



Power Finance Corporation Ltd.
A Navratna PSU

Performance Highlights

Quarter ended 30th June 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 in the Indian power sector

Group with 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’

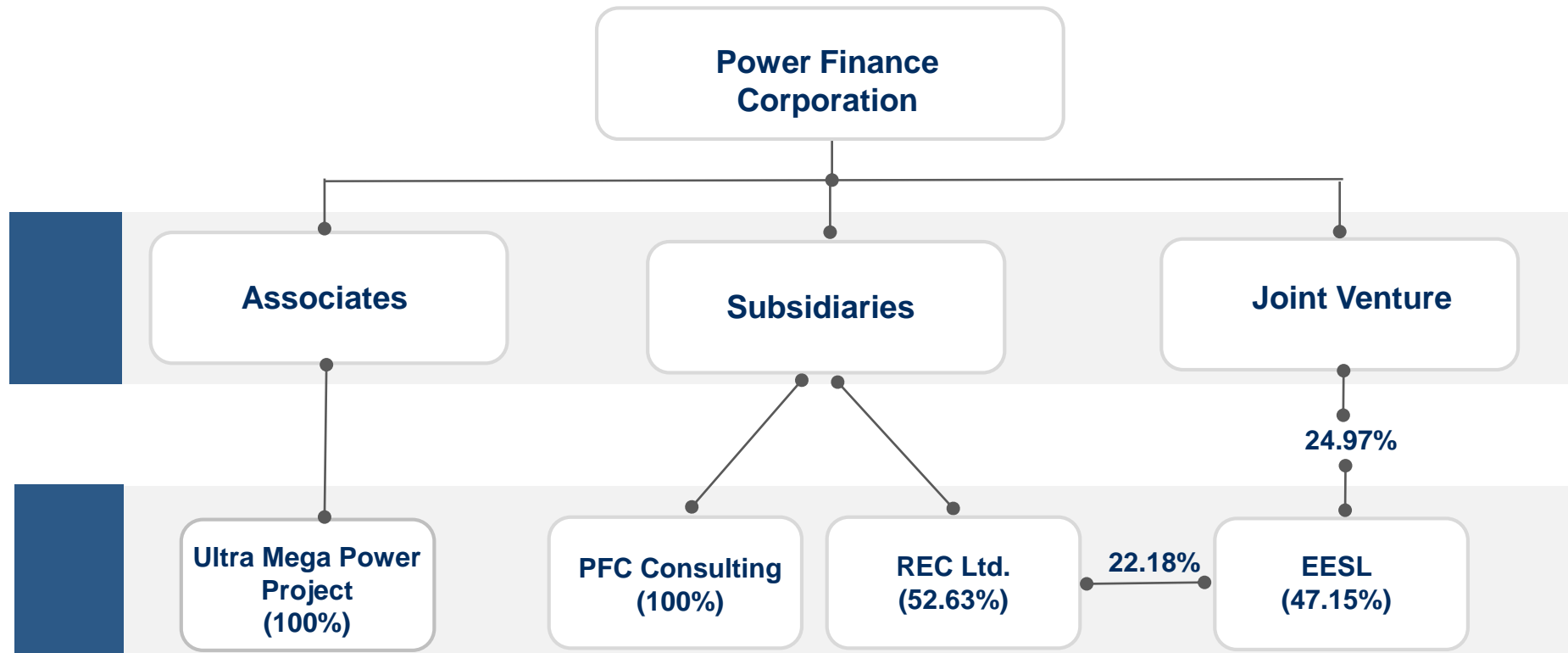


Largest Group in Power sector



#34 in Fortune 500 India (2019)

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%)

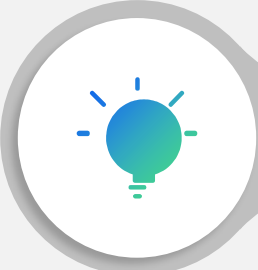


B. Stand Alone Performance



1. Highlights

Q1'21 in Perspective



23% Y-o-Y increase in PAT

Rs. 1,700 cr. in Q1'21 vs. Rs.1,383 cr. in Q1'20



36 bps increase in CRAR from Q4'20

Q1'21 CRAR at 17.32% - Tier I - 13.11% & Tier II - 4.21%



2 Stressed Assets of Rs.1,353 cr. resolved & upgraded

Essar Transmission - Rs.438 cr. & Suzlon Energy - Rs. 915 cr.



211 bps reduction in NPA levels

7.50% in Q1'21 vs. 9.61% in Q1'20



Net NPA drops by 124 bps from Q1'20

3.41% in Q1'21 vs. 4.65% in Q1'20

PFC's Discom Lending Scheme

So far sanctioned more than Rs.30,000 cr. & disbursed more than Rs.8,500 cr. under the Scheme

01 Govt. announced Rs.90,000 cr. liquidity package for DISCOMs. PFC & REC mandated as key lending partner.

02 Lending against receivable of DISCOMs in the form of electricity dues & undisbursed subsidy restricted to outstanding dues of CPSU, Genco, Transco, IPPs & RE generators

03 Rs.45,000 cr. to be lent by PFC in 2 equal tranches.

04 Maximum Tenure - 10 years. Principal moratorium on case to case basis maximum upto 3 years.

05 Interest Rate at PFC's Cost of Funds plus margins as decided.

06 All loans to be secured with State Government Guarantee.



2. Earning Update

Revenue & Growth

(Rs.'crore)

Particulars	Q1 FY 21	Q1 FY 20	FY 20
Interest Income	8,749	7,531	31,950
Interest Expense	5,676	5,366	21,853
Net Interest Income	3,073	2,165	10,097
Profit After Tax	1,700	1,383	5,655
Total Comprehensive Income	1,646	1,408	5,321

(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	Q1 FY 21	Q1 FY 20	FY 20
Yield on Earning Assets	10.68	10.61	10.63
Cost of Funds	7.68	7.90	7.79
Interest Spread on Earning Assets	3.00	2.71	2.83
Net Interest Margin on Earning Assets	3.48	3.06	3.17
Net Worth (Share Capital + All Reserves)	Rs.46,940 cr.	Rs.44,709 cr.	Rs.45,164 cr.

(Y/E- March)

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



3. Asset Quality

Provisioning Snapshot – 30.06.2020

(Rs.'crore)



Provisioning Status as on 30.06.2020

55% provisioning against
Stage III Assets (NPA) of
Pvt. sector

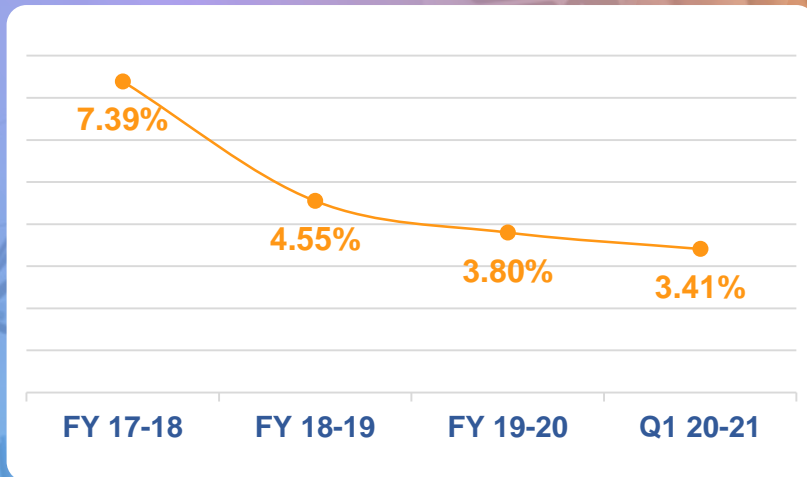
	Stage I & II	Stage III	Stage III (NPA) as % of Gross Loan Assets	Total
Outstanding Loan Assets				
- Government Sector	2,94,886	-	Nil	2,94,886
- Private Sector	32,174	26,535	7.50%	58,709
Total Outstanding Amount	3,27,060	26,535	7.50%	3,53,595
Total Provisioning Amount	1,333	14,477	-	15,810
Net Assets	3,25,727	12,058	3.41%	3,37,785

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.3,53,595 cr. loan book as on 30.06.2020

Lowest Net NPA in last 4 years

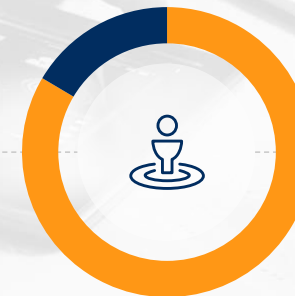


GOVERNMENT SECTOR



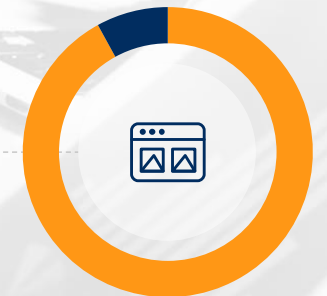
83%

PRIVATE SECTOR



17%

STANDARD ASSET



92%

Resolution Status – Stage III Assets

Resolution status of Rs.26,535 cr. of loan assets in Stage 3



NCLT Resolution

Rs.16,162 cr. in NCLT

17 projects

62% provision

Outside NCLT Resolution

Rs.10,373 cr. resolution being pursued outside NCLT

10 projects

42% provision

74% provision/reserve* available against Stage III Assets

*Reserves includes Stage I Provision + Reserve for Bad & doubtful debts + Sec 45 IC Reserve



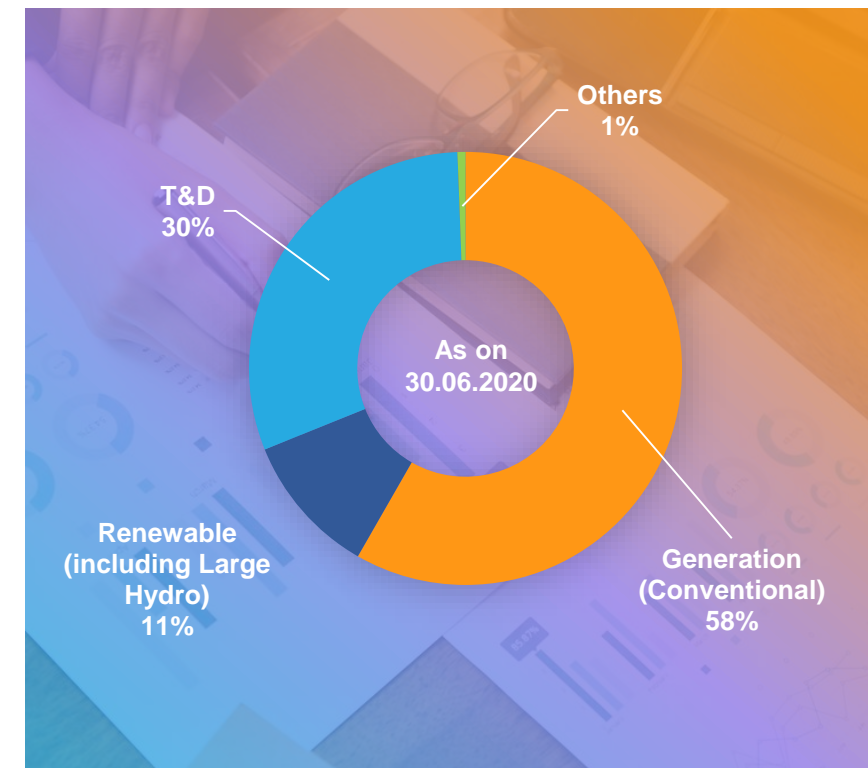
4. Operational Performance

Loan Asset – Composition

Continued focus on T&D & renewable business

(Rs.'crore)

	As on 30.06.2020	As on 30.06.2019	As on 31.03.2020
Gross Loan Assets	3,53,595	3,16,886	3,44,905
Scheme Wise			
Generation	2,43,607	2,25,449	2,37,178
▪ Conventional Generation	2,06,092	2,06,947	2,00,173
▪ Renewable Energy	37,515	31,265	37,005
• Renewable Energy - Large Hydro Projects (>25 MW)	17,892	12,763	17,594
• Renewable Energy Other than Large Hydro Projects	19,623	18,502	19,411
Transmission	29,958	25,811	29,159
Distribution	77,923	63,075	75,892
Others	2,107	2,551	2,676
Sector Wise			
Government Sector	2,94,886	2,60,402	2,87,514
Private Sector	58,709	56,484	57,391



Disbursement Composition

(Rs.'crore)

	Q1 FY 21		Q1 FY 20		FY 20	
	Amt	%	Amt	%	Amt	%
Disbursements	17,271	100%	10,466	100%	67,997	100%
Scheme Wise						
Generation	10,909	63%	6,483	62%	36,012	53%
Transmission	1,657	10%	883	8%	7,096	10%
Distribution	4,634	27%	3,053	29%	24,331	36%
Others	71	0.4%	48	0.5%	558	1%
Sector Wise						
Government Sector	14,854	86%	7,091	68%	59,180	87%
Private Sector	2,417	14%	3,375	32%	8,817	13%

Liability Mix as on 30.06.2020

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



PFC's access to low cost funds

**54 EC
Borrowing
Portfolio
doubles from
Q1'20**

54 EC Salient Features

Eligible Investors



Individuals, HUF, NRI, FIs, LLP, Partnership, Banks, Mutual Funds, Insurance Co., PF funds

Tenor



5 years from deemed allotment date

Coupon Rate



5.00% per annum.

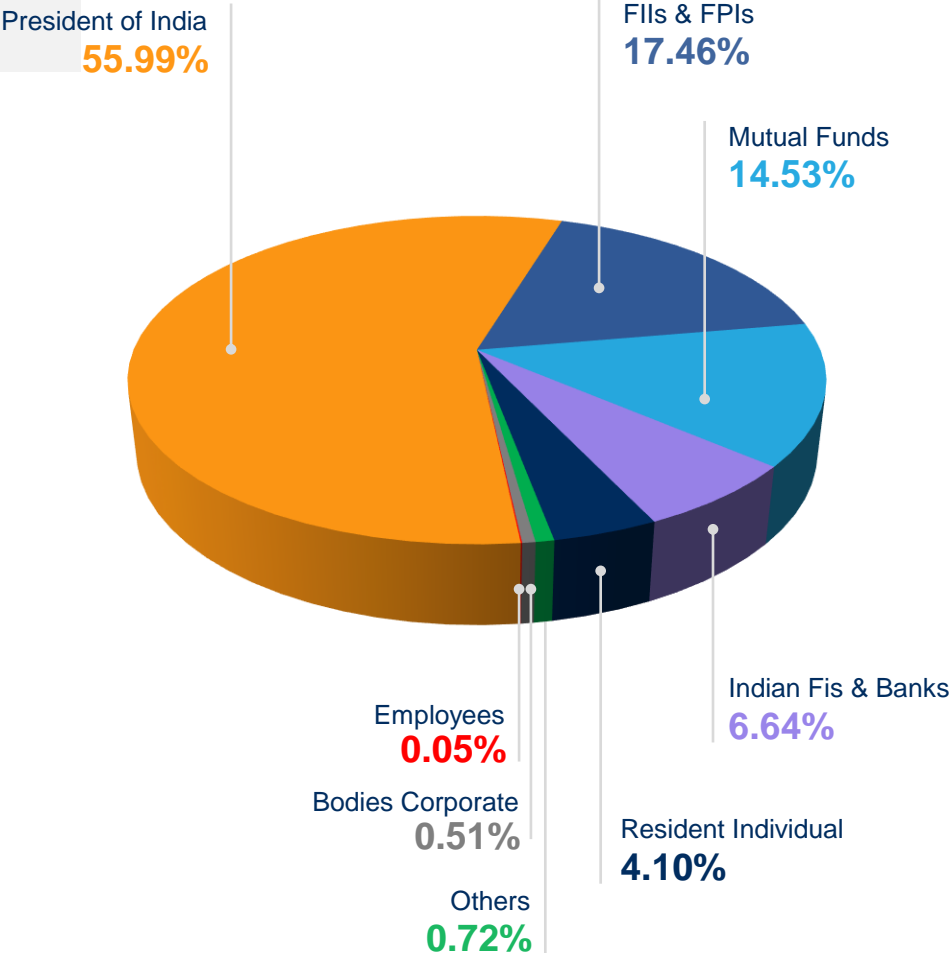
Benefit to Investor

Long Term Capital Gain on transfer of Capital Asset exempt upto 50L on investment in PFC's 54EC bonds



5. Shareholder Outlook

Shareholder Outlook as on 30.06.2020



Equity Ratios Indicate Potential For Upside

EPS
(Annualized)
Rs.25.75

Book Value
Per Share
Rs.177.80

Price to
Earning Ratio
3.27

Price to Book
Value Ratio
0.47

Above ratios are for Q1'21 & 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.16,932 cr.



LOAN ASSET - Rs.6,84,383 cr.



Gross NPA- 6.83%



Q1'21 PAT- Rs.3,557 cr.



CRAR – 16.48%



NET NPA - 3.15%



Key Consolidated Financials

(Rs.'crore)

Particulars	Q1 FY 21	Q1 FY 20	FY 20
Interest Income	16,856	14,509	61,628
Interest Expense	10,869	9,937	40,845
Net Interest Income	5,987	4,572	20,783
Profit After Tax	3,557	2,900	9,477
Total Comprehensive Income	3,665	2,899	8,589

(Y/E- March)



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Thanks

Any Questions?

You can reach PFC's Investor Relations Team at
investorrelations@pfcindia.com

Join us:    @pfclindia  www.pfcindia.com

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