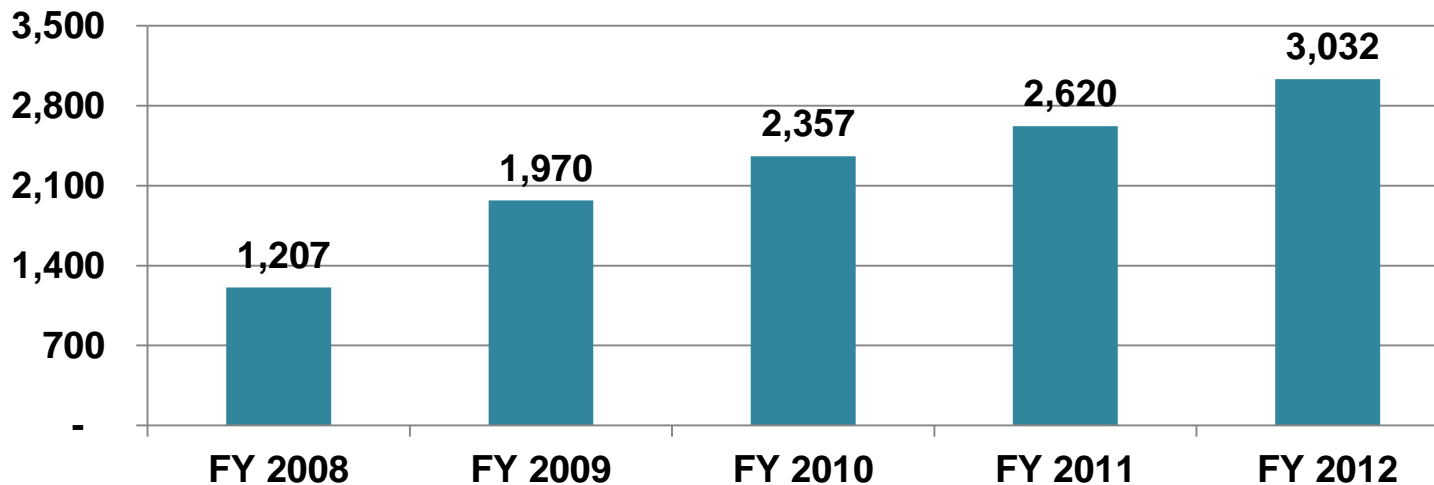
Performance at a Glance

Total income (₹ in crores)



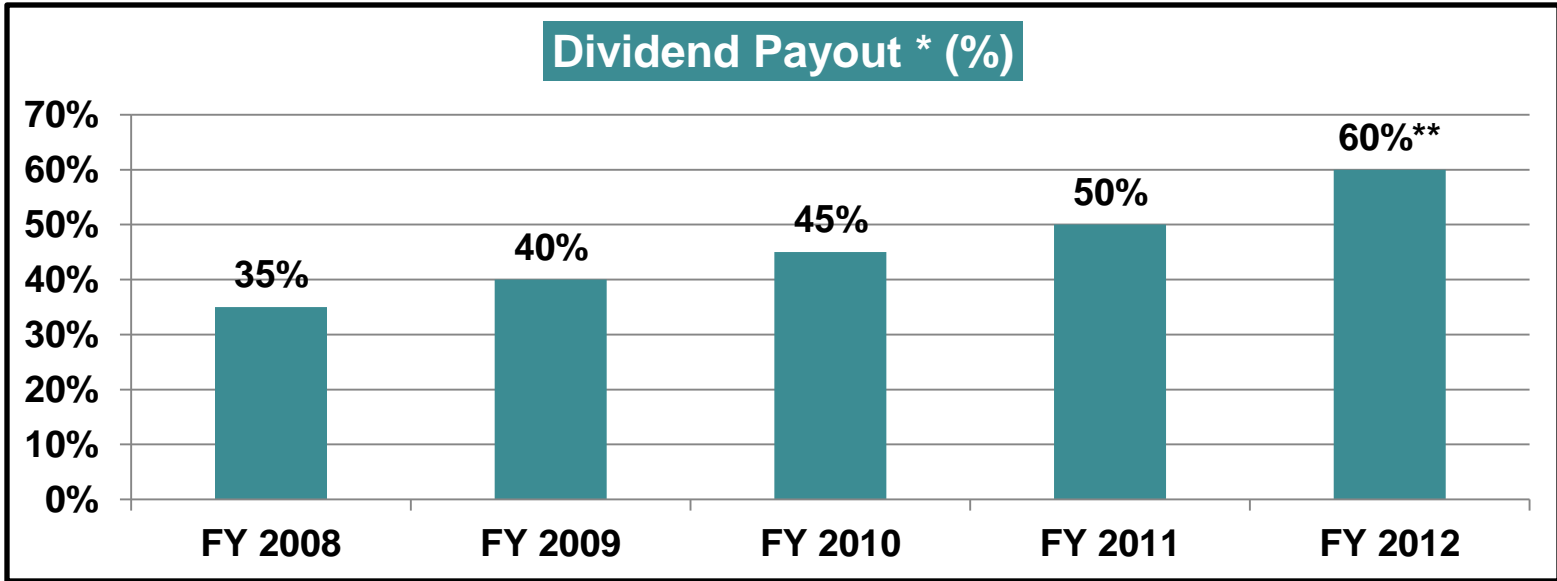
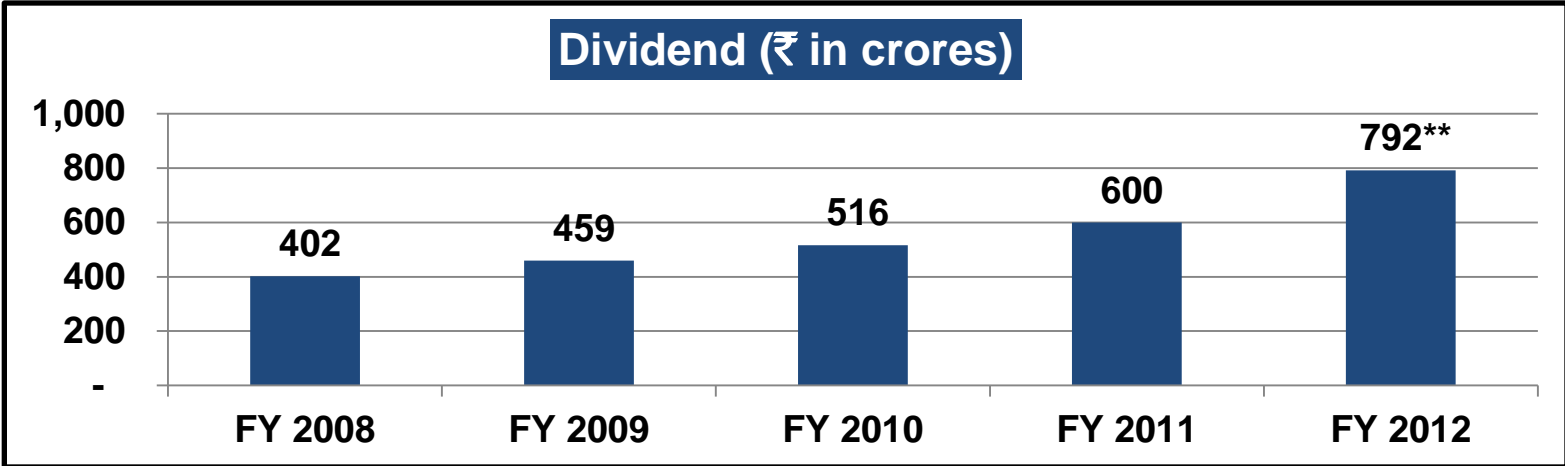
5 Yr
CAGR
27 %

PAT (₹ in crores)



5 Yr
CAGR
25 %

Performance at a Glance



Healthy & Consistent Dividend Track record

* Dividend payout as a % of paid-up capital;

** Consists payout of interim dividend of 50% & proposed final dividend of 10%

Highlights – FY 12 vs. FY 11



- **Net Profit increased by 16 % from ₹ 2,620 crore to ₹ 3,032 crore**
- **Comparable PAT increased by 23% from ₹ 2,522 crore to ₹ 3,095 crore**
- **Total Income increased by 28% from ₹ 10,161 crore to ₹ 13,037 crore**
- **Net Interest Income increased by 25% from ₹ 3,523 crore to ₹ 4,395 crore**

Highlights – FY 12 vs. FY 11 (contd.)



- **Disbursements increased by 21% from ₹ 34,121 crore to ₹ 41,418 crore**
- **Loan Assets increased by 31% from ₹ 99,571 crore to ₹ 1,30,072 crore**
- **Networth increased by 37% from ₹ 14,197 crore to ₹ 19,493 crore**

Comparable Profit



(Y/E – March, ₹ Crores)

Comparable Profit	Q4 FY12	Q4 FY11	% change	FY 12	FY 11	% change
Reported PAT	818	608	35%	3032	2620	16%
Adjustments (post-tax):						
Prior period Income Tax incl. interest thereon	0.50	(2)		(15)	(28)	
Nodal Agency Fees and reimbursement of expenditure- R-APDRP	(5)	(3)		(35)	(83)	
Translation / Actual Exchange Gain(-) / Loss(+)	(14)	(13)		114	14	
Comparable PAT	800	589	36%	3,095	2,522	23%

Profit & Loss Account



(Y/E – March, ₹ Crores)

Income Statement#	Q4 FY12	Q4 FY11	FY12	FY11
Interest Income	3,589	2,568	12,724	9,835
Interest Expense	(2,360)	(1,725)	(8,329)	(6,312)
Net Interest Income	1,229	844	4,395	3,523
Other Income*	53	8	120	142
Operating Costs	(41)	(30)	(129)	(98)
Provisions	(96)	(26)	(143)	(32)
Profit Before Tax & Extra-ordinary Items	1,144	796	4,242	3,536
Extra-ordinary Items^	20	25	(138)	8
Tax Provisions	(324)	(211)	(1,068)	(889)
DTL(-) / DTA(+)	(22)	(2)	(4)	(36)
Profit after Tax	818	608	3,032	2,620

* Other Income includes UMPP fee income, lease income and other income given in P&L account

^ Extraordinary Items includes translation/actual exchange gain/loss, prior period adjustments, restructuring / prepayment premium etc. Exchange gain/ loss of Q4 FY 2012 & FY2012, are as per para 46A of Accounting Standard (AS) 11.

#All items of Income Statement have been regrouped for analysis

Return on Average Assets



Dupont Analysis	Q4 FY12	Q4 FY11	FY12	FY11
Net Interest Income	0.94%	0.83%	3.66%	3.75%
Other Income	0.04%	0.01%	0.10%	0.15%
Operating Expenses	-0.03%	-0.03%	-0.11%	-0.10%
Operating Profit	0.95%	0.81%	3.65%	3.79%
Provisions	-0.07%	-0.03%	-0.12%	-0.03%
Profit Before Tax & Extra-ordinary items	0.88%	0.79%	3.53%	3.76%
Extra-ordinary items	0.02%	0.02%	-0.11%	0.01%
Tax Provision	-0.25%	-0.21%	-0.89%	-0.94%
Provision for DTL(-) /DTA(+)	-0.02%	0.00%	0.00%	-0.04%
Profit after Tax (ROA)	0.63%	0.60%	2.52%	2.79%
Operating Profit (Annualised)	3.81%	3.25%	3.65%	3.79%
Profit after Tax (ROA) (Annualised)	2.51%	2.40%	2.52%	2.79%

Balance Sheet



(Y/E – March, ₹ Crores)

Liabilities #	31.03.2012	31.03.2011
Shareholders' Funds	20,708	15,182
Non-Current Liabilities		
Borrowing	95,867	69,984
Deferred Tax Liabilities (net)	87	83
Other Liabilities	551	678
Provisions	29	25
Current Liabilities		
Current Maturity of Long-term Borrowing	10,188	9,324
Short- Term Borrowing	4,071	6,291
Other Liabilities	3,800	2,783
Provisions	275	284
Total Liabilities	1,35,575	1,04,634

As per revised schedule 6

Balance Sheet



Assets #	(Y/E – March, ₹ Crores)	
	31.03.2012	31.03.2011
Non-Current Assets		
Fixed Assets	76	77
Non-Current Investments	55	50
Loans	1,12,017	87,424
Other Assets	101	157
Foreign Currency Monetary Item Translation Difference A/c	515	-
Current Assets		
Current Investments	4	4
Cash & Bank Balances	1,988	2,350
Current Maturity Long-Term Loans	11,877	10,041
Short- Term Loans	6,178	2,106
Other Assets	2,763	2,426
Total Assets	1,35,575	1,04,634

As per revised schedule 6

* As per paragraph 46A of AS 11

Key Indicators



Key Indicators	Q4 FY12	Q4 FY11	FY12	FY11
Sanctions (₹ Crores)	19,497	15,767	64,752	75,197
Net outstanding sanctions (₹ Crores)	1,83,616	1,71,377	1,83,616	1,71,377
Disbursements (₹ Crores)	15,942	11,852	41,418	34,121
Loan Assets (₹ Crores)	1,30,072	99,571	1,30,072	99,571
Yield on Assets* #	11.32%	10.81%	11.25%	11.02%
Cost of Funds* #	8.99%	8.71%	9.00%	8.53%
Interest Spread* #	2.33%	2.10%	2.25%	2.49%
Net Interest Margin* #	3.88%	3.55%	3.89%	3.95%
Return on Average Networth*	16.71%	17.04%	18.00%	19.68%
Return on Average Networth* (before exchange gain/loss)	16.37%	16.66%	18.60%	19.84%
Debt Equity Ratio	5.39	5.73	5.85	5.80
Leverage (Average assets / Average net worth)	6.65	7.09	7.13	7.07
Capital Adequacy Ratio	16.29%	15.71%	16.29%	15.71%
EPS (Weighted average)* (₹)	24.80	21.17	23.41	22.82
EPS (Weighted average)* (₹) (before exchange gain/loss)	24.37	20.71	24.29	22.95
Book Value Per Share (₹)	147.68	123.70	147.68	123.70
Book Value Per Share (₹) (before exchange gain/loss)	147.58	123.58	148.54	123.82

* Quarterly Ratios have been Annualised . # Based on daily average

Sanctions – Composition



(Y/E – March, ₹ Crores)

Sanctions	Q4 FY12		Q4 FY11		FY12		FY11	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%
Generation	14,049	72%	12,736	81%	42,298	65%	51,855	69%
Transmission	948	5%	713	5%	2,678	4%	4,172	6%
Distribution	607	3%	60	0%	2,664	4%	216	0%
R-APDRP (Part A)	58	0%	198	1%	794	1%	750	1%
R-APDRP (Part B)	1,118	6%	1,120	7%	8,802	14%	12,915	17%
Others*	2,717	14%	940	6%	7,517	12%	5,289	7%
Total	19,497	100%	15,767	100%	64,752	100%	75,197	100%
<u>Borrower-wise</u>								
State Sector	12,111	62%	12,409	79%	47,985	74%	56,010	74%
Central Sector	300	2%	0	0%	811	1%	2,500	3%
Joint Sector	230	1%	0	0%	1,061	2%	0	0%
Private sector	6,857	35%	3,358	21%	14,894	23%	16,687	22%

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

Cumulative Sanctions till 31 Mar '12 ₹ 3,98,083 Crores

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Disbursements – Composition



(Y/E – March, ₹ Crores)

Disbursements	Q4 FY12		Q4 FY11		FY12		FY11	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%
Generation	9,620	60%	7,971	67%	27,749	67%	22,389	66%
Transmission	1,221	8%	899	8%	3,271	8%	2,615	8%
Distribution	583	4%	774	7%	1,667	4%	1,825	5%
R-APDRP (Part A)	207	1%	171	1%	395	1%	217	1%
R-APDRP (Part B)	43	0%	1,086	9%	1,205	3%	2,040	6%
Others*	4,268	27%	951	8%	7,132	17%	5,035	15%
Total	15,942	100%	11,852	100%	41,418	100%	34,121	100%
<u>Borrower-wise</u>								
State Sector	9,662	61%	8,008	68%	26,201	63%	22,656	66%
Central Sector	2,639	17%	2,526	21%	5,393	13%	5,944	17%
Joint Sector	404	3%	689	6%	1,619	4%	1,775	5%
Private sector	3,237	20%	629	5%	8,205	20%	3,746	11%

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

Cumulative Disbursements till 31 Mar'12 ₹ 2,14,468 Crores

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Outstanding Sanctions as on 31.03.2012



(Y/E – March, ₹ Crores)

	doc. executed & disb. commenced	O/S Sanctions where doc. executed but disb. not commenced	doc. not executed	Total Outstanding Sanctions
<u>Discipline-wise</u>				
Generation	54,547	31,863	47,271	1,33,681
Transmission	12,043	1,908	3,238	17,189
Distribution	4,480	328	149	4,957
R-APDRP (Part A)	4,095	90	393	4,578
R-APDRP (Part B)	7,894	1,467	11,974	21,335
Others*	925	581	369	1,875
Total	83,985	36,237	63,394	1,83,616
<u>Borrower-wise</u>				
State Sector	60,415	22,630	46,652	1,29,696
Central Sector	3,723	181	2,632	6,537
Joint Sector	6,266	400	0	6,666
Private sector	13,580	13,026	14,109	40,716

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

Loan Assets – Composition



(Y/E – March, ₹ Crores)

Loan Assets*	31.03.2012		31.03.2011	
	Amount	%	Amount	%
Generation	1,07,426	83%	84,294	85%
Transmission	9,922	8%	7,596	8%
Distribution	5,667	4%	4,701	5%
Others**	7,195	6%	3,010	3%
Total	1,30,209	100%	99,601	100%
Borrower-wise				
State Sector	81,480	63%	64,509	65%
Central Sector	24,691	19%	20,300	20%
Joint Sector	9,302	7%	7,991	8%
Private Sector	14,737	11%	6,801	7%

* 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, ₹ Crores)

Particulars	31.03.2012	31.03.2011
Gross NPAs	1,358	231
Less: Provisions & write-offs	(144)	(36)
Net NPAs	1,215	195
<i>As a % of Loan Assets:</i>		
<i>Gross NPAs</i>	<i>1.04%</i>	<i>0.23%</i>
<i>Net NPAs</i>	<i>0.93%</i>	<i>0.20%</i>

Borrowing Profile



(Y/E – March, ₹ Crores)

Borrowings	31.03.2012		31.03.2011	
	Amount	%	Amount	%
Bonds	84,847	77%	56,950	67%
Term Loans	21,207	19%	22,358	26%
Short Term Loans	4,071	4%	6,291	7%
Borrowings O/s	1,10,126	100%	85,599	100%
<i>Of which:</i>				
<i>Rupee Denominated</i>	1,04,536	95%	80,636	94%
<i>Foreign Currency Loans</i>	5,590	5%	4,963	6%

Resource Profile



(Y/E – March, ₹ Crores)

Resources	31.03.2012		31.03.2011	
	Amount	%	Amount	%
Shareholders' Funds	20,708	16%	15,182	15%
Reserve for bad & doubtful debts (included in Shareholder's Funds)	1159		985	
Deferred Tax Liability	87	0.1%	83	0.1%
Interest Subsidy Fund	376	0.3%	452	0%
Bonds (Domestic)	83,920	64%	56,137	55%
Rupee Term Loans	16,545	13%	18,208	18%
Short Term Loans	4,071	3%	6,291	6%
Foreign Currency Loans	5,590	4%	4,963	5%
Total	1,31,297	100%	1,01,316	100%

Major Projects Sanctioned in FY 2012



PROPOSAL DISCRIPTION	Sanctions (₹ in crores)
1320 MW TPS of M.P. Power Generating Company in Madhya Pradesh	4862
1200 MW Coal based TPP of SCCL at Adilabad, AP	3980
660 MW TPS (Harduganj Extn-II) of U.P. Rajya Vidyut Utpadan Nigam Ltd., UP	3861
660MW Coal based TPP of Maharashtra State Power Gen. Company Ltd in Maharashtra	3435
500 MW Coal based extn. TPS of Bihar State Electricity Board, at Barauni in Bihar	2898
660 MW TPP of Haryana Power Generation Corporation LTD, at Yamuna Nagar, Haryana	2708
1200 MW TPP of Rajasthan Rajya Vidyut Utpadan Nigam Ltd in Rajasthan	2498
2262 MW Gas based project of Samalkot Power Limited in Andhra Pradesh	1500
1320 MW Coal based TPS of NSL Nagapatnam Power and Infratech Pvt Ltd in Tamil Nadu	1400

Shareholding Pattern



Category	Holding (%)	
	As on 31.03.2012	As on 31.03.2011
President of India	73.72%	89.78%
FIs	9.85%	3.62%
Indian FIs & Banks	5.91%	2.45%
Bodies Corporate	4.63%	2.09%
Resident Individuals	2.88%	1.32%
Mutual Funds	2.51%	0.55%
Employees	0.08%	0.07%
Others	0.42%	0.12%
Total	100%	100%

S No	Top 10 Shareholders (as on 31.03.2012)	Holding (%)	Category
1	PRESIDENT OF INDIA	73.72%	POI
2	LIFE INSURANCE CORPORATION OF INDIA	3.33%	IFI
3	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	1.17%	LTD
4	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	0.99%	IFI
5	MORGAN STANLEY MAURITIUS COMPANY LIMITED	0.70%	FII
6	BIRLA SUN LIFE INSURANCE COMPANY LIMITED	0.65%	LTD
7	GOVERNMENT PENSION FUND GLOBAL	0.49%	FII
8	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	0.47%	LTD
9	MORGAN STANLEY ASIA (SINGAPORE) PTE.	0.38%	FII
10	LIC OF INDIA MARKET PLUS GROWTH FUND	0.37%	IFI

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Key Performance Targets for FY 2012-13

PARAMETERS	Amount (₹ in crores)
Sanctions	46,234
Other than R-APDRP	45,150
R-APDRP	1,084
Disbursements	42,997
Other than R-APDRP	40,000
R-APDRP	2,997
Resource mobilisation	40,500



Thank You!