



We Create Possibility of a Better Tomorrow



Power Finance Corporation Limited

A Navratna PSU

Performance Highlights

(Provisional & Un-audited)

**Quarter & Nine Months
ended 31st Dec'08**



Highlights

Performance & Financials

Borrowing & Resource Profile

Shareholding Pattern

Highlights – 9M FY09 vs 9M FY08



- **Net Profit increased by 6% from Rs. 911 crore to Rs. 965 crore**
- **Comparable PAT increased by 18% from Rs. 897 crore to Rs. 1,063 crore**
- **Operating Profit to Avg. Assets increased by 2 bps from 3.54% to 3.56%**
- **Total Income increased by 30% from Rs. 3,673 crore to Rs. 4,764 crore**
- **Net Interest Income increased by 22% from Rs. 1,325 crore to Rs. 1,616 crs**

Highlights – 9M FY09 vs 9M FY08 (contd.)



- **Gross NPAs as a % of Loan Assets decreased from 0.03% to 0.02%**
- **Disbursements increased by 45% from Rs. 9,726 crore to Rs. 14,101 crore**
- **Loan Assets increased by 28% from Rs. 47,129 crore to Rs. 60,441 crore**
- **Networth increased by 8% from Rs. 8,887 crore to Rs. 9,587 crore**

Comparable Profit



(Y/E – March, Rs. Crores)

Comparable Profit	Q3 FY09	Q3 FY08	% change	9M FY09	9M FY08	% change	FY08
Reported PAT	339	320	6%	965	911	6%	1,207
Adjustments (post-tax):							
Provision for Wage Revision	1	-		5	-		13
Prior period Income Tax incl. interest thereon	(5)	(1)		(42)	(1)		
Translation Exchange Gain(-) / Loss(+)	38	(1)		136	(13)		14
Comparable PAT	374	318	17%	1,063	897	18%	1,234

Profit & Loss Account



(Y/E – March, Rs. Crores)

Income Statement#	Q3 FY09	Q3 FY08	9M FY09	9M FY08	FY08
Interest Income	1,681	1,264	4,629	3,575	4,884
Interest Expense	(1,120)	(800)	(3,013)	(2,251)	(3,077)
Net Interest Income	561	463	1,616	1,325	1,807
Other Income*	11	12	43	38	71
Operating Costs	(23)	(22)	(63)	(50)	(85)
Provisions	9	14	(3)	10	10
Profit Before Tax & Extra-ordinary Items	557	468	1,592	1,323	1,803
Extra-ordinary Items^	(57)	3	(194)	21	(15)
Tax Provisions	(142)	(122)	(393)	(353)	(483)
Provision for DTL	(19)	(28)	(41)	(80)	(98)
Profit after Tax	339	320	965	911	1,207

*Other Income includes Consultancy income incl. UMPP fee (Rs. 0.1 Crore in Q3 FY08, Rs. 14.6 Crore in 9M FY08, Rs. 36.4 Crore in FY08), 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	Q3 FY09	Q3 FY08	9M FY09	9M FY08	FY08
Net Interest Income	0.89%	0.89%	2.71%	2.68%	3.56%
Other Income	0.02%	0.02%	0.07%	0.08%	0.14%
Operating Expenses	-0.04%	-0.04%	-0.11%	-0.10%	-0.17%
Operating Profit	0.87%	0.87%	2.67%	2.65%	3.54%
Provisions	0.01%	0.03%	0.00%	0.02%	0.02%
Profit Before Tax & Extra-ordinary items	0.89%	0.90%	2.67%	2.67%	3.56%
Extra-ordinary items	-0.09%	0.01%	-0.33%	0.04%	-0.03%
Tax Provision	-0.23%	-0.24%	-0.66%	-0.71%	-0.95%
Provision for DTL	-0.03%	-0.05%	-0.07%	-0.16%	-0.19%
Profit after Tax (ROA)	0.54%	0.62%	1.62%	1.84%	2.38%
Operating Profit (Annualised)	3.49%	3.49%	3.56%	3.54%	-

Balance Sheet



(Y/E – March, Rs. Crores)

Liabilities	9M FY09	9M FY08	FY08
Shareholders' Funds	10,294	9,504	9,330
Reserve for bad & doubtful debts (included in Shareholder's Funds)	707	618	642
Borrowings	48,655	38,097	40,648
Deferred Tax Liability	1,281	1,222	1,240
Interest Subsidy Fund	868	1,089	1,067
Current Liabilities & Provisions	3,520	2,460	2,416
Advances received from Subsidiaries (Included in Current Liabilities)	173	164	125
Total Liabilities	64,618	52,373	54,700
Assets	9M FY09	9M FY08	FY08
Loan Assets	60,441	47,129	51,568
Investments	65	60	66
Fixed Assets	76	78	77
Current Assets	4,037	5,106	2,990
Advances to Subsidiaries (Included in Current Assets)	75	67	45
Total Assets	64,618	52,373	54,700

Increase in Loan Assets by ~ 28% (Y-on-Y)

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Key Indicators



Key Indicators	Q3 FY09	Q3 FY08	9M FY09	9M FY08	FY08
Sanctions (Rs. Crores)	13,841	8,474	43,131	43,304	69,498
Disbursements (Rs. Crores)	4,277	3,170	14,101	9,726	16,211
Loan Assets (Rs. Crores)	60,441	47,129	60,441	47,129	51,568
Yield on Assets*	11.24%	10.21%	10.86%	10.11%	10.11%
Cost of Funds*	9.27%	8.19%	8.78%	8.09%	8.03%
Interest Spread*	1.97%	2.02%	2.09%	2.02%	2.08%
Net Interest Margin*	3.75%	3.74%	3.79%	3.75%	3.74%
Return on Average Network*	14.38%	14.67%	14.08%	14.36%	14.43%
Return on Average Network* (before exchange gain/loss)	15.89%	14.66%	15.93%	14.17%	14.58%
Debt Equity Ratio	5.01	4.38	5.01	4.38	4.58
Leverage (Average assets / Average net worth)	6.53	5.85	6.53	5.85	6.06
Capital Adequacy Ratio	16.21%	19.07%	16.21%	19.07%	17.20%
EPS (Weighted average)* (Rs.)	11.81	11.17	11.21	10.59	10.51
EPS (Weighted average)* (Rs.) (before exchange gain/loss)	13.15	11.15	12.78	10.44	10.63
Book Value Per Share (Rs.)	83.53	77.43	83.53	77.43	75.70
Book Value Per Share (Rs.) (before exchange gain/loss)	84.71	77.32	84.71	77.32	75.81

* Quarterly Ratios have been Annualised

Disbursements – Composition



(Y/E – March, Rs. Crores)

Disbursements	Q3 FY09		Q3 FY08		9M FY09		9M FY08		FY08	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	3,403	80%	1,975	62%	10,447	74%	6,464	67%	10,591	66%
Transmission	222	5%	402	13%	948	7%	1,305	13%	1,976	12%
Distribution	101	2%	67	2%	423	3%	266	3%	1,161	7%
Others*	551	13%	726	23%	2,282	16%	1,691	17%	2,483	15%
Total	4,277	100%	3,170	100%	14,101	100%	9,726	100%	16,211	100%
<u>Borrower-wise</u>										
State Sector	3,205	75%	2,882	91%	10,097	72%	7,853	81%	13,479	83%
Central Sector	590	14%	165	5%	1,482	11%	1,197	12%	1,670	10%
Joint Sector	270	6%	-	-	2,103	15%	-	-	200	1%
Private sector	213	5%	123	4%	419	3%	676	7%	862	6%

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

Increase in Disbursements by ~ 45% (9M FY09 vs 9M FY08)

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Sanctions – Composition



(Y/E – March, Rs. Crores)

Sanctions	Q3 FY09		Q3 FY08		9M FY09		9M FY08		FY08	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	12,135	88%	5,696	67%	34,979	81%	35,853	83%	58,700	85%
Transmission	876	6%	711	8%	4,250	10%	2,964	7%	3,045	4%
Distribution	222	2%	818	10%	1,485	3%	2,142	5%	4,754	7%
Others*	609	4%	1,249	15%	2,417	6%	2,345	5%	2,999	4%
Total	13,841	100%	8,474	100%	43,131	100%	43,304	100%	69,498	100%
<u>Borrower-wise</u>										
State Sector	10,821	78%	7,674	91%	20,501	48%	29,497	68%	52,751	76%
Central Sector	-	-	-	-	18,127	42%	5,330	12%	6,336	9%
Joint Sector	-	-	-	-	1,350	3%	5,180	12%	5,180	7%
Private sector	3,020	22%	800	9%	3,153	7%	3,297	8%	5,231	8%

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

Loan Assets – Composition



(Y/E – March, Rs. Crores)

Loan Assets*	9M FY09		9M FY08		FY08	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%
Generation	47,748	79%	36,362	77%	39,717	77%
Transmission	6,359	11%	5,614	12%	6,069	12%
Distribution	3,358	6%	2,460	5%	3,262	6%
Others**	2,837	5%	2,621	6%	2,494	5%
Total	60,302	100%	47,057	100%	51,542	100%
<u>Borrower-wise</u>						
State Sector	45,149	75%	36,123	77%	39,870	77%
Central Sector	7,779	13%	6,302	13%	6,667	13%
Joint Sector	3,171	5%	934	2%	1,118	2%
Private Sector	4,203	7%	3,697	8%	3,887	8%

* 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	9M FY09	9M FY08	FY08
Gross NPAs	13	14	13
Less: Provisions & write-offs	(7)	(6)	(6)
Net NPAs	6	8	7
<i>As a % of Loan Assets:</i>			
<i>Gross NPAs</i>	<i>0.02%</i>	<i>0.03%</i>	<i>0.03%</i>
<i>Net NPAs</i>	<i>0.01%</i>	<i>0.02%</i>	<i>0.01%</i>

Borrowing Profile



(Y/E – March, Rs. Crores)

Borrowings	9M FY09		9M FY08		FY08	
	Amount	%	Amount	%	Amount	%
Bonds	36,146	74%	21,721	57%	24,730	61%
Domestic	34,792	-	20,542	-	23,543	-
Foreign	1,354	-	1,178	-	1,187	-
Term Loans	11,108	23%	13,710	36%	13,438	33%
Short Term Loans	1,400	3%	2,666	7%	2,480	6%
Borrowings O/s	48,655	100%	38,097	100%	40,648	100%
<i>Of which:</i>						
<i>Rupee Denominated</i>	<i>46,136</i>	<i>95%</i>	<i>35,452</i>	<i>93%</i>	<i>38,414</i>	<i>95%</i>
<i>Foreign Currency Loans</i>	<i>2,518</i>	<i>5%</i>	<i>2,645</i>	<i>7%</i>	<i>2,234</i>	<i>5%</i>

Resource Profile



(Y/E – March, Rs. Crores)

Resources	9M FY09		9M FY08		FY08	
	Amount	%	Amount	%	Amount	%
Shareholders' Funds	10,294	17%	9,504	19%	9,330	18%
Reserve for bad & doubtful debts (included in Shareholder's Funds)	707	-	618	-	642	-
Deferred Tax Liability	1,281	2%	1,222	2%	1,240	2%
Interest Subsidy Fund	868	1%	1,089	2%	1,067	2%
Bonds (Domestic)	34,792	57%	20,542	42%	23,543	45%
Rupee Term Loans	9,945	16%	12,244	25%	12,391	24%
Short Term Loans	1,400	2%	2,666	5%	2,480	5%
Foreign Currency Loans	2,518	4%	2,645	5%	2,234	4%
Total	61,098	100%	49,913	100%	52,285	100%

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Shareholding Pattern (as on Dec 31, 2008)



Category	Holding (%)
President of India	89.78%
FII's	4.22%
Resident Individuals	1.91%
Mutual Funds	1.28%
Bodies Corporate	0.79%
Indian FIs & Banks	1.78%
Employees	0.11%
Others	0.12%
Total	100%

S. No.	Top 10 Shareholders	Holding (%)	Category
1	President of India	89.78%	POI
2	LIC of India – Market Plus	0.51%	IFI
3	Life Insurance Corporation of India	0.49%	IFI
4	Lloyd George Investment Management (Bermuda) Ltd	0.43%	FII
5	JF India Fund	0.39%	FII
6	India Fund Inc	0.36%	FII
7	LIC of India – Market Plus-1	0.32%	IFI
8	India Capital Fund Limited	0.26%	FII
9	India Capital Opportunities Limited	0.26%	FII
10	Merrill Lynch Capital Markets Espana S.A.S.V	0.25%	FII



Thank You!