



We Create Possibility of a Better Tomorrow....

November 2011

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20	21	22	23	24	25	26
27	28	29	30			

Power Finance Corporation Limited

A Navratna PSU

Performance Highlights

**Half year and
Quarter Ended
30th September 2011**

(Standalone, Audited)

PFC Overview

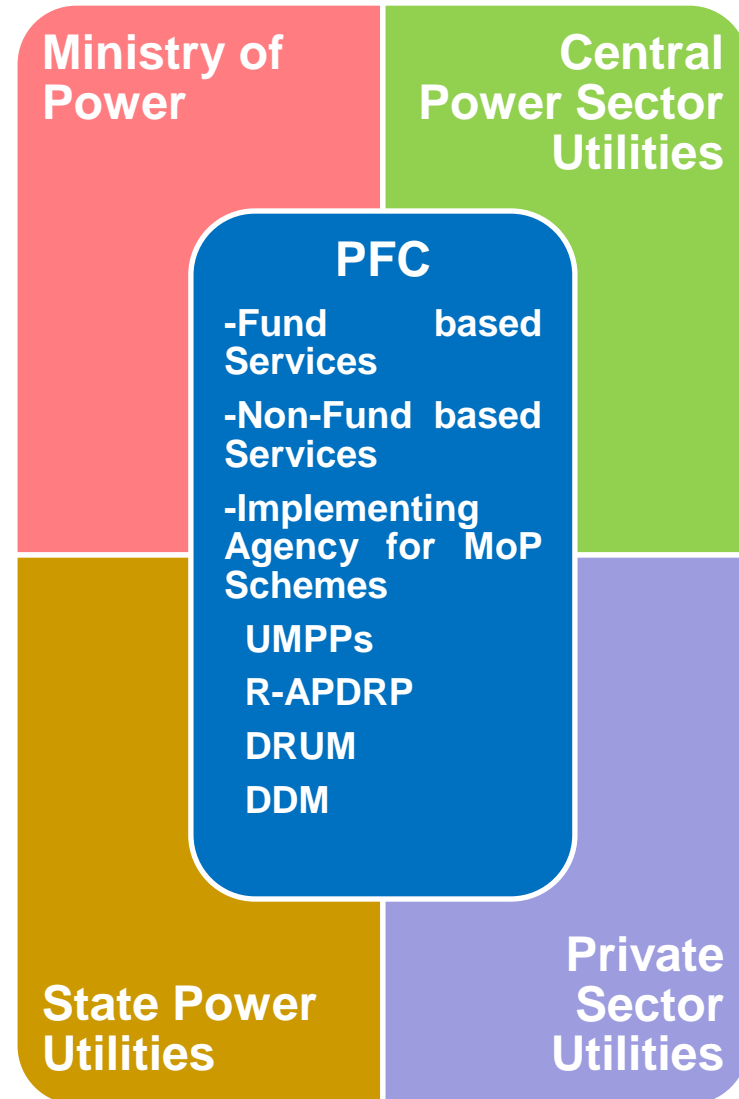
Focus & Strategy

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 "LAAA" 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

- Limited 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 Gol as the Nodal Agency for the Restructured APDRP Scheme
- PFC jointly with NSE and NCDEX has floated Power Exchange India
- PFC conferred with the 'KPMG-Infrastructure Today Award 2008' in the Most Admired Government Enabler-Power category

2010

- ENICL ITP transferred to Sterlite Technologies
- Conferred with "Dalal Street Investor Journal PSU Award 2010" for being
 - Heavy weight Navratna PSU
 - Fastest growing Navratna PSU
- 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
- PFC conferred with "India Power Award" for the "Integrated Development of Power and Associated Sector"

2011

1. PFC received SCOPE Commendation Certificate in the category of Best Managed Bank, Financial Institution or Insurance Company for the year 2009-10
2. BDTCL ITP transferred to Sterlite Transmission Projects Pvt. Ltd
3. JTCL ITP transferred to Sterlite Transmission Projects Pvt. Ltd
4. Successful FPO of ₹ 3433 cr
5. Loan assets crossed ₹ 1,00,000
6. Incorporated PFC Green Energy & PFC Capital Advisory Services Ltd.
7. Received "Gentle Giants, The Largest Navratna (Non-Manufacturing)"

2007

2007

- Successfully awarded Mundra UMPP to Tata Power and Sasan UMPP to Reliance Power Ltd.
- Successful IPO of ₹ 997 crore
- Conferred 'Navratna' status in June

2008

2009

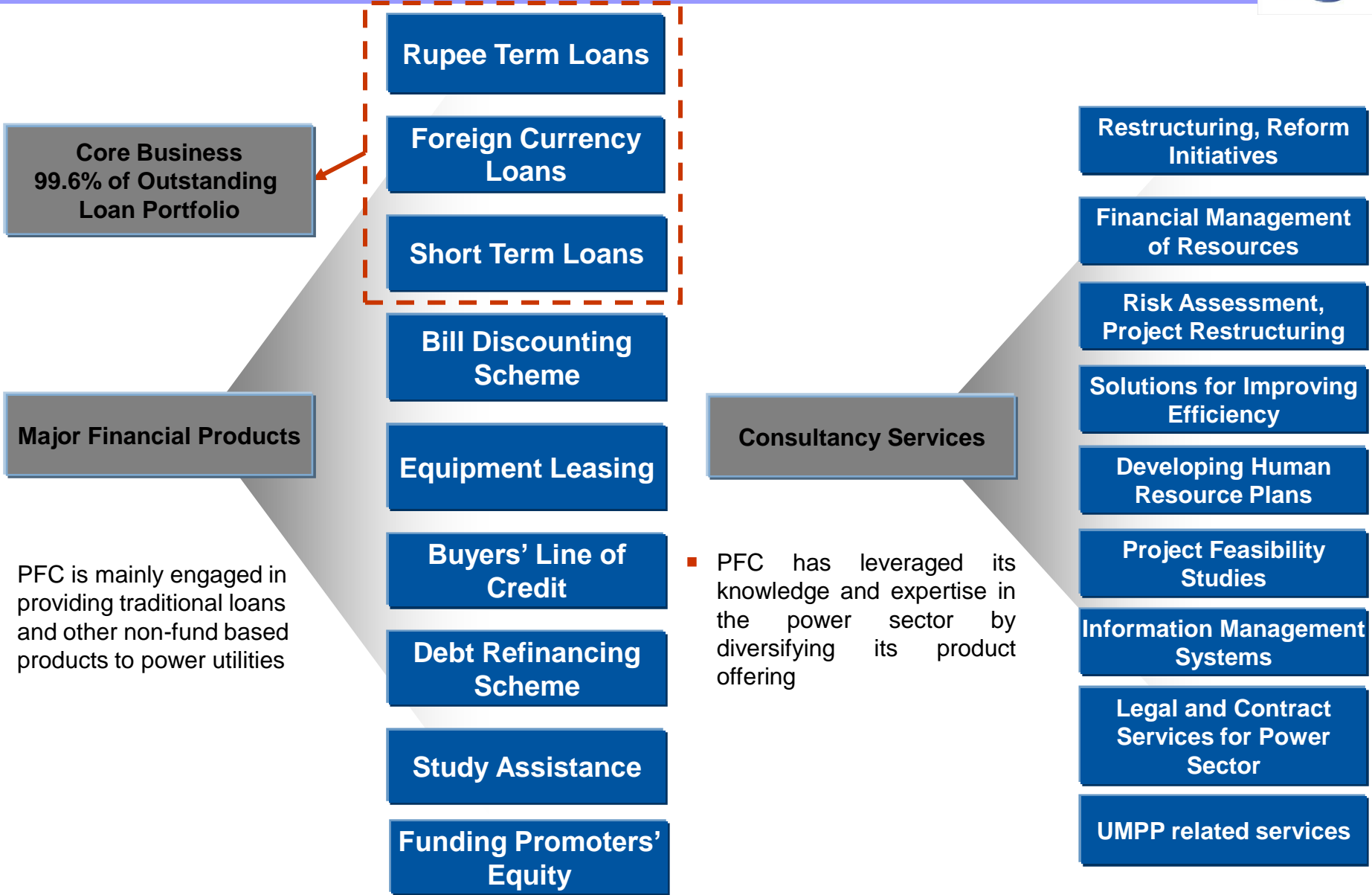
2009

- 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
- Received prestigious "India Pride Award 2009" in the NBFC category
- PFC conferred with the India Power Award 2009 for the Innovative Financing
- PFC certified ISO 9001:2008 in December

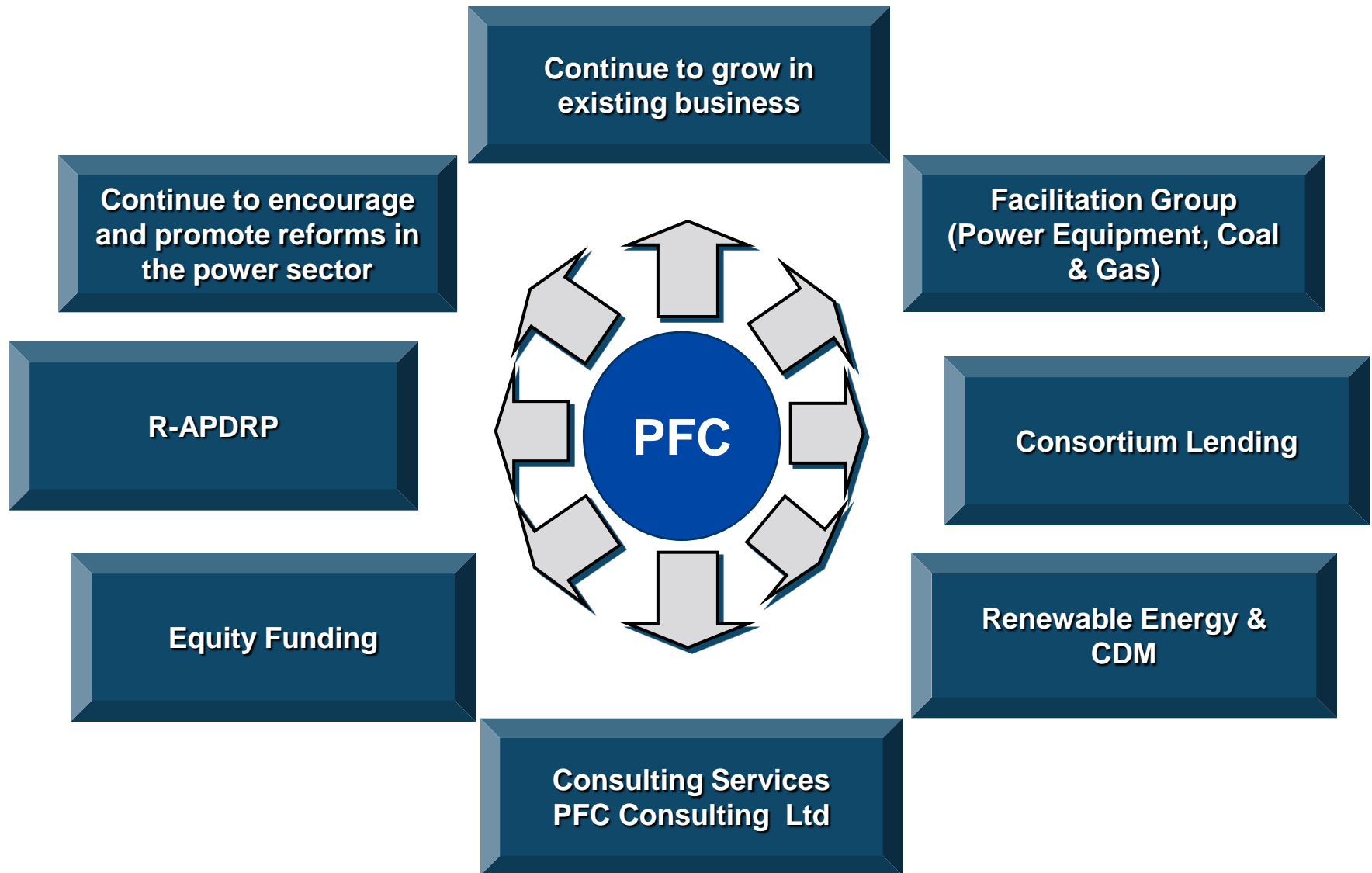
2010

2011

Exclusive Focus on Financing the Power Sector

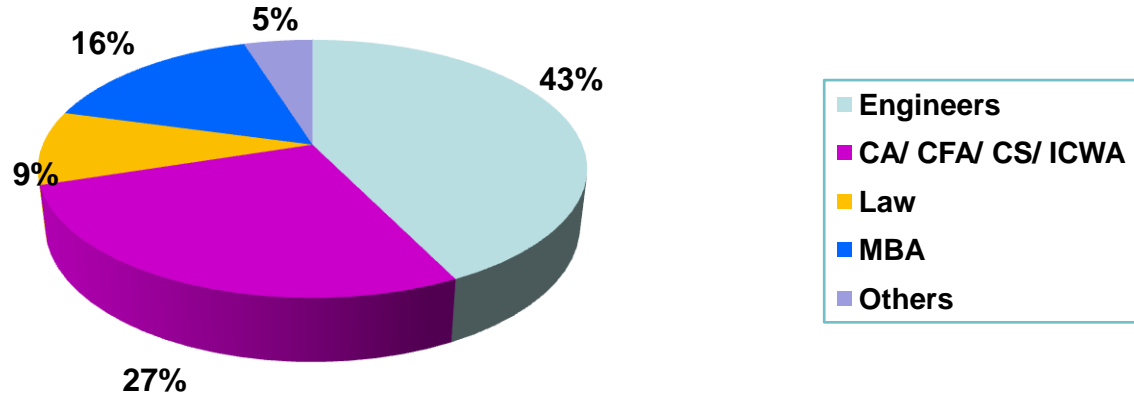


Business Strategy



Competent and Committed Workforce

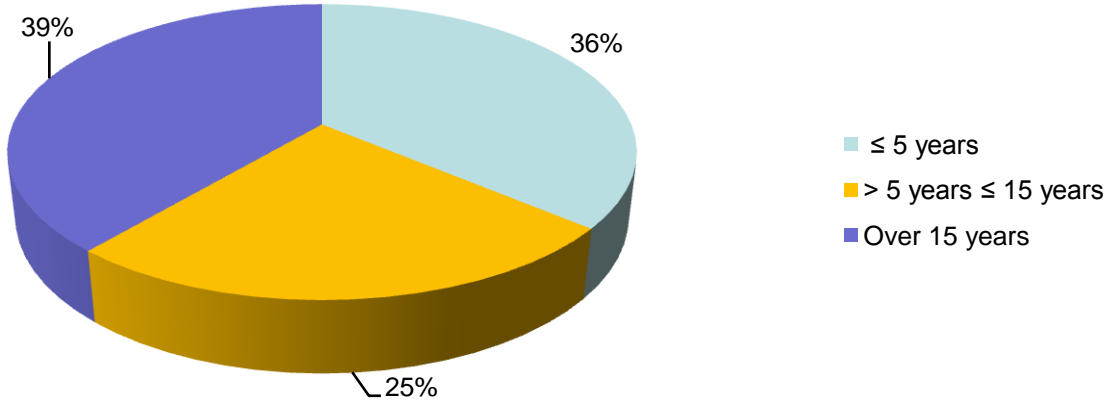
Academic background of Executives (227 Employees)



(as on 30.09.2011)
Workforce:338
 Executives:227
 Non-Executives:111

(H1 FY 2012)
Disbursement per Employee
 ₹ 44 crores

Experience Profile of Executives (227)



(H1 FY 2012)
PAT per Employee
 ₹ 3.27 crores

Highlights – H1 FY12 vs H1 FY11



- **Comparable PAT increased by 20 % from ₹ 1,273 crore to ₹ 1,522 crore**
- **Total Income increased by 22 % from ₹ 4,956 crore to ₹ 6,069 crore**
- **Net Interest Income increased by 18% from ₹ 1,754 crore to ₹ 2,069 crore**
- **Loan Assets increased by 26 % from ₹ 87,906 crore to ₹ 1,10,421 crore**
- **Networth increased by 36 % from ₹ 13,696 crore to ₹ 18,645 crore**

Comparable Profit



(Y/E – March, ₹ Crores)

Comparable Profit	Q2 FY12	Q2 FY11	% change	H1 FY 12	H1 FY 11	% change	FY 11
Reported PAT	419	701	-40%	1,106	1,353	-18%	2,620
Adjustments (post-tax):							
Prior period Income Tax incl. interest thereon	(2)	2		(16)	(24)		(29)
Nodal Agency Fees and reimbursement of expenditure- R-APDRP	(2)	(17)		(14)	(65)		(83)
Translation / Actual Exchange Gain(-) / Loss(+)	395	(39)		447	9		14
Comparable PAT	810	647	25%	1,522	1,273	20%	2,522

Profit & Loss Account



(Y/E – March, ₹ Crores)

Income Statement#	Q2 FY12	Q2 FY11	H1 FY12	H1 FY11	FY11
Interest Income	3,074	2,447	5,922	4,759	9,835
Interest Expense	(1,994)	(1,551)	(3,853)	(3,005)	(6,312)
Net Interest Income	1,079	896	2,069	1,754	3,523
Other Income*	8	38	43	103	142
Operating Costs	(33)	(37)	(60)	(39)	(98)
Provisions	-	0.18	(7)	0.18	(32)
Profit Before Tax & Extra-ordinary Items	1,055	897	2,046	1,818	3,536
Extra-ordinary Items^	(504)	66	(579)	4	8
Tax Provisions	(135)	(263)	(366)	(473)	(889)
Provision for DTL	3	1	5	4	(36)
Profit after Tax	419	701	1,106	1,353	2,620

* 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	Q2 FY12	Q2 FY11	H1 FY12	H1 FY11	FY11
Net Interest Income	0.96%	0.97%	1.89%	1.97%	3.75%
Other Income	0.01%	0.04%	0.04%	0.12%	0.15%
Operating Expenses	-0.03%	-0.04%	-0.05%	-0.04%	-0.10%
Operating Profit	0.94%	0.97%	1.87%	2.04%	3.79%
Provisions	0.00%	0.000%	-0.01%	0.000%	-0.03%
Profit Before Tax & Extra-ordinary items	0.94%	0.97%	1.87%	2.04%	3.76%
Extra-ordinary items	-0.45%	0.07%	-0.53%	0.00%	0.01%
Tax Provision	-0.12%	-0.29%	-0.33%	-0.53%	-0.94%
Provision for DTL(-) /DTA(+)	0.003%	0.001%	0.00%	0.00%	-0.04%
Profit after Tax (ROA)	0.37%	0.76%	1.01%	1.52%	2.79%
Operating Profit (Annualised)	3.76%	3.89%	3.74%	4.08%	3.79%
Profit after Tax (ROA) (Annualised)	1.49%	3.04%	2.02%	3.04%	2.79%

Balance Sheet



(Y/E – March, ₹ Crores)

Liabilities	H1 FY12	H1 FY11	FY11
Shareholders' Funds	19,702	14,615	15,182
Reserve for bad & doubtful debts (included in Shareholder's Funds)	1,045	919	985
Borrowings	91,063	73,563	85,599
Deferred Tax Liability	78	43	83
Interest Subsidy Fund	409	599	452
Current Liabilities & Provisions	3,423	4,633	3,318
Advances received from Subsidiaries (Included in Current Liabilities)	260	237	248
Total Liabilities	1,14,675	93,452	1,04,634
Assets	H1 FY12	H1 FY11	FY11
Loan Assets	1,10,421	87,906	99,571
Investments	54	31	54
Fixed Assets	75	78	77
Current Assets	4,125	5,437	4,933
Advances to Subsidiaries (Included in Current Assets)	155	116	134
Total Assets	1,14,675	93,452	1,04,634

Increase in Loan Assets by ~ 26 %

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Key Indicators



Key Indicators	Q2 FY12	Q2 FY11	H1 FY12	H1 FY11	FY11
Sanctions (₹ Crores)	12,763	29,695	29,704	43,537	75,197
Net outstanding sanctions (₹ Crores)	1,79,103	1,63,666	1,79,103	1,63,666	1,71,377
Disbursements (₹ Crores)	8,664	6,340	14,884	14,468	34,121
Loan Assets (₹ Crores)	1,10,421	87,906	1,10,421	87,906	99,571
Yield on Assets* #	11.29%	11.21%	11.19%	11.08%	11.02%
Cost of Funds* #	9.08%	8.60%	8.93%	8.45%	8.53%
Interest Spread* #	2.21%	2.61%	2.26%	2.63%	2.49%
Net Interest Margin* #	3.97%	4.10%	3.91%	4.08%	3.95%
Return on Average Networth*	9.09%	20.97%	13.46%	20.73%	19.68%
Return on Average Networth* (before exchange gain/loss)	17.44%	19.80%	18.65%	20.92%	19.84%
Debt Equity Ratio	4.85	5.50	5.42	5.45	5.80
Leverage (Average assets / Average net worth)	6.09	6.90	6.68	6.82	7.07
Capital Adequacy Ratio	18.22%	17.43%	18.22%	17.43%	15.71%
EPS (Weighted average)* (₹)	12.71	24.42	17.41	23.58	22.82
EPS (Weighted average)* (₹) (before exchange gain/loss)	24.67	23.06	24.45	23.74	22.95
Book Value Per Share (₹)	141.26	119.32	141.26	119.32	123.70
Book Value Per Share (₹) (before exchange gain/loss)	144.25	118.98	144.65	119.40	123.82

* Quarterly Ratios have been Annualised

Sanctions – Composition



(Y/E – March, ₹ Crores)

Sanctions	Q2 FY12		Q2 FY11		H1 FY12		H1 FY11		FY11	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	9,981	78%	23,016	78%	21,232	71%	28,269	65%	51,855	69%
Transmission	127	1%	301	1%	1,292	4%	3,410	8%	4,172	6%
Distribution	2,026	16%	78	0.3%	2,045	7%	204	0.5%	216	0.3%
R-APDRP (Part A)	0	0%	17	0.1%	313	1%	209	0.5%	750	1%
R-APDRP (Part B)	0	0%	5,747	19%	3,393	11%	7,800	18%	12,915	17%
Others*	629	5%	535	2%	1,429	5%	3,645	8%	5,289	7%
Total	12,763	100%	29,695	100%	29,704	100%	43,537	100%	75,197	100%
<u>Borrower-wise</u>										
State Sector	11,500	90%	23,378	79%	24,973	84%	30,358	70%	56,010	75%
Central Sector	179	1%	-	-	179	1%	2,500	6%	2,500	3%
Joint Sector	0	0%	-	-	832	3%	-	-	-	0%
Private sector	1,084	8%	6,317	21%	3,720	13%	10,679	24%	16,687	22%

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

Cumulative Sanctions till 30 Sep'11 ₹ 367,036 Crores

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Disbursements – Composition



(Y/E – March, ₹ Crores)

Disbursements	Q2 FY12		Q2 FY11		H1 FY12		H1 FY11		FY11	
<u>Discipline-wise</u>	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Generation	5,984	69%	4,148	65%	10,765	72%	8,846	61%	22,389	66%
Transmission	712	8%	611	10%	1,254	8%	1,041	7%	2,615	8%
Distribution	252	3%	350	6%	666	4%	660	5%	1,825	5%
R-APDRP (Part A)	86	1%	-	-	105	0.7%	17	0.1%	217	0.6%
R-APDRP (Part B)	443	5%	625	10%	545	4%	821	6%	2,040	6%
Others*	1,186	14%	606	10%	1,549	10%	3,084	21%	5,035	15%
Total	8,664	100%	6,340	100%	14,884	100%	14,468	100%	34,121	100%
<u>Borrower-wise</u>										
State Sector	5,725	66%	4,887	77%	9,880	66%	9,218	64%	22,656	66%
Central Sector	794	9%	451	7%	1,254	8%	2,153	15%	5,944	17%
Joint Sector	356	4%	318	5%	786	5%	702	5%	1,775	5%
Private sector	1,788	21%	684	11%	2,964	20%	2,394	17%	3,746	11%

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

Cumulative Disbursements till 30 Sep'11 ₹ 187,933 Crores

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Outstanding Sanctions as on 30.09.2011



(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	50,133	27,398	54,910	1,32,440
Transmission	10,965	4,909	2,826	18,700
Distribution	4,977	318	285	5,579
R-APDRP (Part A)	4,146	62	180	4,388
R-APDRP (Part B)	7,126	0	9,461	16,586
Others*	692	290	427	1,409
Total	78,038	32,976	68,088	1,79,103
<u>Borrower-wise</u>				
State Sector	53324	21435	49482	124242
Central Sector	7363	2	2679	10044
Joint Sector	1370	5900	0	7270
Private sector	15981	5639	15928	37547

Loan Assets – Composition



(Y/E – March, ₹ Crores)

Loan Assets*	H1 FY12		H1 FY11		FY11	
	Amount	%	Amount	%	Amount	%
Generation	92,890	84%	73,294	83%	84,294	85%
Transmission	8,308	8%	6,393	7%	7,596	7%
Distribution	5,028	5%	3,820	4%	4,701	5%
Others**	4,151	4%	4,399	5%	3,010	3%
Total	1,10,377	100%	87,906	100%	99,601	100%
Borrower-wise						
State Sector	70,911	64%	58,032	66%	64,509	65%
Central Sector	21,188	19%	16,838	19%	20,300	20%
Joint Sector	8,622	8%	7,073	8%	7,991	8%
Private Sector	9,655	9%	5,963	7%	6,801	7%

* 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

Loan Quality



(Y/E – March, ₹ Crores)

Particulars	H1 FY12	H1 FY11	FY11	FY10
Gross NPAs	238	13	231	13
Less: Provisions & write-offs	(32)	(7)	(36)	(7)
Net NPAs	206	6	195	6
<i>As a % of Loan Assets:</i>				
<i>Gross NPAs</i>	<i>0.22%</i>	<i>0.02%</i>	<i>0.23%</i>	<i>0.02%</i>
<i>Net NPAs</i>	<i>0.19%</i>	<i>0.01%</i>	<i>0.20%</i>	<i>0.01%</i>

Borrowing Profile



(Y/E – March, ₹ Crores)

Borrowings	H1 FY12		H1 FY11		FY11	
	Amount	%	Amount	%	Amount	%
Bonds	69,503	76%	54,237	74%	56,950	67%
Term Loans	20,036	22%	19,089	26%	22,358	26%
Short Term Loans	1,524	2%	237	0.3%	6,291	7%
Borrowings O/s	91,063	100%	73,563	100%	85,599	100%
<i>Of which:</i>						
<i>Rupee Denominated</i>	<i>85,485</i>	<i>94%</i>	<i>69,736</i>	<i>95%</i>	<i>80,636</i>	<i>94%</i>
<i>Foreign Currency Loans</i>	<i>5,579</i>	<i>6%</i>	<i>3,827</i>	<i>5%</i>	<i>4,963</i>	<i>6%</i>

Resource Profile



(Y/E – March, ₹ Crores)

Resources	H1 FY12		H1 FY11		FY11	
	Amount	%	Amount	%	Amount	%
Shareholders' Funds	19,702	18%	14,615	16%	15,182	15%
Reserve for bad & doubtful debts (included in Shareholder's Funds)	1045		919		985	
Deferred Tax Liability	78	0.1%	43	0.05%	83	0.1%
Interest Subsidy Fund	409	0.4%	599	1%	452	0.4%
Bonds (Domestic)	68,616	62%	53,421	60%	56,137	55%
Rupee Term Loans	15,345	14%	16,078	18%	18,208	18%
Short Term Loans	1,524	1%	237	0.3%	6,291	6%
Foreign Currency Loans	5,579	5%	3,827	4%	4,963	5%
Total	1,11,252	100%	88,820	100%	1,01,316	100%

Major Projects Sanctioned in H1 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
660MW Coal based TPP of Maharashtra State Power Gen. Company Ltd in Maharashtra	3435
500 MW Coal based extn. TPSof Bihar State Electricity Board, at Barauni in Bihar	2898
1320 MW Coal based TPS of NSL Nagapatnam Power and Infratech Pvt Ltd in Tamil Nadu	1400
1350 MW Coal based TPP of India Bulls Power Ltd, at Amravati in Maharashtra	1000
1200 MW Thermal Power Project of Essar Power Jharkand Ltd in Jharkhand	1000
1500 MW Coal based TPP of Aravali Power Co Pvt Ltd, at Jhajjar Dist. in Haryana	832

Shareholding Pattern



Category	Holding (%)			
	As on 30.09.2011	As on 30.09.2010	As on 31.03.2011	As on 31.03.2010
President of India	73.72%	89.78%	89.78%	89.78%
FIs	6.47%	3.76%	3.62%	3.85%
Indian FIs & Banks	5.52%	2.15%	2.45%	2.10%
Bodies Corporate	6.16%	1.93%	2.09%	1.60%
Resident Individuals	3.16%	1.37%	1.32%	1.44%
Mutual Funds	4.59%	0.80%	0.55%	1.05%
Employees	0.08%	0.08%	0.07%	0.08%
Others	0.30%	0.13%	0.12%	0.09%
Total	100%	100%	100%	100%

S No	Top 10 Shareholders (as on 30.09.2011)	Holding (%)	Category
1	PRESIDENT OF INDIA	73.72%	POI
2	LIFE INSURANCE CORPORATION OF INDIA	2.68%	IFI
3	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	1.18%	LTD
4	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	1.12%	LTD
5	LIC OF INDIA MARKET PLUS - 1	0.99%	IFI
6	RELIANCE RETAIL LTD	0.66%	LTD
7	MORGAN STANLEY MAURITIUS COMPANY LIMITED	0.57%	FII
8	GOVERNMENT PENSION FUND GLOBAL	0.47%	FII
9	BIRLA SUN LIFE INSURANCE COMPANY LIMITED	0.44%	LTD
10	LIC OF INDIA - MARKET PLUS	0.40%	IFI



Thank You!