



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

**July 2010**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				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	31

# Power Finance Corporation Limited

*A Navratna PSU*

## Performance Highlights

(Standalone, Un-audited)

**Quarter Ended  
30<sup>th</sup> June 2010**

# Highlights – Q1 FY11 vs Q1 FY10



- **Net Profit increased by 18% from Rs. 555 crore to Rs. 652 crore**
- **Comparable PAT increased by 23% from Rs. 508 crore to Rs. 626 crore**
- **Operating Profit to Avg. Assets increased by 21 bps from 3.98% to 4.19%**
- **Interest Spread increased by 9 bps from 2.66% to 2.75%**
- **Total Income increased by 28% from Rs. 1,893 crore to Rs. 2,418 crore**

# Highlights – Q1 FY11 vs Q1 FY10



- **Net Interest Income increased by 23% from Rs. 700 crore to Rs. 858 crore**
- **Net NPA at a low level of 0.01% of Net Loan Assets**
- **Disbursements increased by 87% from Rs. 4,345 crore to Rs. 8,128 crore**
- **Loan Assets increased by 29% from Rs. 66,205 crore to Rs. 85,597 crore**
- **Networth increased by 15% from Rs. 11,314 crore to Rs. 13,035 crore**

# Comparable Profit



(Y/E – March, Rs. Crores)

Comparable Profit	Q1 FY11	Q1 FY10	% change	FY10	FY09	% change
<b>Reported PAT</b>	<b>652</b>	<b>555</b>	<b>18%</b>	<b>2,357</b>	<b>1,970</b>	<b>20%</b>
<b>Adjustments (post-tax):</b>						
DTL (+) / Deferred Tax Liability Write-back (-) on Special Reserve					(483)	
Prior period Income Tax incl. interest thereon	(26)			(176)	(46)	
Nodal Agency Fees and reimbursement of expenditure- R-APDRP	(49)			13	(13)	
Translation / Actual Exchange Gain(-) / Loss(+)	48	(47)		(79)	177	
<b>Comparable PAT</b>	<b>626</b>	<b>508</b>	<b>23%</b>	<b>2,115</b>	<b>1,605</b>	<b>32%</b>

# Profit & Loss Account



(Y/E – March, Rs. Crores)

Income Statement#	Q1 FY11	Q1 FY10	FY10	FY09
Interest Income	2,312	1,858	7,845	6,396
Interest Expense	(1,454)	(1,158)	(4,937)	(4,145)
Net Interest Income	858	700	2,908	2,251
Other Income*	65	6	91	67
Operating Costs	(1)	(18)	(110)	(91)
Provisions	-	(0.05)	2	(4)
Profit Before Tax & Extra-ordinary Items	921	688	2,891	2,223
Extra-ordinary Items^	(62)	63	122	(233)
Tax Provisions	(210)	(198)	(665)	(460)
Provision for DTL	3	2	9	440
Profit after Tax	652	555	2,357	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, restructuring / prepayment premium etc.

**#All items of Income Statement have been regrouped for analysis**

# Return on Average Assets



Dupont Analysis	Q1 FY11	Q1 FY10	FY10	FY09
Net Interest Income	0.98%	1.01%	3.80%	3.66%
Other Income	0.07%	0.01%	0.12%	0.11%
Operating Expenses	-0.002%	-0.03%	-0.14%	-0.15%
Operating Profit	1.05%	0.99%	3.78%	3.62%
Provisions	0.00%	-0.0001%	0.003%	-0.01%
Profit Before Tax & Extra-ordinary items	1.05%	0.99%	3.78%	3.62%
Extra-ordinary items	-0.07%	0.09%	0.16%	-0.38%
Tax Provision	-0.24%	-0.29%	-0.87%	-0.75%
Provision for DTL(-) /DTA(+)	0.004%	0.003%	0.01%	0.72%
Profit after Tax (ROA)	0.74%	0.80%	3.08%	3.21%
Operating Profit (Annualised)	4.19%	3.98%	3.78%	3.62%
Profit after Tax (ROA) (Annualised)	2.97%	3.21%	3.08%	3.21%

# Balance Sheet



(Y/E – March, Rs. Crores)

Liabilities	Q1 FY11	Q1 FY10	FY10	FY09
<b>Shareholders' Funds</b>	<b>13,913</b>	<b>12,063</b>	<b>13,261</b>	<b>11,508</b>
Reserve for bad & doubtful debts (included in Shareholder's Funds)	878	749	842	718
<b>Borrowings</b>	<b>71,630</b>	<b>52,847</b>	<b>67,108</b>	<b>52,160</b>
<b>Deferred Tax Liability</b>	<b>44</b>	<b>53</b>	<b>47</b>	<b>55</b>
<b>Interest Subsidy Fund</b>	<b>629</b>	<b>859</b>	<b>663</b>	<b>909</b>
<b>R-APDRP Fund from Gol</b>	<b>148</b>	<b>46</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities &amp; Provisions</b>	<b>4,567</b>	<b>4,303</b>	<b>3,669</b>	<b>3,576</b>
Advances received from Subsidiaries (Included in Current Liabilities)	228	224	187	208
<b>Total Liabilities</b>	<b>90,931</b>	<b>70,171</b>	<b>84,749</b>	<b>68,209</b>
Assets	Q1 FY11	Q1 FY10	FY10	FY09
<b>Loan Assets</b>	<b>85,597</b>	<b>66,205</b>	<b>79,856</b>	<b>64,429</b>
<b>Investments</b>	<b>30</b>	<b>33</b>	<b>31</b>	<b>36</b>
<b>Fixed Assets</b>	<b>77</b>	<b>74</b>	<b>75</b>	<b>75</b>
<b>Current Assets</b>	<b>5,227</b>	<b>3,859</b>	<b>4,787</b>	<b>3,669</b>
Advances to Subsidiaries (Included in Current Assets)	106	77	65	67
<b>Total Assets</b>	<b>90,931</b>	<b>70,171</b>	<b>84,749</b>	<b>68,209</b>

Increase in Loan Assets by ~ 29%

# Key Indicators



Key Indicators	Q1 FY11	Q1 FY10	FY10	FY09
Disbursements (Rs. Crores)	8,128	4,345	25,808	21,054
Sanctions (Rs. Crores)	14,428	18,782	65,466	57,030
Net outstanding Sanctions (Rs. Crores)	141,877	133,431	141,813	120,860
Loan Assets (Rs. Crores)	85,597	66,205	79,856	64,429
Yield on Assets*	11.03%	11.30%	10.73%	10.92%
Cost of Funds*	8.28%	8.64%	8.14%	8.71%
Interest Spread*	2.75%	2.66%	2.59%	2.21%
Net Interest Margin*	4.09%	4.26%	3.98%	3.84%
Return on Average Network*	20.50%	20.08%	20.31%	20.23%
Return on Average Network* (before exchange gain/loss)	22.05%	18.29%	19.55%	21.83%
Debt Equity Ratio	5.52	4.85	5.22	4.88
Leverage ( Average assets / Average net worth)	6.90	6.26	6.59	6.31
Capital Adequacy Ratio	17.38%	17.51%	18.20%	17.15%
EPS (Weighted average)* (Rs.)	22.73	19.34	20.54	17.16
EPS (Weighted average)* (Rs.) (before exchange gain/loss)	24.42	17.72	19.85	18.70
Book Value Per Share (Rs.)	113.57	98.57	108.20	94.01
Book Value Per Share (Rs.) (before exchange gain/loss)	113.99	98.17	107.51	95.55

\* Quarterly Ratios have been Annualised



# Disbursements – Composition



(Y/E – March, Rs. Crores)

Disbursements	Q1 FY11		Q1 FY10		FY10		FY09	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%
Generation	4,698	58%	3,437	79%	19,682	76%	15,942	76%
Transmission	430	5%	334	8%	1,056	4%	1,296	6%
Distribution	309	4%	223	5%	630	2%	610	3%
R-APDRP (Part A)	17	0.2%	-	-	1,125	4%	325	2%
R-APDRP (Part B)	195	2%	-	-	196	1%	-	-
Others*	2,478	30%	352	8%	3,119	12%	2,881	14%
<b>Total</b>	<b>8,128</b>	<b>100%</b>	<b>4,345</b>	<b>100%</b>	<b>25,808</b>	<b>100%</b>	<b>21,054</b>	<b>100%</b>
<u>Borrower-wise</u>								
State Sector	4,331	53%	2,915	67%	15,953	62%	14,657	70%
Central Sector	1,702	21%	661	15%	6,351	25%	3,130	15%
Joint Sector	385	5%	593	14%	2,449	9%	2,647	12%
Private sector	1,711	21%	176	4%	1,055	4%	620	3%

**Cumulative Disbursements till 30 Jun'10 Rs. 147,056 Crores**

# Sanctions – Composition



(Y/E – March, Rs. Crores)

Sanctions	Q1 FY11		Q1 FY10		FY10		FY09	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%
Generation	5,763	40%	12,420	66%	43,629	67%	44,609	78%
Transmission	3,109	22%	4,210	22%	11,620	18%	5,866	10%
Distribution	126	1%	22	0.001%	295	0.5%	1,500	3%
R-APDRP (Part A)	192	1%	1,614	9%	3,179	5%	1,948	3%
R-APDRP (Part B)	2,053	14%	-	-	3,059	5%		
Others*	3,185	22%	517	3%	3,684	6%	3,108	6%
<b>Total</b>	<b>14,428</b>	<b>100%</b>	<b>18,782</b>	<b>100%</b>	<b>65,466</b>	<b>100%</b>	<b>57,030</b>	<b>100%</b>
<u>Borrower-wise</u>								
State Sector	7,055	49%	8,766	47%	38,970	60%	29,661	52%
Central Sector	2,500	17%	3,747	20%	2,248	3%	18,127	32%
Joint Sector	0	0%	1,416	8%	8,462	13%	1,350	2%
Private sector	4,873	34%	4,854	26%	15,786	24%	7,892	14%

**Cumulative Sanctions till 30 Jun'09 Rs. 288,932 Crores**

# Loan Assets – Composition



(Y/E – March, Rs. Crores)

Loan Assets*	Q1 FY11		Q1 FY10		FY10		FY09	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Generation</b>	<b>70,556</b>	<b>82%</b>	<b>54,217</b>	<b>82%</b>	<b>67,013</b>	<b>84%</b>	<b>52,345</b>	<b>81%</b>
<b>Transmission</b>	<b>6,470</b>	<b>8%</b>	<b>6,578</b>	<b>10%</b>	<b>6,284</b>	<b>8%</b>	<b>6,494</b>	<b>10%</b>
<b>Distribution</b>	<b>3,583</b>	<b>4%</b>	<b>3,512</b>	<b>5%</b>	<b>3,402</b>	<b>4%</b>	<b>3,410</b>	<b>5%</b>
<b>Others**</b>	<b>4,985</b>	<b>6%</b>	<b>1,807</b>	<b>3%</b>	<b>3,163</b>	<b>4%</b>	<b>2,172</b>	<b>4%</b>
<b>Total</b>	<b>85,595</b>	<b>100%</b>	<b>66,114</b>	<b>100%</b>	<b>79,861</b>	<b>100%</b>	<b>64,421</b>	<b>100%</b>
<b><u>Borrower-wise</u></b>								
<b>State Sector</b>	<b>56,487</b>	<b>66%</b>	<b>47,516</b>	<b>72%</b>	<b>54,142</b>	<b>68%</b>	<b>46,443</b>	<b>72%</b>
<b>Central Sector</b>	<b>16,552</b>	<b>19%</b>	<b>9,801</b>	<b>15%</b>	<b>15,015</b>	<b>19%</b>	<b>9,283</b>	<b>14%</b>
<b>Joint Sector</b>	<b>6,866</b>	<b>8%</b>	<b>4,919</b>	<b>7%</b>	<b>6,525</b>	<b>8%</b>	<b>4,360</b>	<b>7%</b>
<b>Private Sector</b>	<b>5,690</b>	<b>7%</b>	<b>3,878</b>	<b>6%</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, MSTL, Studies, Short Term Loans, Buyer Line of Credit and Decentralised Management

# Outstanding Sanctions as on 30.06.2010



(Y/E – March, Rs. Crores)

	O_S Sanctions where			Total Outstanding Sanctions
	doc. executed & disb. commenced	doc. executed but disb. not commenced	doc. not executed	
<b><u>Discipline-wise</u></b>				
Generation	50,240	18,490	34,291	103,021
Transmission	7,463	7,555	6,888	21,906
Distribution	4,511	855	865	6,231
R-APDRP (Part A)	3,592	1	259	3,851
R-APDRP (Part B)	1,238	1,381	2,100	4,720
Others*	1,041	602	505	2,148
<b>Total</b>	<b>68,085</b>	<b>28,884</b>	<b>44,908</b>	<b>141,877</b>
<b><u>Borrower-wise</u></b>				
State Sector	45,776	21,154	17,577	84,506
Central Sector	13,008	2	2,500	15,511
Joint Sector	3,114	-	7,046	10,161
Private sector	6,186	7,729	17,785	31,700

# Loan Quality



(Y/E – March, Rs. Crores)

Particulars	Q1 FY11	Q1 FY10	FY10	FY09
<b>Gross NPAs</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>Less: Provisions &amp; write-offs</b>	<b>(7)</b>	<b>(7)</b>	<b>(7)</b>	<b>(7)</b>
<b>Net NPAs</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<i>As a % of Loan Assets:</i>				
<i>Gross NPAs</i>	<i>0.02%</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>	<i>0.01%</i>

# Borrowing Profile



(Y/E – March, Rs. Crores)

Borrowings	Q1 FY11		Q1 FY10		FY10		FY09	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Bonds</b>	<b>53,079</b>	<b>74%</b>	<b>37,751</b>	<b>72%</b>	<b>46,622</b>	<b>69%</b>	<b>36,882</b>	<b>71%</b>
Domestic	52,231		36,408		45,801		35,479	
Foreign	848		1,343		820		1,402	
<b>Term Loans</b>	<b>18,204</b>	<b>25%</b>	<b>13,966</b>	<b>26%</b>	<b>18,161</b>	<b>27%</b>	<b>13,879</b>	<b>26%</b>
<b>Short Term Loans</b>	<b>347</b>	<b>0.5%</b>	<b>1,129</b>	<b>2%</b>	<b>2,325</b>	<b>3%</b>	<b>1,400</b>	<b>3%</b>
<b>Borrowings O/s</b>	<b>71,630</b>	<b>100%</b>	<b>52,847</b>	<b>100%</b>	<b>67,108</b>	<b>100%</b>	<b>52,160</b>	<b>100%</b>
<i>Of which:</i>								
<i>Rupee Denominated</i>	<i>68,826</i>	<i>96%</i>	<i>50,399</i>	<i>95%</i>	<i>64,350</i>	<i>96%</i>	<i>49,571</i>	<i>95%</i>
<i>Foreign Currency Loans</i>	<i>2,804</i>	<i>4%</i>	<i>2,448</i>	<i>5%</i>	<i>2,759</i>	<i>4%</i>	<i>2,589</i>	<i>5%</i>

# Resource Profile



(Y/E – March, Rs. Crores)

Resources	Q1 FY11		Q1 FY10		FY10		FY09	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Shareholders' Funds</b>	<b>13,913</b>	<b>16%</b>	<b>12,063</b>	<b>18%</b>	<b>13,261</b>	<b>16%</b>	<b>11,508</b>	<b>18%</b>
Reserve for bad & doubtful debts (included in Shareholder's Funds)	878		749		842		718	
<b>Deferred Tax Liability</b>	<b>44</b>	<b>0.1%</b>	<b>53</b>	<b>0.1%</b>	<b>47</b>	<b>0.1%</b>	<b>55</b>	<b>0.1%</b>
<b>Interest Subsidy Fund</b>	<b>629</b>	<b>1%</b>	<b>859</b>	<b>1%</b>	<b>663</b>	<b>1%</b>	<b>909</b>	<b>1%</b>
<b>R-APDRP fund from Gol</b>	<b>148</b>	<b>0.2%</b>	<b>46</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Bonds (Domestic)</b>	<b>52,231</b>	<b>60%</b>	<b>36,408</b>	<b>55%</b>	<b>45,801</b>	<b>56%</b>	<b>35,479</b>	<b>55%</b>
<b>Rupee Term Loans</b>	<b>16,248</b>	<b>19%</b>	<b>12,862</b>	<b>20%</b>	<b>16,223</b>	<b>20%</b>	<b>12,691</b>	<b>20%</b>
<b>Short Term Loans</b>	<b>347</b>	<b>0.4%</b>	<b>1,129</b>	<b>2%</b>	<b>2,325</b>	<b>3%</b>	<b>1,400</b>	<b>2%</b>
<b>Foreign Currency Loans</b>	<b>2,804</b>	<b>3%</b>	<b>2,448</b>	<b>4%</b>	<b>2,759</b>	<b>3%</b>	<b>2,589</b>	<b>4%</b>
<b>Total</b>	<b>86,364</b>	<b>100%</b>	<b>65,868</b>	<b>100%</b>	<b>81,080</b>	<b>100%</b>	<b>64,632</b>	<b>100%</b>

# Major Projects Sanctioned in Q1 FY 2011

<b>PROPOSAL DISCRIPTION</b>	<b>Sanctions (Rs. in crores)</b>
<b>800 KV, 6000 MW Multi Terminal System Package of Power Grid Corporation of India Ltd.</b>	<b>2,500</b>
<b>3960 MW Coal Based UMPP of Coastal Andhra Power Limited at Krishnapatnam, AP</b>	<b>2,000</b>
<b>2X660 MW TPP of Lanco Amarkantak Power Pvt Ltd in Chhattisgarh</b>	<b>1,250</b>
<b>Co-Generation Plants of Tamil Nadu Electricity Board in Sugar Mills</b>	<b>828</b>
<b>Debt Consolidation &amp; Refinancing of Suzlon Energy Limited</b>	<b>827</b>
<b>1320 MW Coal Based TPP of East Coast Energy Pvt. Ltd. at Srikakulam</b>	<b>511</b>
<b>830 MW R&amp;M Satpura Unit of M.P. Power Generating Company Ltd.</b>	<b>459</b>
<b>100 MW UHL-III HEP of Beas Valley Power Corporation Ltd.</b>	<b>322</b>
<b>1320 MW Coal Based TPP of Thermal Powertech Corporation Ltd. in Nellore Distt</b>	<b>285</b>
<b>400 KV DC Line-92 Km of Power Trans. Corpn. Of Uttarakhand Ltd (Kuwaripass-Karanprayag-Srinagar)</b>	<b>284</b>



# Shareholding Pattern



Category	Holding (%)			
	As on 30.06.2010	As on 30.06.2009	As on 31.03.2010	As on 31.03.2009
<b>President of India</b>	<b>89.78%</b>	<b>89.78%</b>	<b>89.78%</b>	<b>89.78%</b>
FIs	3.77%	3.85%	3.85%	4.01%
Indian FIs & Banks	2.12%	1.86%	2.10%	1.92%
Bodies Corporate	1.79%	0.86%	1.60%	0.90%
Resident Individuals	1.35%	1.73%	1.44%	1.83%
Mutual Funds	0.93%	1.68%	1.05%	1.29%
Employees	0.08%	0.10%	0.08%	0.11%
Others	0.18%	0.13%	0.09%	0.17%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

S. No.	Top 10 Shareholders (as on 30.06.2010)	Holding (%)	Category
1	<b>PRESIDENT OF INDIA</b>	<b>89.78%</b>	<b>POI</b>
2	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	0.76%	LTD
3	LIFE INSURANCE CORPORATION OF INDIA	0.64%	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	0.33%	LTD
8	INDIA CAPITAL FUND LIMITED	0.26%	FII
9	INDIA CAPITAL OPPORTUNITIES 1 LIMITED	0.26%	FII
10	RELIANCE LIFE INSURANCE COMPANY LIMITED	0.24%	LTD

*Thank You!*