

# Power Finance Corporation Limited

(A Government of India Enterprise)

A Navratna PSU

## Performance Highlights

**Q3 & 9M Ended 31<sup>st</sup> Dec'07**

(Un-Audited & Provisional)

**January 18, 2008**



# Performance Highlights – 9MFY08 vs 9MFY07



Sanctions have increased by 58% to Rs. 43,607 crores from Rs. 27,575 crores

Loan Assets has grown by 16% to Rs. 47,129 crores from Rs. 40,573 crores

Total Income has increased by 37% to 3,673 crores from Rs. 2,689 crores

Net interest income has increased by 39% to Rs. 1,325 crores from Rs. 952 crores

Operating Profit has increased by 40% to Rs. 1,313 crores from Rs. 935 crores

Profit Before Tax increased by 44% to Rs. 1,344 crores from Rs. 934 crores

Net Profit before provision for deferred tax liability has increased by 37% to Rs. 991 crores from Rs. 725 crores

# Performance Highlights – 9MFY08 vs 9MFY07



**PAT has increased by 48% to Rs. 911 crores from Rs. 615 crores**

**EPS increased by 33% to Rs. 10.59 from Rs. 7.96 (annualised)**

**Gross NPAs as a % of Loan assets has decreased to 0.03% from 0.21%**

**Return on Average Assets increased by 40 bps to 2.45% from 2.05% (Annualised)**

**Return on Average Networth increased to 14.36% from 12.15% (Annualised)**

# Profit and Loss Account



(Y/E – March, Rs. Crores)

Profit & Loss Account#	Q3 FY08	Q3 FY07	9M FY08	9M FY07	FY07
Interest Income	1,264	928	3,575	2,617	3,717
Interest Expense	(800)	(602)	(2,251)	(1,665)	(2,302)
Net Interest Income	463	326	1,325	952	1,415
Other Income*	12	6	38	18	36
Extraordinary Items^	3	18	21	4	109
Operating Costs	(22)	(11)	(50)	(35)	(53)
Provisions	14	1	10	(6)	5
Profit Before Tax	471	339	1,344	934	1,512
Tax Provisions	(122)	(66)	(353)	(209)	(353)
Provision for DTL	(28)	(40)	(80)	(110)	(172)
Profit After Tax	320	233	911	615	986
PAT + Provision for DTL	349	273	991	725	1,158

\* Other Income includes Consultancy income, lease income and other income given in P&L account

^ Extraordinary Items includes translation gains/losses and prior period adjustments

#All items of P&L account have been regrouped for analysis

# Dupont Analysis (P&L Analysis as a % of Average Assets)



Dupont Analysis	Q3 FY08	Q3 FY07	9M FY08	9M FY07	FY07
Net Interest Income	0.89%	0.79%	2.68%	2.38%	3.36%
Other Income	0.02%	0.01%	0.08%	0.05%	0.09%
Operating Expenses	-0.04%	-0.03%	-0.10%	-0.09%	-0.13%
Operating Profit	0.87%	0.78%	2.65%	2.34%	3.32%
Extraordinary Items	0.01%	0.04%	0.04%	0.01%	0.26%
Provisions	0.03%	0.00%	0.02%	-0.01%	0.01%
Profit Before Tax	0.91%	0.82%	2.72%	2.34%	3.59%
Tax Provision	-0.24%	-0.16%	-0.71%	-0.52%	-0.84%
Provision for DTL	-0.05%	-0.10%	-0.16%	-0.28%	-0.41%
Profit after Tax (ROA)	0.62%	0.56%	1.84%	1.54%	2.34%
Operating Profit (Annualised)	3.49%	3.11%	3.54%	3.12%	-
Profit after Tax (ROA) (Annualised)	2.47%	2.26%	2.45%	2.05%	-

42 bps increase in Operating Profit (annualised) over 12 months

# Balance Sheet



(Y/E – March, Rs. Crores)

Liabilities	31-12-2007	31-12-2006	FY07
<b>Shareholders' Funds</b>	<b>9,504</b>	<b>7,547</b>	<b>8,593</b>
<b>Borrowings</b>	<b>38,097</b>	<b>30,957</b>	<b>33,584</b>
<b>Deferred Tax Liability</b>	<b>1,222</b>	<b>1,081</b>	<b>1,143</b>
<b>Interest Subsidy Fund</b>	<b>1,089</b>	<b>1,138</b>	<b>1,232</b>
<b>Current Liabilities &amp; Provisions</b>	<b>2,460</b>	<b>1,669</b>	<b>2,112</b>
Advances received from Subsidiaries (included in Current Liabilities)	164	-	212
<b>Total Liabilities</b>	<b>52,373</b>	<b>42,391</b>	<b>46,663</b>
Assets	31-12-2007	31-12-2006	FY07
<b>Loan Assets</b>	<b>47,129</b>	<b>40,573</b>	<b>43,903</b>
<b>Investments</b>	<b>60</b>	<b>28</b>	<b>59</b>
<b>Fixed Assets</b>	<b>78</b>	<b>85</b>	<b>81</b>
<b>Current Assets</b>	<b>5,106</b>	<b>1,705</b>	<b>2,620</b>
Advances to Subsidiaries (included in Current assets)	67	30	44
<b>Total Assets</b>	<b>52,373</b>	<b>42,391</b>	<b>46,663</b>

Balance Sheet size increased by 24% to Rs. 52,373 Crores from Rs. 42,391 Crores over 12 months

Weighted Average Maturity of Assets : 5.04 Years

Weighted Average Maturity of Liabilities : 4.12 Years

# Per Share Information



Particulars	Q3 FY08	Q3 FY07	9M FY08	9M FY07	FY07
EPS (weighted average) (Rs.)	2.79	2.26	7.94	5.97	9.46
Annualised EPS (Rs.)	11.17	9.03	10.59	7.96	-
Book Value Per Share (Rs.) (Networth / Year end no. of shares)	-	-	77.43	68.20	70.07

# Disbursement - Composition



(Y/E – March, Rs. Crores)

Discipline	Q3 FY08		Q3 FY07		9M FY08		9M FY07		FY07	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	1,975	62%	2,722	77%	6,464	67%	6,676	70%	9,536	68%
Transmission	402	13%	324	9%	1,305	13%	826	9%	1,438	10%
Distribution	67	2%	110	3%	266	3%	348	4%	658	5%
Others*	726	23%	376	11%	1,691	17%	1,682	17%	2,424	17%
<b>Total</b>	<b>3,170</b>	<b>100%</b>	<b>3,532</b>	<b>100%</b>	<b>9,726</b>	<b>100%</b>	<b>9,532</b>	<b>100%</b>	<b>14,055</b>	<b>100%</b>

\* Includes Computerisation, Studies, Short Term Loans and Decentralised Management



# Sanctions - Composition



(Y/E – March, Rs. Crores)

Discipline	Q3 FY08		Q3 FY07		9M FY08		9M FY07		FY07	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	5,696	67%	6,292	83%	35,853	82%	21,648	78%	24,095	77%
Transmission	711	8%	876	11%	2,964	7%	2,962	11%	3,246	10%
Distribution	818	10%	90	1%	2,142	5%	1,120	4%	1,395	4%
Others	1,249	15%	350	5%	2,648	6%	1,845	7%	2,410	8%
<b>Total</b>	<b>8,474</b>	<b>100%</b>	<b>7,608</b>	<b>100%</b>	<b>43,607</b>	<b>100%</b>	<b>27,575</b>	<b>100%</b>	<b>31,146</b>	<b>100%</b>

\* Includes Computerisation, Studies, Short Term Loans and Decentralised Management

# Loan Quality



(Y/E – March, Rs. Crores)

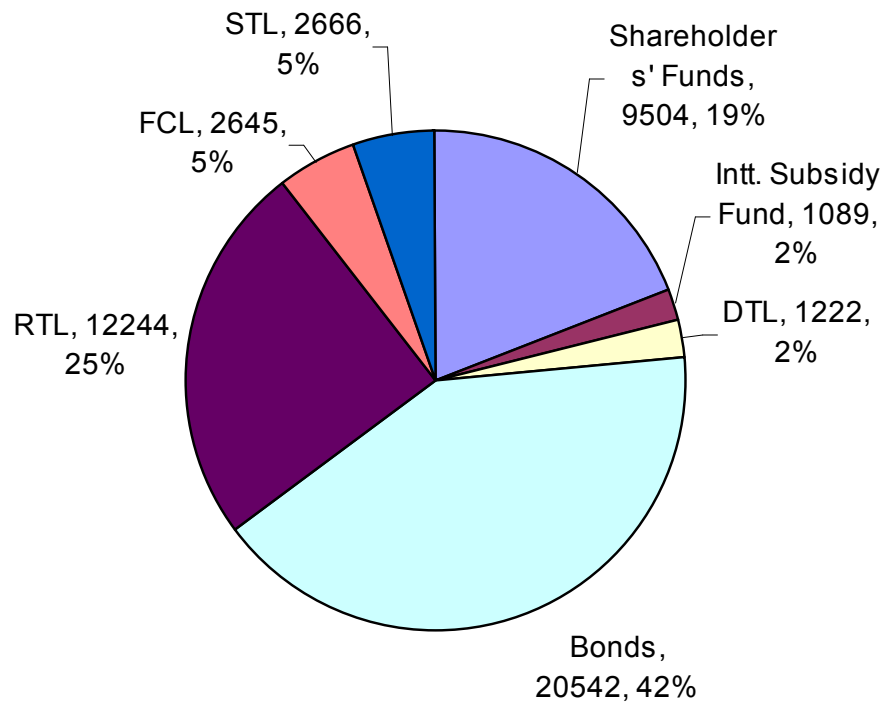
Particulars	31-12-2007	% of Loan Assets	31-12-2006	% of Loan Assets	FY07	% of Loan Assets
Gross NPAs	14	0.03%	85	0.21%	42	0.10%
Less: Provisions & write-offs	(6)	0.01%	(27)	0.07%	(16)	0.04%
Net NPAs	8	0.02%	58	0.14%	26	0.06%

**Net NPA just 0.02% of the Loan Assets as on 31<sup>st</sup> Dec 2007**

# Resource Profile

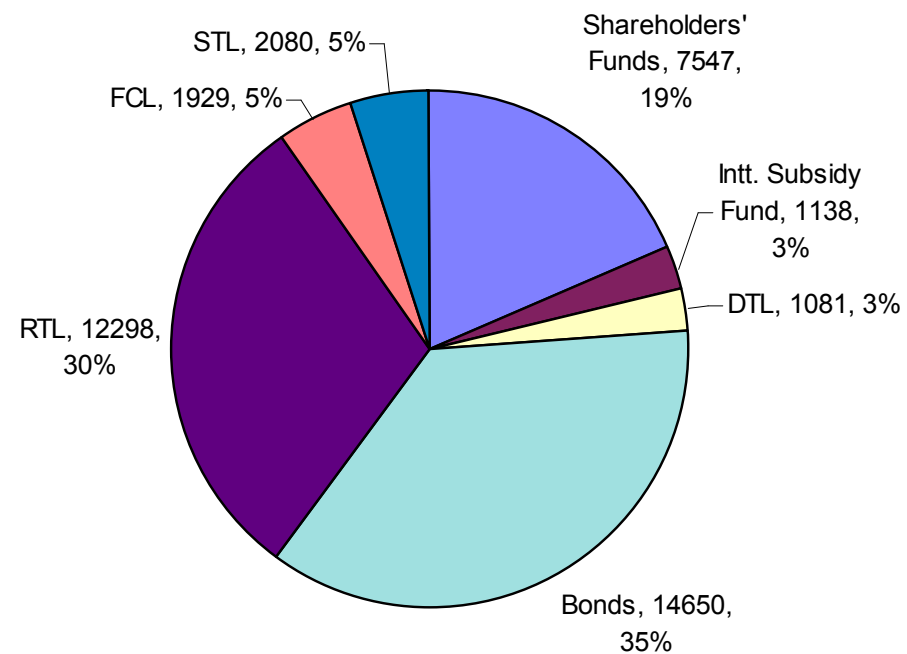


31<sup>st</sup> Dec'07 (Rs. Crores)



Total Sources of Funds: Rs. 49,913 Crores

31<sup>st</sup> Dec'06 (Rs. Crores)



Total Sources of Funds: Rs. 40,723 Crores

# Snapshot of PFC's Performance (Y/E - March, Rs. Crores)



Particulars (Y/E - March)	Q3 FY08	Q3FY07	Growth / Change	9M FY08	9M FY07	Growth / Change	FY07
Sanctions	8,474	7,608	11%	43,607	27,575	58%	31,146
Disbursements	3,170	3,532	(-) 10%	9,726	9,532	2%	14,055
Loan Assets	47,129	40,573	16%	47,129	40,573	16%	43,903
Total Income	1,300	954	36%	3,673	2,689	37%	3,928
Net Interest Income	463	326	42%	1,325	952	39%	1,415
Profit Before Tax	471	339	39%	1,344	934	44%	1,512
Profit After Tax	320	233	37%	911	615	48%	986
Return on Avg. Network	14.67%	13.45%	122 bps	14.36%	12.15%	221 bps	13.59%
Yield on Assets*	10.21%	9.36%	85 bps	10.11%	9.09%	102 bps	9.25%
Cost of Funds*	8.19%	7.74%	45 bps	8.09%	7.37%	72 bps	7.32%
Spread*	2.02%	1.62%	40 bps	2.02%	1.72%	30 bps	1.94%
Net Interest Margin*	3.74%	3.29%	45 bps	3.75%	3.31%	44 bps	3.52%
Operating Cost % of Avg. Assets*	0.17%	0.10%	7 bps	0.13%	0.12%	1 bps	0.13%
Gross NPAs % of Loan Assets	-	-	-	0.03%	0.21%	(-) 18 bps	0.10%
Debt Equity Ratio (Avg. Total Borrowings / Avg. Network)	-	-	-	4.38	4.46	(-) 0.08	4.34
Leverage (Avg. Assets / Avg. Network)	-	-	-	5.85	5.92	(-) 0.07	5.80
Capital Adequacy Ratio	-	-	-	19.07%	17.48%	159 bps	18.34%

\* Quarterly and Nine Month figures have been annualised

# Shareholding Pattern (As on Dec 31, 2007)



## Shareholding Pattern

Category	Holding (%)
President of India	89.8%
FIs	6.3%
Resident Individuals	1.7%
Mutual Funds	0.7 %
Bodies Corporate	0.7 %
Indian FIs & Banks	0.5 %
Others	0.3 %
<b>Total</b>	<b>100.0%</b>

## Top 10 Shareholders

S. No.	Name	Holding (%)	Category
1	President of India	89.78%	POI
2	Lloyd George Investment Management (Bermuda) Ltd	0.75%	FII
3	The India Fund Inc	0.43%	FII
4	Life Insurance Corporation of India	0.32%	IFI
5	Citigroup Global Markets Mauritius Private Limited	0.31%	FII
6	India Capital Fund Ltd	0.27%	FII
7	JF India Fund	0.27%	FII
8	India Capital Opportunities Ltd	0.26%	FII
9	Bajaj Allianz Life Insurance Co.	0.25%	LTD
10	Allianz Global Investors Luxembourg S.A. A/c DIT-Br	0.25%	FII

# Major Projects Sanctioned in 9M FY2008



**APCPL**  
Jhajjar Distt.  
Haryana TPP

(3x500 MW)  
Rs. 5,180 Cr

**APPDCL**  
Krishnapatnam  
TPS

(2x800 MW)  
Rs. 4,785 Cr

**DVC**  
Raghunathpur  
TPS

(Unit 1&2)  
(2x500 + 20%  
MW)  
Rs. 2,000 Cr

**MSPGCL**  
Koradi  
Expansion TPS

(1x800 MW)  
Rs. 1,968 Cr

**GSECL**  
Sikka TPS  
Unit 3&4

(Gujarat)  
(2x250 MW)  
Rs. 1,863 Cr

**GSECL**  
Ukai TPS  
Extn. Unit 6

(1x490 MW)  
Rs. 1,775 Cr

**HPGCL**  
Hissar TPP  
(Haryana)

(2x600 MW)  
Rs. 1,453 Cr

**GSECL**  
Utran based  
CCPP

Expansion Unit  
(370 MW)  
Rs. 1,035 Cr

**LAPPL**  
Coal based TPP

(600 MW)  
Rs. 800 Cr

**NEEPCO**  
Kameng HEP  
(Arunachal Pradesh)

(4x150 MW)  
Rs. 330 Cr

Cumulative Sanctions: Rs. 1,60,974 Crores (USD 40 Billion +)

Cumulative Disbursements: Rs. 85,580 Crores (USD 21 Billion +)



Thank You