



We Create Possibility of a Better Tomorrow....

November

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				

Power Finance Corporation Limited

A Navratna PSU

Performance Highlights

**Half year and
Quarter Ended
30th September 2010**

(Standalone, Audited)

PFC Overview

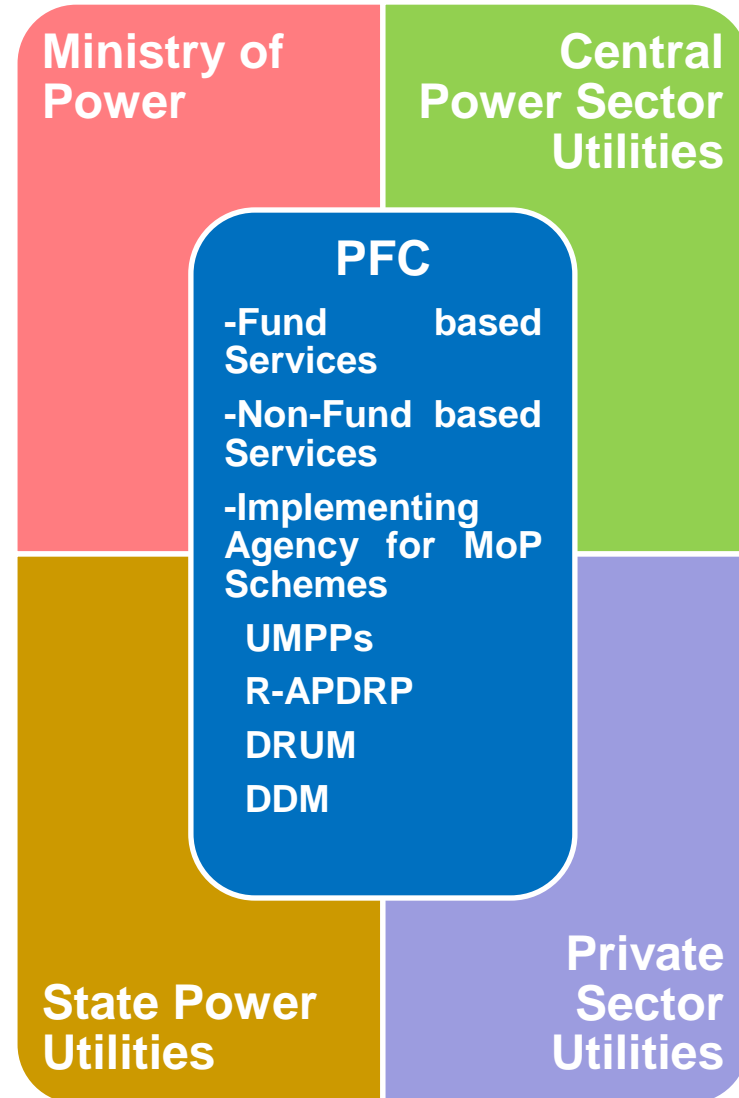
Focus & Strategy

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 Cumulative 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 GoI 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

1. ENICL ITP transferred to Sterlite Technologies
2. Conferred with "Dalal Street Investor Journal PSU Award 2010" for being
 - a) Heavy weight Navratna PSU
 - b) Fastest growing Navratna PSU
3. Received Dalal Street's "First DSIJ Award 2009" for "PSU having highest Profit per Employee"
4. RBI accorded IFC status to PFC on 28.07.2010
5. PFC awarded by 'Asia Pacific HRM Congress' for Leading HR Practices in "Learning & Human Capital Development"
6. PFC bagged Dainik Bhaskar's "India Pride Award 2010" in the category of "Financial Catalyst of the Year"
7. PFC received prestigious "ICT for India Award 2010" for excellence in performance for R-APDRP
8. MoU Signed between PFC & NPCIL

2010

2008

2009

2007

2007

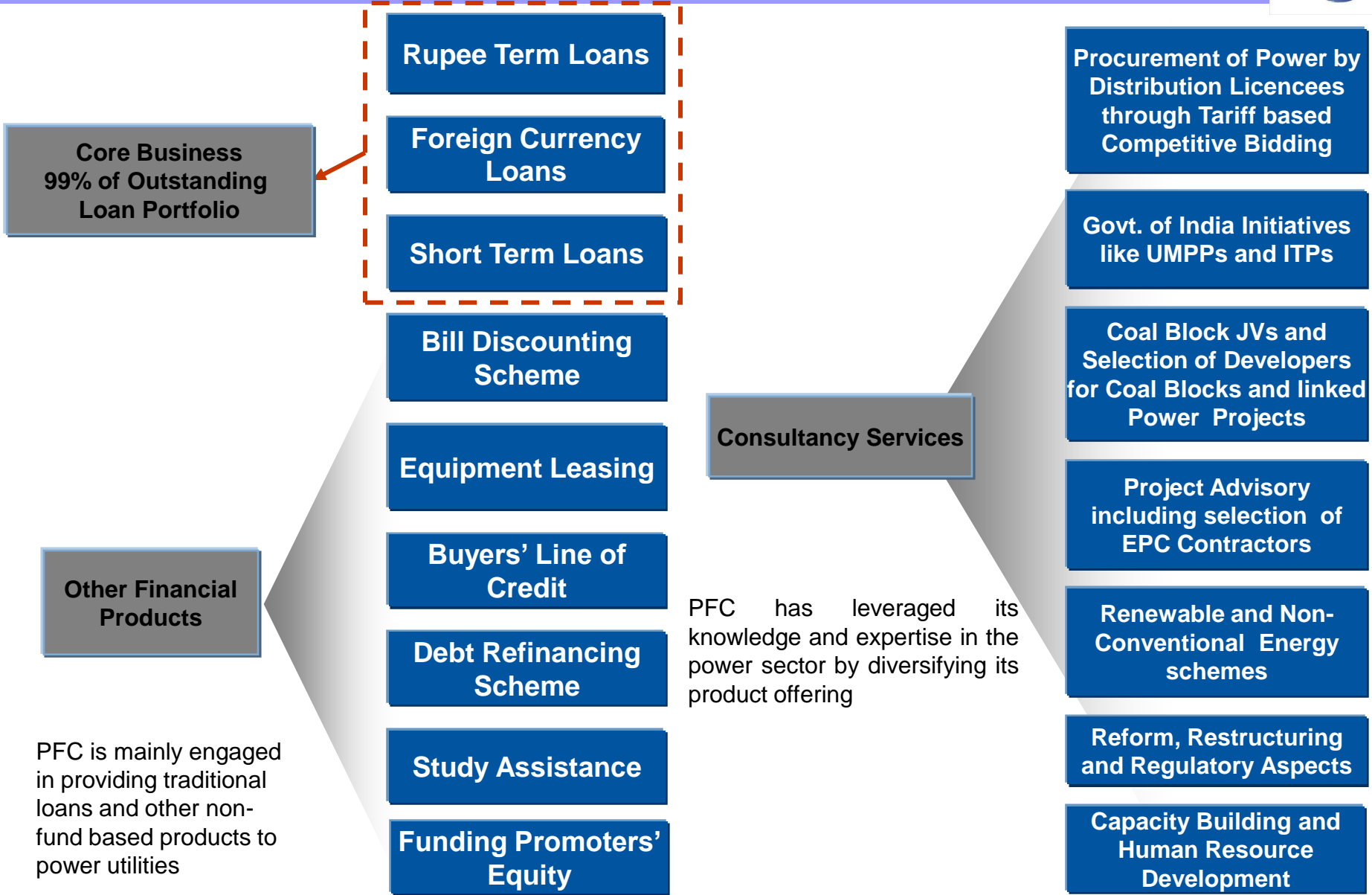
- Successfully awarded Mundra UMPP to Tata Power and Sasan UMPP to Reliance Power Ltd.
- Successful IPO of ₹ 997 crore
- Conferred 'Navratna' status in June

2009

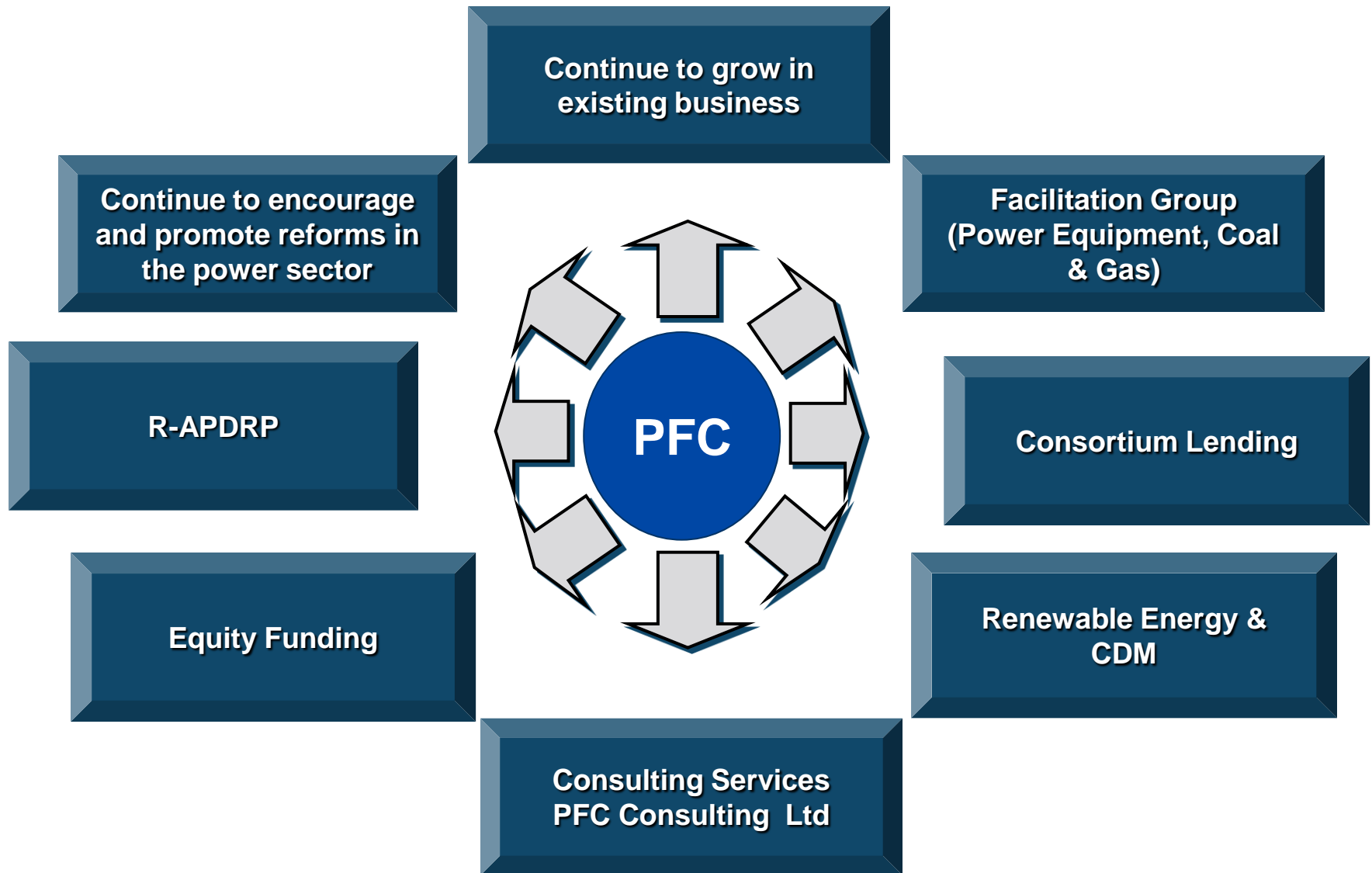
- Successfully awarded Tilaiya UMPP to Reliance Power
- Launch of R-APDRP website
- PFC in the list of Top 500 Global Financial Brands 2009
- PFC lists in Forbes Global 2000 ranking
- Received prestigious "India Pride Award 2009" in the NBFC category
- PFC conferred with the India Power Award 2009 for the Innovative Financing
- PFC certified ISO 9001:2008 in December



Exclusive Focus on Financing the Power Sector

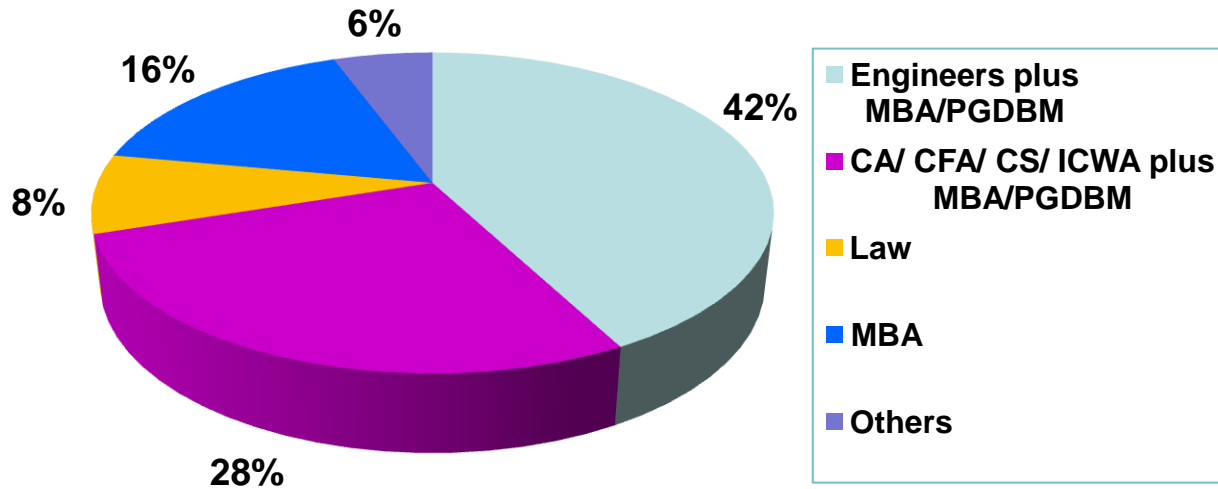


Business Strategy

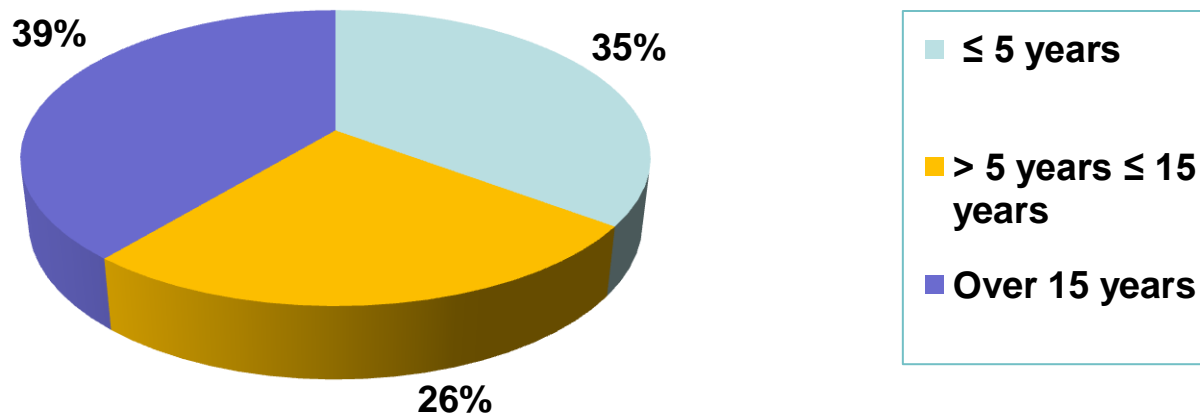


Competent and Committed Workforce

Academic background of Executives (213)



Experience Profile of Executives (213)



(as on 30.09.2010)

Workforce:324
Executives:213
Non-Executives:111

(H1 FY 2011)

Disbursement per Employee
₹ 45 crores

(H1 FY 2011)

PAT per Employee
₹ 4.18 crores

Highlights – H1 FY11 vs H1 FY10



- **Net Profit increased by 13 % from ₹ 1,193 crore to ₹ 1,353 crore**
- **Comparable PAT increased by 23 % from ₹ 1,038 crore to ₹ 1,273 crore**
- **Interest Spread increased by 23 bps from 2.53% to 2.76 %**
- **Total Income increased by 26 % from ₹ 3,939 crore to ₹ 4,956 crore**
- **Net Interest Income increased by 24 % from ₹ 1,420 crore to ₹ 1,754 crore**

Highlights – H1 FY11 vs H1 FY10



- **Net NPA at a low level of 0.01% of Net Loan Assets**
- **Disbursements increased by 63 % from ₹ 8,862 crore to ₹ 14,468 crore**
- **Sanctions increased by 25 % from ₹ 34,828 crore to ₹ 43,537 crore**
- **Loan Assets increased by 28 % from ₹ 68,661 crore to ₹ 87,906 crore**
- **Networth increased by 15 % from ₹ 11,920 crore to ₹ 13,696 crore**

Comparable Profit



(Y/E – March, ₹ Crores)

Comparable Profit	Q2 FY11	Q2 FY10	% change	H1 FY 11	H1 FY 10	% change	FY 10
Reported PAT	701	638	10%	1,353	1,193	13%	2,357
Adjustments (post-tax):							
Prior period Income Tax incl. interest thereon	2	(103)		(24)	(103)		(176)
Nodal Agency Fees and reimbursement of expenditure- R-APDRP	(17)	(15)		(65)	(15)		13
Translation / Actual Exchange Gain(-) / Loss(+)	(39)	9		9	(37)		(79)
Comparable PAT	647	529	22%	1,273	1,038	23%	2,115

Profit & Loss Account



(Y/E – March, ₹ Crores)

Income Statement#	Q2 FY11	Q2 FY10	H1 FY11	H1 FY10	FY10
Interest Income	2,447	1,935	4,759	3,793	7,845
Interest Expense	(1,551)	(1,215)	(3,005)	(2,373)	(4,937)
Net Interest Income	896	720	1,754	1,420	2,908
Other Income*	38	81	103	86	91
Operating Costs	(37)	(24)	(39)	(42)	(110)
Provisions	0.18	0.11	0.18	0.06	2
Profit Before Tax & Extra-ordinary Items	897	777	1,818	1,464	2,891
Extra-ordinary Items^	66	(13)	4	50	122
Tax Provisions	(263)	(126)	(473)	(323)	(665)
Provision for DTL	1	(0.5)	4	2	9
Profit after Tax	701	638	1,353	1,193	2,357

* 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 FY11	Q2 FY10	H1 FY11	H1 FY10	FY10
Net Interest Income	0.97%	1.00%	1.97%	1.99%	3.80%
Other Income	0.04%	0.11%	0.12%	0.12%	0.12%
Operating Expenses	-0.04%	-0.03%	-0.04%	-0.06%	-0.14%
Operating Profit	0.97%	1.07%	2.04%	2.05%	3.78%
Provisions	0.0002%	0.0002%	0.0002%	0.0001%	0.003%
Profit Before Tax & Extra-ordinary items	0.97%	1.08%	2.04%	2.05%	3.78%
Extra-ordinary items	0.07%	-0.02%	0.005%	0.07%	0.16%
Tax Provision	-0.29%	-0.17%	-0.53%	-0.45%	-0.87%
Provision for DTL(-) /DTA(+)	0.001%	-0.001%	0.005%	0.002%	0.01%
Profit after Tax (ROA)	0.76%	0.88%	1.52%	1.67%	3.08%
Operating Profit (Annualised)	3.89%	4.30%	4.08%	4.11%	3.78%
Profit after Tax (ROA) (Annualised)	3.04%	3.53%	3.04%	3.35%	3.08%

Balance Sheet



(Y/E – March, ₹ Crores)

Liabilities	H1 FY11	H1 FY10	FY10
Shareholders' Funds	14,615	12,701	13,261
Reserve for bad & doubtful debts (included in Shareholder's Funds)	919	780	842
Borrowings	73,563	56,538	67,108
Deferred Tax Liability	43	54	47
Interest Subsidy Fund	599	813	663
Current Liabilities & Provisions	4,633	4,200	3,669
Advances received from Subsidiaries (Included in Current Liabilities)	237	186	187
Total Liabilities	93,452	74,306	84,749
Assets	H1 FY11	H1 FY10	FY10
Loan Assets	87,906	68,661	79,856
Investments	31	31	31
Fixed Assets	78	74	75
Current Assets	5,437	5,541	4,787
Advances to Subsidiaries (Included in Current Assets)	116	44	65
Total Assets	93,452	74,306	84,749

* Current liabilities and provisions includes R-APDRP fund from Gol

Increase in Loan Assets by ~ 28 %

13

Key Indicators



Key Indicators	Q2 FY11	Q2 FY10	H1 FY11	H1 FY10	FY10
Disbursements (₹ Crores)	6,340	4,517	14,468	8,862	25,808
Sanctions (₹ Crores)	29,695	16,167	43,537	34,828	65,466
Net outstanding Sanctions (₹ Crores)	163,666	138,603	163,666	138,603	141,813
Loan Assets (₹ Crores)	87,906	68,661	87,906	68,661	79,856
Yield on Assets*	11.16%	11.29%	11.21%	11.21%	10.73%
Cost of Funds*	8.45%	8.83%	8.45%	8.67%	8.14%
Interest Spread*	2.70%	2.46%	2.76%	2.53%	2.59%
Net Interest Margin*	4.08%	4.20%	4.13%	4.20%	3.98%
Return on Average Networth*	20.97%	21.96%	20.73%	21.01%	20.31%
Return on Average Networth* (before exchange gain/loss)	19.80%	22.32%	20.92%	20.23%	19.55%
Debt Equity Ratio	5.50	4.82	5.45	4.82	5.22
Leverage (Average assets / Average net worth)	6.90	6.28	6.82	6.28	6.59
Capital Adequacy Ratio	17.43%	17.76%	17.43%	17.76%	18.20%
EPS (Weighted average)* (₹)	24.42	22.23	23.58	20.79	20.54
EPS (Weighted average)* (₹) (before exchange gain/loss)	23.06	22.55	23.74	20.14	19.85
Book Value Per Share (₹)	119.32	103.86	119.32	103.86	108.20
Book Value Per Share (₹) (before exchange gain/loss)	118.98	103.53	119.40	103.53	107.51

* Quarterly and half-yearly Ratios have been Annualised

Disbursements – Composition



(Y/E – March, ₹ Crores)

Disbursements	Q2 FY11		Q2 FY10		H1 FY11		H1 FY10		FY10	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Discipline-wise										
Generation	4,148	65%	3,482	77%	8,846	61%	6,919	78%	19,682	76%
Transmission	611	10%	142	3%	1,041	7%	476	5%	1,056	4%
Distribution	350	6%	74	2%	660	5%	297	3%	630	2%
R-APDRP (Part A)	-	-	374	8%	17	0.1%	374	4%	1,125	4%
R-APDRP (Part B)	625	10%	-	-	821	6%	-	-	196	1%
Others*	606	10%	445	10%	3,084	21%	797	9%	3,119	12%
Total	6,340	100%	4,517	100%	14,468	100%	8,862	100%	25,808	100%
Borrower-wise										
State Sector	4,887	77%	2,447	54%	9,218	64%	5,362	61%	15,953	62%
Central Sector	451	7%	1,404	31%	2,153	15%	2,065	23%	6,351	25%
Joint Sector	318	5%	431	10%	702	5%	1,024	12%	2,449	9%
Private sector	684	11%	235	5%	2,394	17%	411	5%	1,055	4%

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

Cumulative Disbursements till 30 Sep'10 ₹ 153,396 Crores

15

Sanctions – Composition



(Y/E – March, ₹ Crores)

Sanctions	Q2 FY11		Q2 FY10		H1 FY11		H1 FY10		FY10	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Discipline-wise										
Generation	23,016	78%	13,978	86%	28,269	65%	26,277	75%	43,629	67%
Transmission	301	1%	797	5%	3,410	8%	5,007	14%	11,620	18%
Distribution	78	0.3%	14	0.1%	204	0.5%	36	0.1%	295	0.5%
R-APDRP (Part A)	17	0.1%	623	4%	209	0.5%	2,237	6%	3,179	5%
R-APDRP (Part B)	5,747	19%	-	-	7,800	18%	-	-	3,059	5%
Others*	535	2%	755	5%	3,645	8%	1,272	4%	3,684	6%
Total	29,695	100%	16,167	100%	43,537	100%	34,828	100%	65,466	100%
Borrower-wise										
State Sector	23,378	79%	4772	30%	30,358	70%	13,538	39%	38,970	60%
Central Sector	-	-	-	-	2,500	6%	3,747	11%	2,248	3%
Joint Sector	-	-	7046	44%	-	-	8,462	24%	8,462	13%
Private sector	6,317	21%	4349	27%	10,679	24%	9,082	26%	15,786	24%

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

Cumulative Sanctions till 30 Sep'10 ₹ 317,062 Crores

16

Loan Assets – Composition



(Y/E – March, ₹ Crores)

Loan Assets*	H1 FY11		H1 FY10		FY10	
	Amount	%	Amount	%	Amount	%
Discipline-wise						
Generation	73,294	83%	56,720	83%	67,013	84%
Transmission	6,393	7%	6,527	10%	6,284	8%
Distribution	3,820	4%	3,490	5%	3,402	4%
Others**	4,399	5%	1,829	3%	3,163	4%
Total	87,906	100%	68,567	100%	79,861	100%
Borrower-wise						
State Sector	58,032	66%	48,263	70%	54,142	68%
Central Sector	16,838	19%	11,051	16%	15,015	19%
Joint Sector	7,073	8%	5,245	8%	6,525	8%
Private Sector	5,963	7%	4,009	6%	4,179	5%

* 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 30.09.2010



(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	55,978	18,661	46,243	120,882
Transmission	10,591	4,859	5,710	21,160
Distribution	4,384	772	800	5,956
R-APDRP (Part A)	3,507	94	238	3,838
R-APDRP (Part B)	4,057	564	5,222	9,842
Others*	459	700	828	1,987
Total	78,976	25,649	59,041	163,666
<u>Borrower-wise</u>				
State Sector	54,949	15,898	31,085	101,932
Central Sector	12,557	2	2,500	15,059
Joint Sector	2,397	400	7,046	9,843
Private sector	9,073	9,349	18,409	36,831

Loan Quality



(Y/E – March, ₹ Crores)

Particulars	H1 FY11	H1 FY10	FY10	FY09
Gross NPAs	13	13	13	13
Less: Provisions & write-offs	(7)	(7)	(7)	(7)
Net NPAs	6	6	6	6
<i>As a % of Loan Assets:</i>				
<i>Gross NPAs</i>	<i>0.01%</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, ₹ Crores)

Borrowings	H1 FY11		H1 FY10		FY10	
	Amount	%	Amount	%	Amount	%
Bonds	54,237	74%	41,670	74%	46,622	69%
Domestic	53,421		40,797*		45,801	
Foreign	816		873		820	
Term Loans	19,089	26%	13,868	25%	18,161	27%
Short Term Loans	237	0.3%	1,000	2%	2,325	3%
Borrowings O/s	73,563	100%	56,538	100%	67,108	100%
<i>Of which:</i>						
<i>Rupee Denominated</i>	<i>69,736</i>	<i>95%</i>	<i>54,999*</i>	<i>97%</i>	<i>64,350</i>	<i>96%</i>
<i>Foreign Currency Loans</i>	<i>3,827</i>	<i>5%</i>	<i>1,539</i>	<i>3%</i>	<i>2,759</i>	<i>4%</i>

* Includes Rs. 1,392.20 crores of application money pending allotment of bonds as on 30-Sep-09

Resource Profile



(Y/E – March, ₹ Crores)

Resources	H1 FY11		H1 FY10		FY10	
	Amount	%	Amount	%	Amount	%
Shareholders' Funds	14,615	16%	12,701	18%	13,261	16%
Reserve for bad & doubtful debts (included in Shareholder's Funds)	919		780		842	
Deferred Tax Liability	43	0.05%	54	0.1%	47	0.1%
Interest Subsidy Fund	599	1%	813	1%	663	1%
Bonds (Domestic)	53,421	60%	40,797*	58%	45,801	56%
Rupee Term Loans	16,078	18%	13,202	19%	16,223	20%
Short Term Loans	237	0.3%	1,000	1%	2,325	3%
Foreign Currency Loans	3,827	4%	1,539	2%	2,759	3%
Total	88,820	100%	70,106	100%	81,080	100%

* Includes Rs. 1,392.20 crores of application money pending allotment of bonds as on 30-Sep-09

Major Projects Sanctioned in H1 FY 2011

PROPOSAL DISCRPTION	Sanctions (₹ in crores)
2X800 MW Coal Based TPP of APGENCO at Vodarevu in AP	6806
700 MW Coal Based TPS Unit 3 At Bellary of KPCL in Karnataka	3081
1X600 MW Ennore Annexe TPS of TNEB in Tamilnadu	2509
800 KV, 6000 MW Multi Terminal System Package of Power Grid Corporation of India Ltd in UP	2500
3960 MW Coal Based UMPP of Coastal Andhra Power Limited at Krishnapatnam in AP	2000
2X500 MW TPS Unit-I & II of Chhatisgarh State Electricity Board at Marwa in Chhattisgarh	1930
1320 MW Coal Based TPP by NCC Power in Srikakulam, AP	1650
2X600 MW TPS of Chhattisgarh Power Ventures Private Limited in Chhattisgarh	1500
2X660 MW TPS of Lanco Amarkantak Power Pvt Ltd in Chhattisgarh	1250
1X660 MW TPS of Ind-Barath Power (Madras) Ltd. at Manappad in Tamilnadu	1239

Shareholding Pattern



Category	Holding (%)			
	As on 30.09.2010	As on 30.09.2009	As on 31.03.2010	As on 31.03.2009
President of India	89.78%	89.78%	89.78%	89.78%
FIs	3.76%	4.42%	3.85%	4.01%
Indian FIs & Banks	2.15%	1.28%	2.10%	1.92%
Bodies Corporate	1.93%	0.90%	1.60%	0.90%
Resident Individuals	1.37%	2.05%	1.44%	1.83%
Mutual Funds	0.80%	1.26%	1.05%	1.29%
Employees	0.08%	0.12%	0.08%	0.11%
Others	0.13%	0.19%	0.09%	0.17%
Total	100%	100%	100%	100%

S. No.	Top 10 Shareholders (as on 30.09.2010)	Holding (%)	Category
1	PRESIDENT OF INDIA	89.78%	POI
2	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	0.90%	LTD
3	LIFE INSURANCE CORPORATION OF INDIA	0.73%	IFI
4	LIC OF INDIA - MARKET PLUS	0.50%	IFI
5	LIC OF INDIA MARKET PLUS - 1	0.46%	IFI
6	JF INDIA FUND	0.28%	FII
7	RELIANCE LIFE INSURANCE COMPANY LIMITED	0.28%	LTD
8	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	0.27%	LTD
9	INDIA CAPITAL OPPORTUNITIES 1 LIMITED	0.26%	FII
10	INDIA CAPITAL FUND LIMITED	0.23%	FII



Thank You!