



Funding for a Brighter Tomorrow



Power Finance Corporation Limited

A Navratna PSU

July 16, 2008

Performance Highlights

(Provisional & Un-audited)

Q1 FY2008-09



Highlights

Performance & Financials

Borrowing Profile

Shareholding Pattern

Highlights (Q1 FY09 vs Q1 FY08)



Balance Sheet

- ❖ Balance Sheet increased by 21% from Rs. 48,085 Crore to Rs. 58,331 Crore
- ❖ Outstanding Borrowings increased by 26% from Rs. 34,524 Crore to Rs. 43,527 Crore
- ❖ Networth: Rs. 8,959 Crore
- ❖ Capital Adequacy: 16.75%

Income Statement

- ❖ Interest Income increased by 26% from Rs. 1,117 Crore to Rs. 1,405 Crore
- ❖ NII increased by 24% from Rs. 415 Crore to Rs. 514 Crore
- ❖ Profit Before Tax Before Extra-ordinary items increased by 21% from Rs. 413 Crore to Rs. 498 Crore
- ❖ PAT decreased by 4% from Rs. 309 Crore to Rs. 296 Crore
- ❖ Comparable PAT increased by 21% from Rs. 281 Crore to Rs. 339 Crore

Business

- ❖ Disbursements increased by 47% from Rs. 3,216 Crore to Rs. 4,733 Crore
- ❖ Sanctions increased by 18% from Rs. 13,018 Crore to Rs. 15,300 Crore
- ❖ Cumulative Disbursements: Rs. 96,798 Crore
- ❖ Cumulative Sanctions: Rs. 201,033 Crore



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Disbursements – Composition



(Y/E – March, Rs. Crores)

Disbursements	Q1 FY09		Q1 FY08		FY08	
	Amount	%	Amount	%	Amount	%
Generation	3,268	69%	2,205	69%	10,591	66%
Transmission	366	8%	456	14%	1,976	12%
Distribution	158	3%	108	3%	1,161	7%
Others*	941	20%	446	14%	2,483	15%
Total	4,733	100%	3,216	100%	16,211	100%
<u>Borrower-wise</u>						
State Sector	2,770	59%	2,339	73%	13,479	83%
Central Sector	394	8%	574	18%	1,670	10%
Joint Sector	1,491	31%	0	0%	200	1%
Private Sector	78	2%	303	9%	862	6%

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

Increase in Disbursements by ~ 47% (Q-on-Q)

Sanctions – Composition



(Y/E – March, Rs. Crores)

Sanctions	Q1 FY09		Q1 FY08		FY08	
	Amount	%	Amount	%	Amount	%
Discipline-wise						
Generation	12,310	81%	11,435	88%	58,700	85%
Transmission	1,272	8%	799	6%	3,045	4%
Distribution	810	5%	153	1%	4,754	7%
Others*	908	6%	631	5%	2,999	4%
Total	15,300	100%	13,018	100%	69,498	100%
Borrower-wise						
State Sector	3,893	25%	9,144	70%	52,751	76%
Central Sector	10,000	65%	2,720	21%	6,336	9%
Joint Sector	1,350	9%	0	0%	5,180	7%
Private Sector	57	0.3%	1,155	9%	5,231	8%

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

Increase in Sanctions by ~ 18% (Q-on-Q)

Balance Sheet



(Y/E – March, Rs. Crores)

Liabilities	Q1 FY09	Q1 FY08	FY08	FY07
Shareholders' Funds	9,626	8,902	9,330	8,593
Borrowings	43,527	34,524	40,648	33,584
Deferred Tax Liability	1,251	1,174	1,240	1,143
Interest Subsidy Fund	998	1,162	1,067	1,232
Current Liabilities & Provisions	2,928	2,323	2,416	2,112
Advances received from Subsidiaries (Included in Current Liabilities)	126	184	125	212
Total Liabilities	58,331	48,085	54,700	46,663
Assets	Q1 FY09	Q1 FY08	FY08	FY07
Loan Assets	54,703	45,250	51,568	43,903
Investments	65	61	66	59
Fixed Assets	76	80	77	81
Current Assets	3,487	2,693	2,990	2,620
Advances to Subsidiaries (Included in Current Assets)	63	38	45	44
Total Assets	58,331	48,085	54,700	46,663

Increase in Loan Assets by ~ 21% (Q-on-Q)

Income Statement



(Y/E – March, Rs. Crores)

Income Statement [#]	Q1 FY09	Q1 FY08	FY08	FY07
Interest Income	1,405	1,117	4,884	3,717
Interest Expense	(891)	(702)	(3,077)	(2,302)
Net Interest Income	514	415	1,807	1,415
Other Income [*]	8	14	71	36
Operating Costs	(17)	(12)	(85)	(53)
Provisions	(6)	(4)	10	5
Profit Before Tax & Extra-ordinary Items	498	413	1,803	1,403
Extra-ordinary Items [^]	(57)	41	(15)	109
Tax Provisions	(134)	(113)	(483)	(353)
Provision for DTL	(11)	(32)	(98)	(172)
Profit after Tax	296	309	1,207	986

*Other Income includes Consultancy income incl. UMPP fee (Rs. 7.6 Crore in Q1 FY08, Rs. 36.4 Crore in FY08, Rs. 5.9 Crore in FY07), 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

Comparable Profit



(Y/E – March, Rs. Crores)

Comparable Profit	Q1 FY09	Q1 FY08	% change	FY08	FY07	% change
Comparable PAT (after Provision for Wage Revision)	339	281	21%	1,234	906	36%
Provision for Wage Revision	-2			-13		
Comparable PAT	337	281	20%	1,220	906	35%
Adjustments (post-tax):						
Receipts from ERMA					+55	
Income from interest reset due to grant of AG&SP subsidy from retrospective effect					+20	
Translation/Actual Exchange Gain(+)/Loss(-)	-40	+28		-14	+5	
Reported PAT	296	309	-4%	1,207	986	22%

Return on Assets



Dupont Analysis	Q1 FY09	Q1 FY08	FY08	FY07
Net Interest Income	0.91%	0.88%	3.56%	3.36%
Other Income	0.01%	0.03%	0.14%	0.09%
Operating Expenses	-0.03%	-0.02%	-0.17%	-0.13%
Operating Profit	0.89%	0.88%	3.54%	3.32%
Provisions	-0.01%	-0.01%	0.02%	0.01%
Profit Before Tax & Extra-ordinary items	0.88%	0.87%	3.56%	3.33%
Extra-ordinary items	-0.10%	0.09%	-0.03%	0.26%
Tax Provision	-0.24%	-0.24%	-0.95%	-0.84%
Provision for DTL	-0.02%	-0.07%	-0.19%	-0.41%
Profit after Tax (ROA)	0.52%	0.65%	2.38%	2.34%
Operating Profit (Annualised)	3.57%	3.52%	-	-

Key Indicators



Key Indicators	Q1 FY09	Q1 FY08	FY08	FY07
Yield on Assets	10.42%	9.88%	10.11%	9.25%
Cost of Funds	8.24%	7.95%	8.03%	7.32%
Interest Spread	2.17%	1.93%	2.08%	1.94%
Net Interest Margin	3.81%	3.67%	3.74%	3.52%
Return on Average Networth	13.43%	15.08%	14.43%	13.59%
Debt Equity Ratio	4.90	4.32	4.58	4.34
Leverage	6.41	5.79	6.06	5.80
Capital Adequacy Ratio	16.75%	18.59%	17.20%	18.34%
EPS (Weighted average) (Rs.)	10.33	10.76	10.51	9.46
Book Value Per Share (Rs.)	78.06	72.57	75.70	70.07

* Quarterly Ratios have been Annualised

Loan Assets – Composition



(Y/E – March, Rs. Crores)

Loan Assets	Q1 FY09		Q1 FY08		FY08	
	Amount	%	Amount	%	Amount	%
Discipline-wise						
Generation	42,272	78%	34,562	76%	39,717	77%
Transmission	6,162	11%	5,178	11%	6,069	12%
Distribution	3,300	6%	2,511	6%	3,262	6%
Others*	2,895	5%	2,970	7%	2,494	5%
Total	54,629	100%	45,220	100%	51,542	100%
Borrower-wise						
State Sector	41,143	75%	34,566	76%	39,870	77%
Central Sector	6,952	13%	5,875	13%	6,667	13%
Joint Sector	2,592	5%	968	2%	1,118	2%
Private Sector	3,942	7%	3,812	8%	3,887	8%

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

Loan Quality



(Y/E – March, Rs. Crores)

Particulars	Q1 FY09	Q1 FY08	FY08	FY07
Gross NPAs	13	29	13	42
Less: Provisions & write-offs	(6)	(20)	(6)	(16)
Net NPAs	7	9	7	26
<i>As a % of Loan Assets:</i>				
<i>Gross NPAs</i>	<i>0.02%</i>	<i>0.06%</i>	<i>0.03%</i>	<i>0.10%</i>
<i>Net NPAs</i>	<i>0.01%</i>	<i>0.02%</i>	<i>0.01%</i>	<i>0.06%</i>



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(Y/E – March, Rs. Crores)

Borrowings	Q1 FY09		Q1 FY08		FY08		FY07	
	Amount	%	Amount	%	Amount	%	Amount	%
Bonds	26,988	62%	18,101	52%	24,730	61%	16,881	50%
Domestic	25,744	-	17,635	-	23,543	-	16,412	-
Foreign	1,244	-	466	-	1,187	-	469	-
Term Loans	12,534	29%	14,054	41%	13,438	33%	14,393	43%
Short Term Loans	4,005	9%	2,368	7%	2,480	6%	2,311	7%
Borrowings O/s	43,527	100%	34,524	100%	40,648	100%	33,584	100%
<i>Of which:</i>								
<i>Rupee Denominated</i>	<i>41,213</i>	<i>95%</i>	<i>32,621</i>	<i>94%</i>	<i>38,414</i>	<i>95%</i>	<i>31,661</i>	<i>94%</i>
<i>Foreign Currency Loans</i>	<i>2,314</i>	<i>5%</i>	<i>1,903</i>	<i>6%</i>	<i>2,234</i>	<i>5%</i>	<i>1,923</i>	<i>6%</i>



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Shareholding Pattern (as on June 30, 2008)



Category	Holding (%)
President of India	89.78%
FII's	4.15%
Resident Individuals	2.19%
Mutual Funds	1.08%
Bodies Corporate	1.31%
Indian FIs & Banks	1.19%
Others	0.30%
Total	100%

S. No.	Top 10 Shareholders	Holding (%)	Category
1	President of India	89.78%	POI
2	Lloyd George Investment Management (Bermuda) Ltd	0.66%	FII
3	The India Fund Inc	0.50%	FII
4	LIC of India Market Plus	0.49%	IFI
5	Life Insurance Corporation of India	0.37%	IFI
6	JF India Fund	0.36%	FII
7	India Capital Opportunities Limited	0.26%	FII
8	India Capital Fund Limited	0.26%	FII
9	SBI Life Insurance Co. Limited	0.26%	LTD
10	Birla Sun Life Insurance Company	0.24%	LTD



Thank You!