



Power Finance Corporation Ltd.
A Navratna PSU

Performance Highlights

Quarter/Nine months ended 31st December 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'

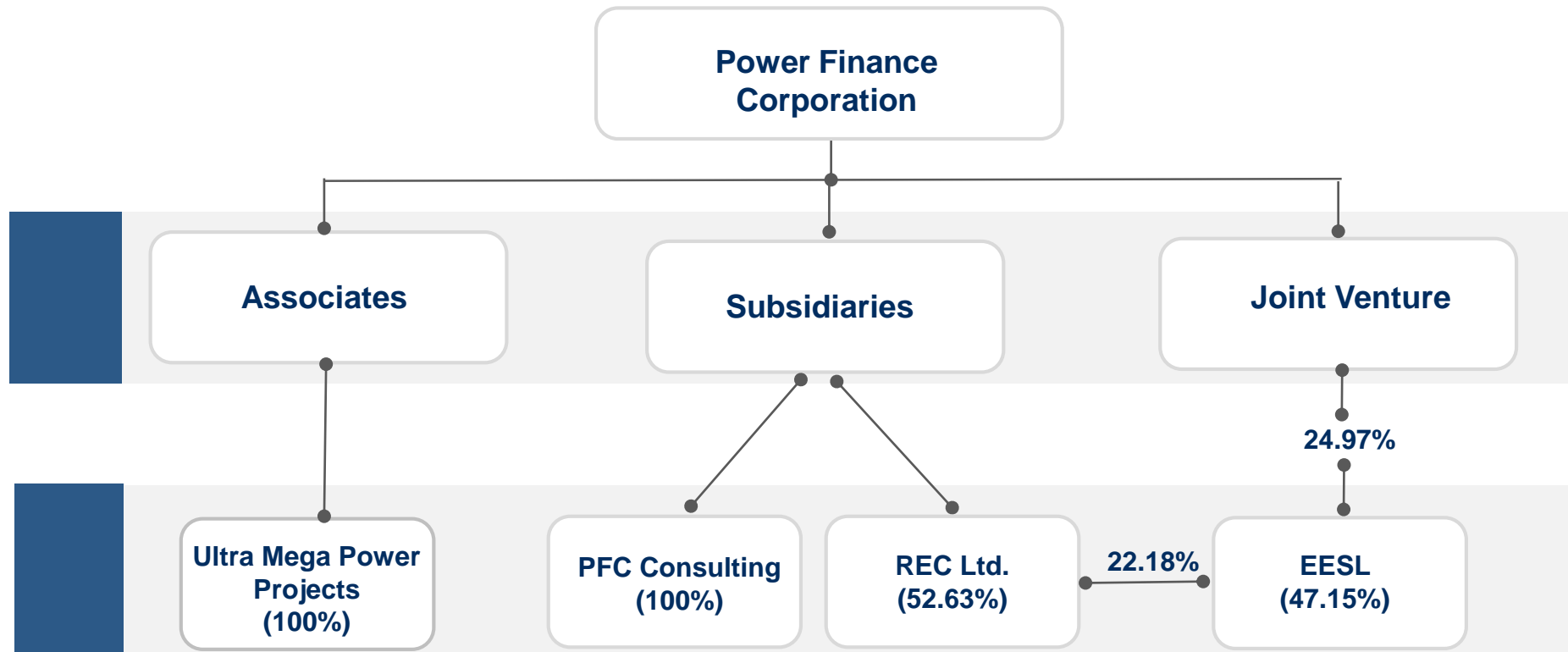


Largest Group
in Indian Power
sector



#33 in
Fortune 500
India

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

9M FY21 in Perspective



45% increase in PAT from 9M'20

Rs.6,117 cr. in 9M'21 vs. Rs.4,220 cr. In 9M'20



89 bps increase in CRAR from 9M'20

9M'21 CRAR at 20.21%
Tier I 16.60% & Tier II 3.61%



164 bps reduction in Net NPA levels from 9M'20

2.30% in 9M'21 vs. 3.94% in 9M'20



Stressed Asset of Rs.5,105 cr. Resolved & upgraded

RKM Powergen - Rs.5,105 cr.
No major impact on P&L as sufficient provisioning available



Net worth crosses Rs.50,000 cr. mark

Rs. 52,015 cr. in 9M'21 vs. Rs.47,227 cr. in 9M'20

Borrowing Highlights



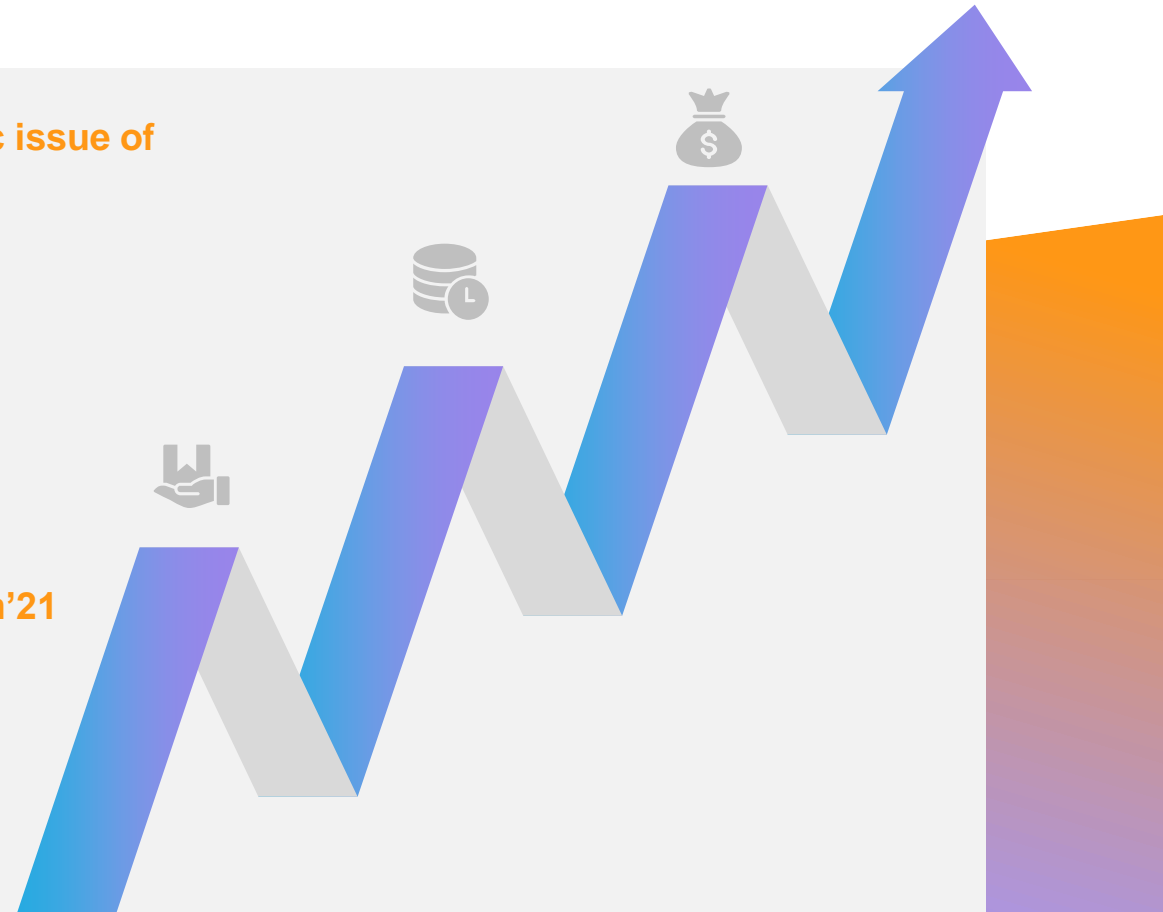
PFC successfully taps retail investors through public issue of taxable bonds in Jan'21

- ❑ Rs.4,429 cr. raised
- ❑ Base Issue size ~ 500 cr.~ oversubscribed by 9x
- ❑ Tenor - ranging from 3 to 15 years
- ❑ Competitive cost of public issuance - fixed/floating structure ranging from 4.65% to 7.15%
- ❑ First such issuance by a Power Sector PSU
- ❑ First successful floating rate tranche under the issue by a CPSU



USD 500 mn raised through USD Reg S Bonds in Jan'21

- ❑ Base Issue size ~ USD 300 mn ~ oversubscribed by 5.1X
- ❑ Fixed coupon of 3.35% p.a.~ priced inside the fair value of PFC's secondary bonds
- ❑ Maturity above 10 years
- ❑ Listed on SGX, NSE IFSC & India Inx.





2. Earning Update

Revenue & Growth

(Rs.'crore)

Particulars	Q3 FY 21	Q3 FY 20	9M FY 21	9M FY 20
Interest Income	9,327	8,144	27,270	23,665
Interest Expense	5,885	5,498	17,391	16,303
Net Interest Income	3,442	2,646	9,879	7,362
Profit After Tax	2,333	1,680	6,117	4,220
Total Comprehensive Income	2,466	1,758	6,161	4,150

(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	Q3 FY 21	Q3 FY 20	9M FY 21	9M FY 20
Yield on Earning Assets	10.68	10.66	10.68	10.61
Cost of Funds	7.48	7.75	7.51	7.82
Interest Spread on Earning Assets	3.20	2.91	3.17	2.79
Net Interest Margin on Earning Assets	3.63	3.28	3.67	3.14
CRAR	20.21	19.32	20.21	19.32
Net Worth (Share Capital + All Reserves)	Rs.52,015 cr.	Rs.47,227 cr.	Rs.52,015 cr.	Rs.47,227 cr.

(Y/E- March)

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

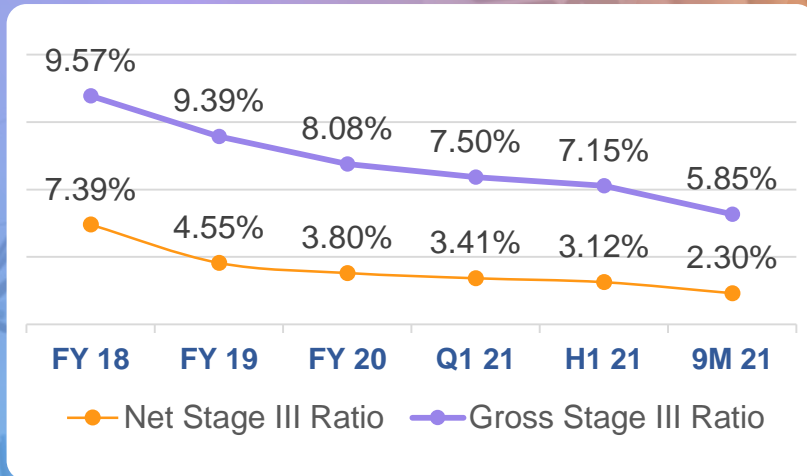


3. Asset Quality

Asset Quality Snapshot

Rs.3,65,031 cr. loan book as on 31.12.2020

Net NPAs continue their downward trend



LOAN ASSET COMPOSITION



94% of Loan Assets are regular in servicing & no stress is envisaged

Provisioning Snapshot – 31.12.2020

(Rs.'crore)



Provisioning Status as on 31.12.2020

61% 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	3,06,043	-	-	3,06,043
- Private Sector	37,642	21,346	-	58,988
Total Outstanding Amount	3,43,685	21,346	5.85%	3,65,031
Total Provisioning Amount	3,129	12,959	-	16,088
Net Assets	3,40,556	8,386	2.30%	3,48,942

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

Resolution Status – Stage III Assets

Resolution status of Rs.21,346 cr. of loan assets in Stage III



NCLT Resolution

Rs.16,185 cr. in NCLT

17 projects

65% provision

Outside NCLT Resolution

Rs.5,161 cr. resolution being pursued outside NCLT

07 projects

47% provision

R.K.M. Power Gen Loan of Rs.5,105 cr. Resolved outside NCLT



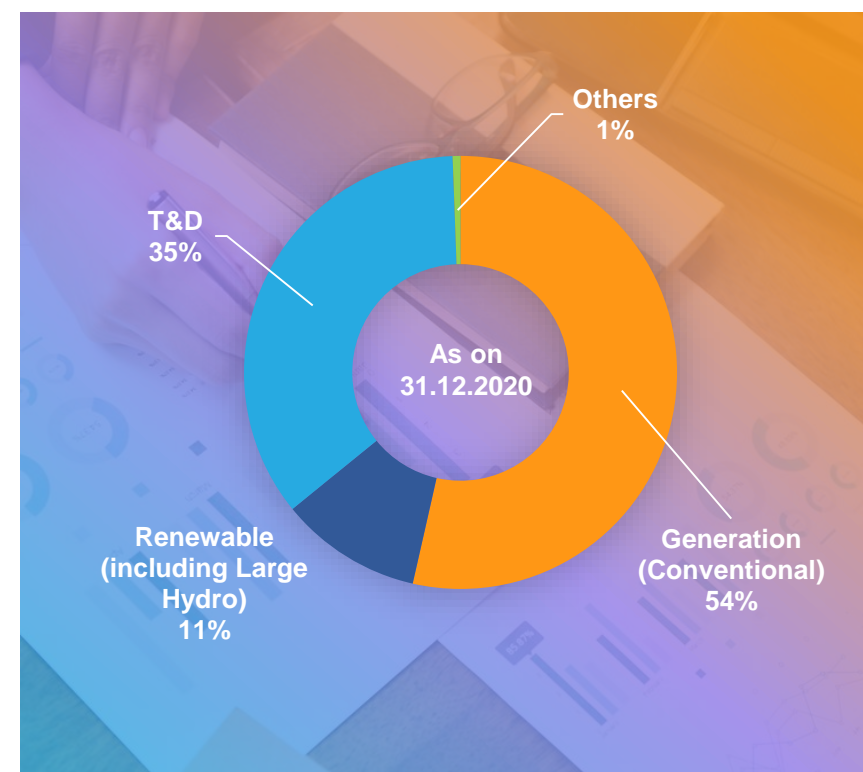
4. Operational Performance

Loan Asset – Composition

Continued focus on T&D and Renewable Business

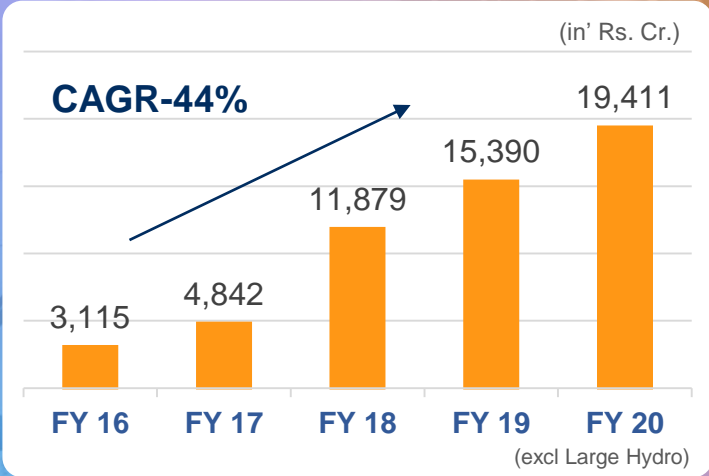
(Rs.'crore)

	As on 31.12.2020	As on 31.12.2019	As on 31.03.2020
Gross Loan Assets	3,65,031	3,32,962	3,44,905
Scheme Wise			
Generation	2,34,135	2,33,245	2,37,178
▪ Conventional Generation	1,95,454	1,974,88	2,00,173
▪ Renewable Energy	38,681	35,757	37,005
• Renewable Energy - Large Hydro Projects (>25 MW)	17,617	17,480	17,594
• Renewable Energy Other than Large Hydro Projects	21,064	18,277	19,410
Transmission	30,378	27,555	29,159
Distribution	98,388	69,410	75,892
Others	2,130	2,753	2,676
Sector Wise			
Government Sector	3,06,043	2,77,744	2,87,514
Private Sector	58,988	55,218	57,391



Continued Focus on Renewable Business

6 Times Jump in Renewable business since FY 2015-16



Key Highlights

Major Borrowers > Azure Power, Ostro Kannada Power, Adani Wind Energy (GJ), Adani Green energy, Acme Aklera Power

Cumulative Sanctions > More than Rs.50,000 cr.

Cumulative Disbursement > More than Rs.29,000 cr.

Renewable Capacity Addition

India Renewable Capacity at 92.55 GW as on 31st Jan'2021.

(Source - MNRE website)

Disbursement Composition

(Rs.'crore)

	Q3 FY 21		Q3 FY 20		9M FY21		9M FY20	
	Amt	%	Amt	%	Amt	%	Amt	%
Disbursements	13,847	100%	18,413	100%	59,943	100%	47,246	100%
Scheme Wise								
Generation	1,763	13%	11,936	65%	22,527	38%	27,132	57%
Transmission	1,104	8%	1,610	9%	4,144	7%	4,185	9%
Distribution	10,959	79%	4,811	26%	33,119	55%	15,621	33%
Others	21	0.1%	56	0.3%	153	0.3%	307	1%
Sector Wise								
Government Sector	12,797	92%	16,882	92%	53,459	89%	40,920	87%
Private Sector	1,050	8%	1,531	8%	6,484	11%	6,326	13%

Liability Mix as on 31.12.2020

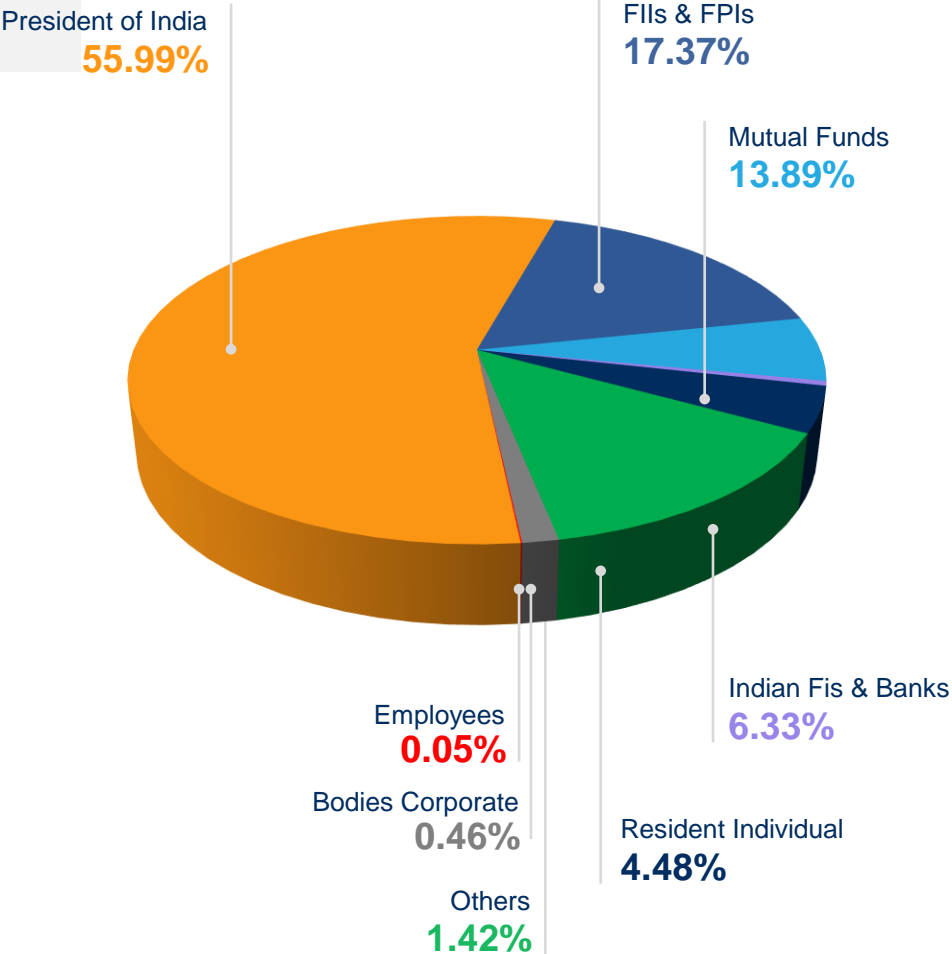
74% exchange risk hedged for FCL with 5 years residual maturity





5. Shareholder Outlook

Shareholder Outlook as on 31.12.2020



Equity Ratios Indicate Potential For Upside

EPS
(Annualized)
Rs.30.90

Book Value
Per Share
Rs.197.02

Price to
Earning Ratio
3.70

Price to Book
Value Ratio
0.58

Above ratios are for 9M'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.53,545 cr.



LOAN ASSET - Rs.7,22,098 cr.



Gross NPA- 5.48%



9M'21 PAT- Rs.11,810 cr.



NETWORTH - Rs.79,706 cr.



NET NPA - 2.12%



Key Consolidated Financials

(Rs.'crore)

Particulars	Q3 FY 21	Q3 FY 20	9M FY 21	9M FY 20
Interest Income	18,227	15,679	53,117	45,586
Interest Expense	11,330	10,259	33,439	30,354
Net Interest Income	6,897	5,420	19,678	15,232
Profit After Tax	3,963	3,387	11,810	8,784
Total Comprehensive Income	4,280	3,522	12,309	8,689

(Y/E- March)




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



Thanks

Any Questions?

For questions on PFC's financial performance, you can reach PFC Investor Relations Team at investorrelations@pfcindia.com

Join us:    @pfclindia  www.pfcindia.com





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