



Power Finance Corporation Ltd.
A Navratna PSU

Performance Highlights

Quarter/Half Year ended 30th September 2020



Funding for a
Brighter Tomorrow

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1. Highlights



A. PFC at a Glance

Leading Financer in Power Sector



Largest Govt. owned financing provider
Group in the Indian power sector

Involving synergies of 2 “Navratna”
Companies - PFC & REC



Majority
Owned by
Government of
India



Key financial
partner for
Government in
Power Sector



Highest Long
Term
Domestic
Rating of
‘AAA’

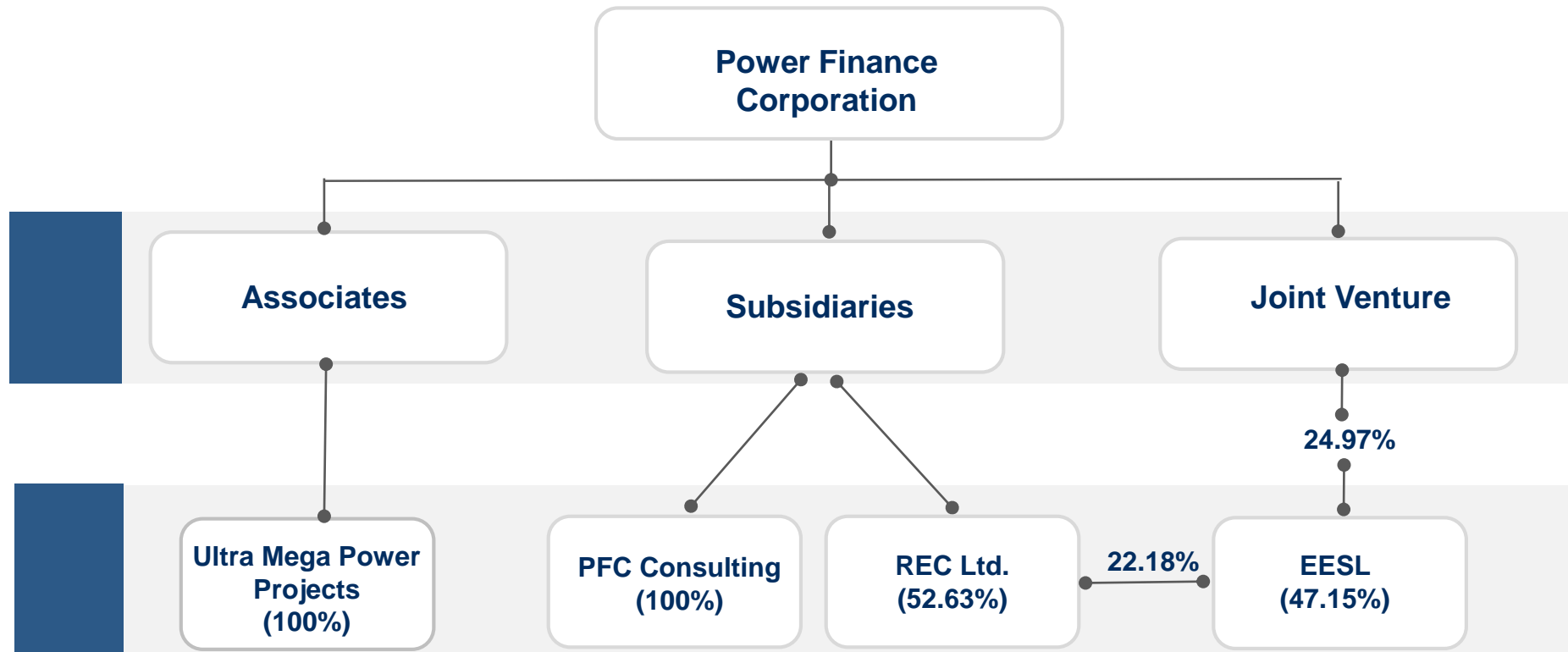


Largest Group
in Indian Power
sector



#34 in
Fortune 500
India (2020)

PFC Group Structure



1. EESL – Energy Efficiency Service Ltd.

2. 47.15% stake in EESL is consolidated stake of PFC (24.97%) & REC (22.18%)



B. Stand Alone Performance



1. Highlights

H1FY21 in Perspective



49% increase in PAT from H1'20

Rs.3,785 cr. in H1'21 vs. Rs.2,540 cr. in H1'20

51 bps increase in NIM from H1'20

3.58% in H1'21 vs. 3.07% in H1'20

190 bps reduction in NPA levels from H1'20

7.15% in H1'21 vs. 9.05% in H1'20

60% increase in disbursements from H1'20

Rs.46,096 cr. in H1'21 vs. Rs.28,833 cr. in H1'20

14% increase in loan assets from H1'20

Rs. 3,71,158 cr. in H1'21 vs. Rs.3,25,434 cr. in H1'20



2. Earning Update

Revenue & Growth

	(Rs.'crore)				
Particulars	Q2 FY 21	Q1 FY 21	Q2 FY 20	H1 FY 21	H1 FY 20
Interest Income	9,194	8,749	7,989	17,943	15,521
Interest Expense	5,829	5,676	5,439	11,506	10,806
Net Interest Income	3,365	3,073	2,550	6,437	4,716
Profit After Tax	2,085	1,700	1,157	3,785	2,540
Total Comprehensive Income	2,049	1,646	984	3,695	2,392

(Y/E- March)

Some figures may have been regrouped / reclassified for analysis purpose. Therefore, they may not reconcile with the reported figures.

Key Ratios

(Ratios in %)

Particulars	Q2 FY 21	Q1 FY 21	Q2 FY 20	H1 FY 21	H1 FY 20
Yield on Earning Assets	10.70	10.68	10.61	10.67	10.59
Cost of Funds	7.61	7.68	7.82	7.64	7.86
Interest Spread on Earning Assets	3.09	3.00	2.79	3.03	2.73
Net Interest Margin on Earning Assets	3.69	3.48	3.13	3.58	3.07
CRAR	18.18	17.32	18.37	18.18	18.37
Net Worth (Share Capital + All Reserves)	Rs.49,378 cr.	Rs.46,940 cr.	Rs.45,445 cr.	Rs.49,378 cr.	Rs.45,445 cr.

(Y/E- March)

Ratios are annualised & are based on daily average and rounded off.



3. Asset Quality

Provisioning Snapshot – 30.09.2020

(Rs.'crore)



Provisioning Status as on 30.09.2020

56% provisioning against
Stage III Assets (NPA)

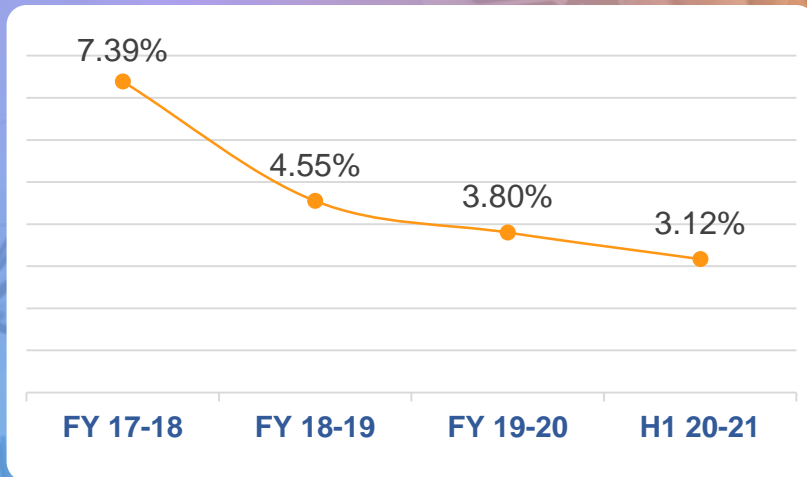
	Stage I & II	Stage III	Stage III (NPA) as % of Gross Loan Assets	Total
Outstanding Loan Assets				
- Government Sector	3,10,017	-	-	3,10,017
- Private Sector	34,614	26,527	-	61,141
Total Outstanding Amount	3,44,632	26,527	7.15%	3,71,158
Total Provisioning Amount	1829	14,932	-	16,761
Net Assets	3,42,803	11,595	3.12%	3,54,398

Note - Provision has been made in respect of all loans assets as per Expected Credit Loss (ECL) methodology under Ind As.

Asset Quality Snapshot

Rs.3,71,158 cr. loan book as on 30.09.2020

Net NPAs continue their downward trend



GOVERNMENT SECTOR



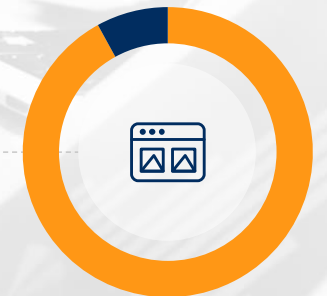
84%

PRIVATE SECTOR



16%

STANDARD ASSET



93%

Resolution Status – Stage III Assets (1/3)

Resolution status of Rs.26,527 cr. of loan assets in Stage III



NCLT Resolution

Rs.16,185 cr. in NCLT

17 projects

64% provision

Outside NCLT Resolution

Rs.10,342 cr. resolution being pursued outside NCLT

08 projects

44% provision

Resolution Status – Stage III Assets (2/3)

Status update of major projects under NCLT resolution

Ind Barath Energy Utkal

Rs.1,368 cr.

- 1 unit out of 2 units commissioned.
- Final resolution plan submitted to NCLT for approval.

Lanco Amarkantak

Rs.2,376 cr.

- 2 units commissioned and operating and 2 units are in advance stage of completion.
- Resolution plans received and are under examination.

KSK Mahanadi Power

Rs.3,300cr

- 3 units commissioned and operating.
- Bidding process underway

1

2

3

4

5

South East UP Power

Rs.2,263 cr.

- 65% completed.
- Application admitted and process started

Shree Maheshwar

Rs.1,549 cr.

- Project under construction
- Awaiting admission in NCLT

Application admitted

Application admitted

Application yet to be admitted

Sufficient provisioning done in all the cases as Expected credit loss (ECL) methodology adopted.

Resolution Status – Stage III Assets (3/3)

Status update of major projects outside NCLT resolution

RKM Powergen Pvt. Ltd

Rs.5,180cr

- Commissioned
- Resolution plan agreed by all lenders except one Bank.

1

India Power Corporation (Haldia) Ltd

Rs.959cr

- 2 units commissioned
- Resolution plan being finalized by lenders- PFC/REC

3

Sinnar Thermal Power Ltd

Rs.3,001cr

- Commissioned
- Tie up of PPA being pursued by borrower
- Resolution plan may be formulated by the lenders in lenders' meet

2

Sufficient provisioning done in all the cases as Expected credit loss (ECL) methodology adopted.



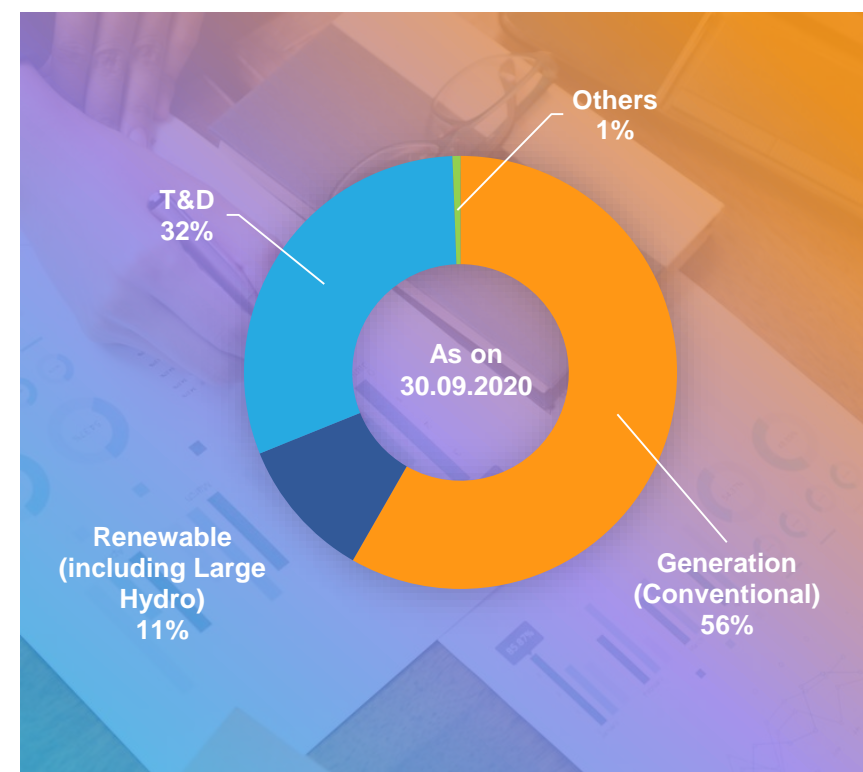
4. Operational Performance

Loan Asset – Composition

Robust Loan Assets Growth of 14% from H1FY20 to H1FY21

(Rs.'crore)

	As on 30.09.2020	As on 30.09.2019	As on 31.03.2020
Gross Loan Assets	3,71,158	3,25,434	3,44,905
Scheme Wise			
Generation	2,47,099	2,28,644	2,37,178
▪ Conventional Generation	2,07,816	197,161	2,00,173
▪ Renewable Energy	39,283	31,482	37,005
• Renewable Energy - Large Hydro Projects (>25 MW)	17,848	18,709	17,594
• Renewable Energy Other than Large Hydro Projects	21,434	12,773	19,410
Transmission	30,216	26,693	29,159
Distribution	91,706	67,371	75,892
Others	2,137	2,727	2,676
Sector Wise			
Government Sector	3,10,017	2,68,786	2,87,514
Private Sector	61,141	56,648	57,391



Disbursement Composition

(Rs.'crore)

	Q2 FY 21		Q2 FY 20		H1 FY21		H1 FY20	
	Amt	%	Amt	%	Amt	%	Amt	%
Disbursements	28,825	100%	18,366	100%	46,096	100%	28,833	100%
Scheme Wise								
Generation	9,855	34%	8,712	47%	20,764	45%	15,195	53%
Transmission	1,382	5%	1693	9%	3,040	7%	2,576	9%
Distribution	17,526	61%	7,758	42%	22,160	48%	10,810	37%
Others	62	0.2%	203	1.1%	132	0%	251	1%
Sector Wise								
Government Sector	25,809	90%	16,947	92%	40,662	88%	24,038	83%
Private Sector	3,016	10%	1419	8%	5,434	12%	4,795	17%

Discoms Lending Scheme Status- Sanction- Rs.36,000 cr. and Disbursement Rs.12,500 cr.

Liability Mix as on 30.09.2020

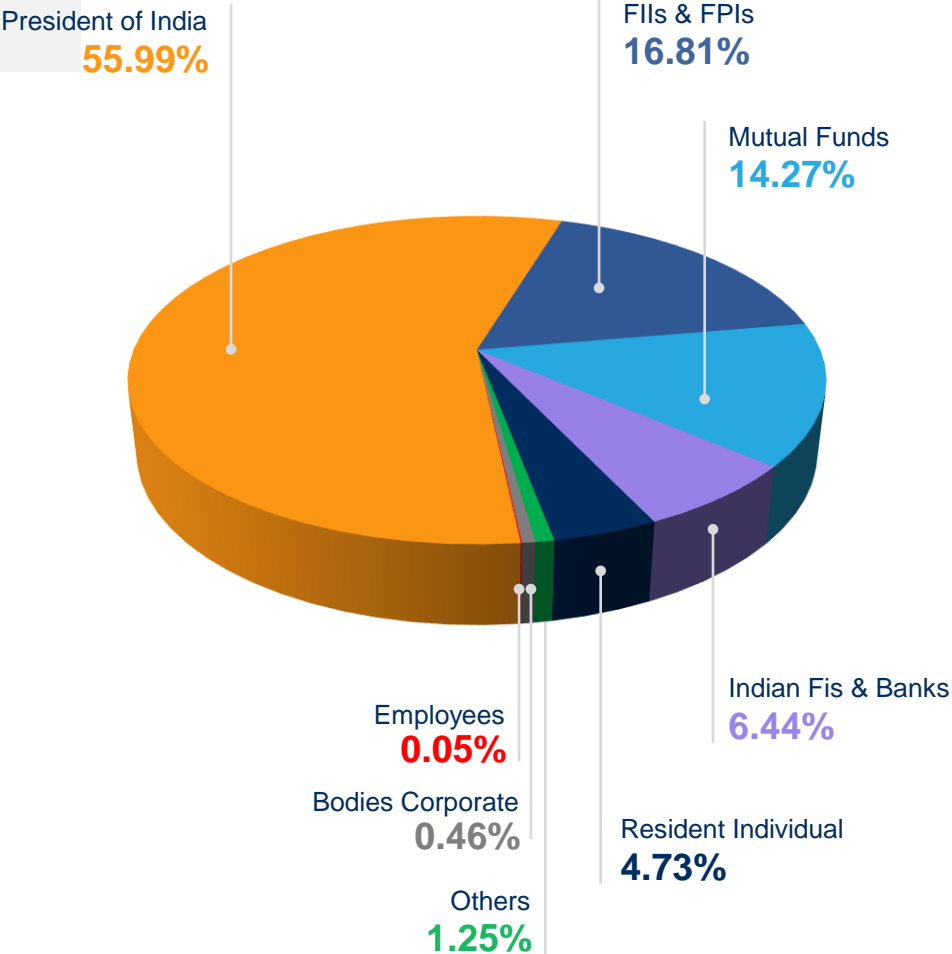
72% exchange risk hedged for FCL with 5 years residual maturity





5. Shareholder Outlook

Shareholder Outlook as on 30.09.2020



Equity Ratios Indicate Potential For Upside

—
EPS
 (Annualized)
 Rs.28.67

—
Book Value
Per Share
 Rs.187.03

—
Price to
Earning Ratio
 3.01

—
Price to Book
Value Ratio
 0.46

Above ratios are for H1'21 & are based on the last available closing share price from BSE as on the end of reporting period



C. Consolidated Performance



1. Highlights

Consolidated Snapshot



TOTAL INCOME - Rs.35,104 cr.



LOAN ASSET - Rs.7,20,110 cr.



Gross NPA- 6.21%



H1'21 PAT- Rs.7,847 cr.



CRAR – 17.54%



NET NPA - 2.60%



Key Consolidated Financials

(Rs. 'crore)

Particulars	Q2 FY 21	Q1 FY 21	Q2 FY 20	H1 FY 21	H1 FY 20
Interest Income	18,035	16,856	15,397	34,891	29,905
Interest Expense	11,240	10,869	10,153	22,109	20,091
Net Interest Income	6,794	5,987	5,244	12,782	9,814
Profit After Tax	4,290	3,557	2,497	7,847	5,397
Total Comprehensive Income	4,365	3,665	2,269	8,030	5,167

(Y/E- March)


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Thanks

Any Questions?

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