



Power Finance Corporation Ltd.
A Navratna PSU

Performance Highlights

Quarter/Financial Year ended 31st March 2021



Funding for a
Brighter Tomorrow

Table of Contents

A. PFC at a Glance

B. Stand Alone Performance

1. Highlights
2. Earning Update
3. Asset Quality
4. Operational Performance
5. Shareholder Outlook

C. Consolidated Performance

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’

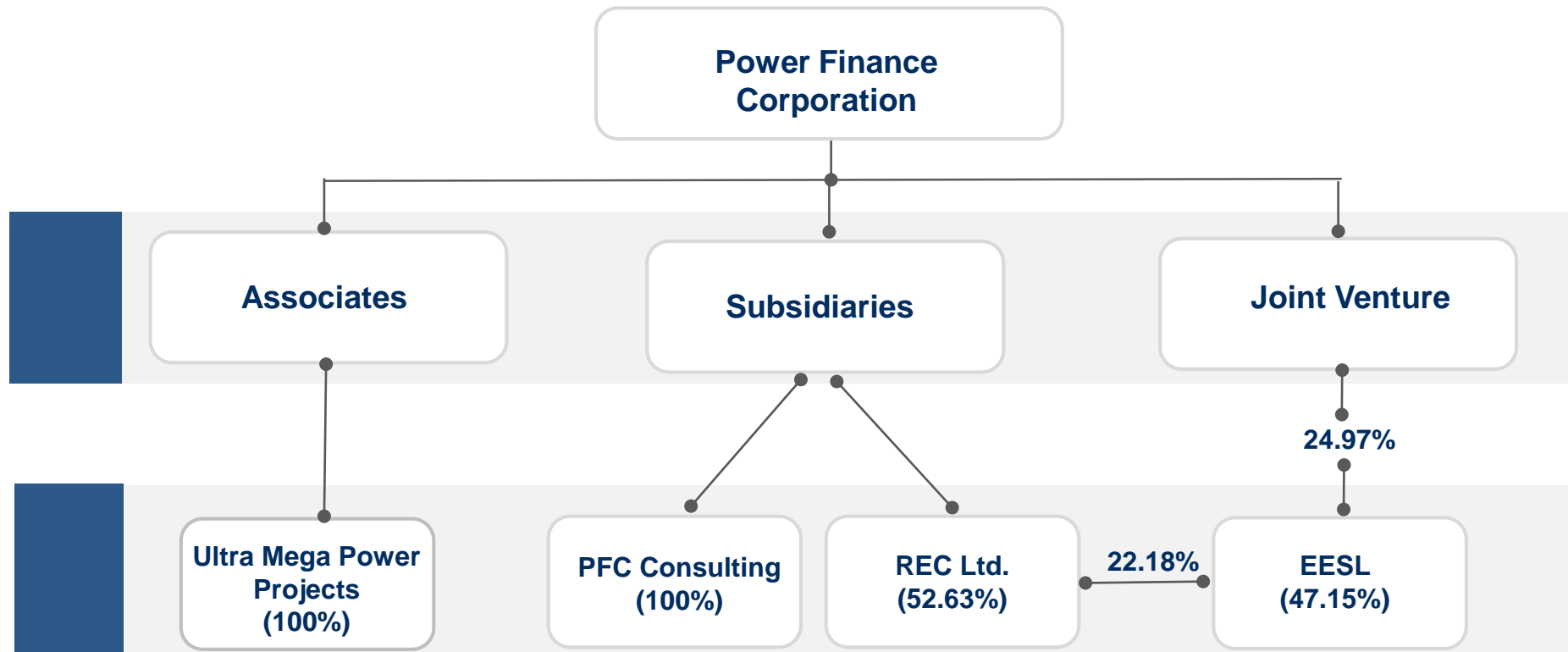


Largest Group
in Indian Power
sector



#33 in
Fortune 500
India’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

Macro Backdrop

Recent Developments

✓ Power Sector (source: CEA)

- Electricity Generation rose by 42.5% in April '21 from April '20.
- Solar Capacity addition in Jan-March'21 fastest since 2019.

✓ Economic Growth Indicators (source: media reports)

- COVID-19 vaccines roll out momentum to pick up in FY 21 – leading to rise in industrial activity
- RBI cuts India's GDP estimate by 1% to 9.5%

✓ Market Indicators (source: RBI)

- RBI maintains accommodative stance while ensuring inflation remains within targeted range going forward.
- System liquidity remained in large surplus in April & May 2021

Power Sector

As on 30.04.2021

PLF ¹

Peak Demand Met¹

67%

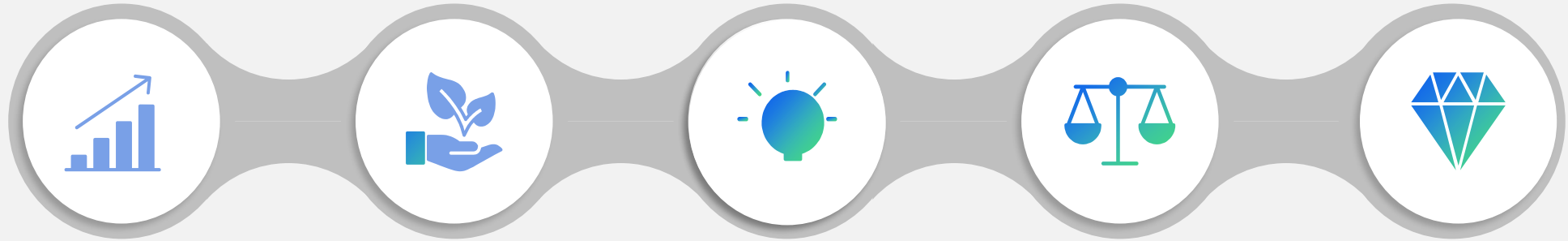
183
GW

Debt Market Indicators as on 14.06.2021 (source: Reuters)

	G-Sec (Semi-Annual)	AAA Corporate	U.S. Treasury
5Y	5.53%	6.23%	0.75%
10Y	6.01%	7.11%	1.46%

1. viz-a-viz PLF of 42% & Peak demand met of 133GW in April 2020 (source – National Power Portal)

Strong Performance in FY21



49% increase in PAT from FY'20

Rs.8,444 cr. in FY'21 vs. Rs.5,655 cr. In FY'20

187 bps increase in CRAR from FY'20

FY'21 CRAR at 18.83%
Tier I 15.46% & Tier II 3.37%

Lowest Net NPA levels in last 4 years

2.09% in FY'21 vs. 3.80% in FY'20

25% Stressed Book Resolved in FY 21

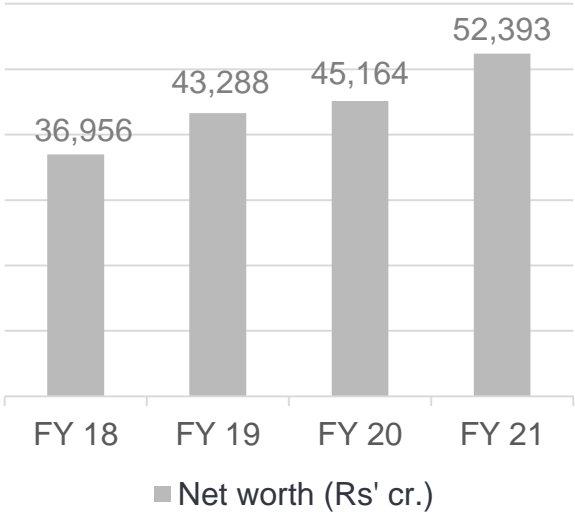
4 projects of Rs.6,844 cr.
No major impact on P&L as sufficient provisioning available

PFC's Credit Rating re-affirmed

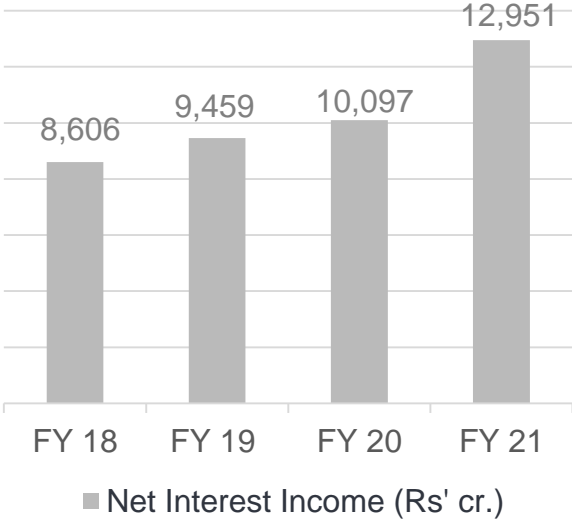
CRISIL/ICRA/CARE - AAA
Moody's - Baa3
Fitch – BBB(-)

Solid Financial Position

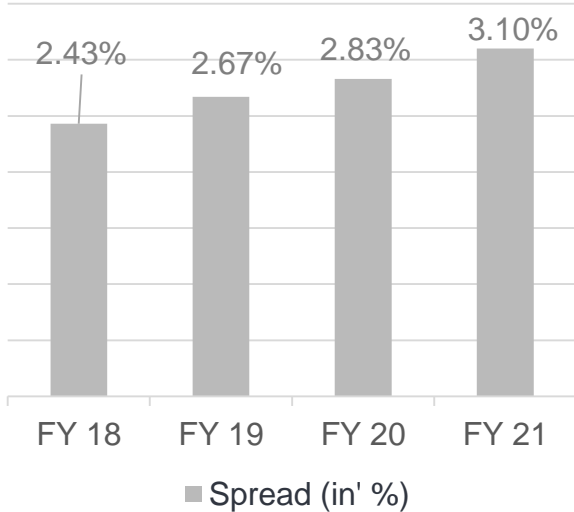
Net worth ↑ 16%



NII ↑ 28%

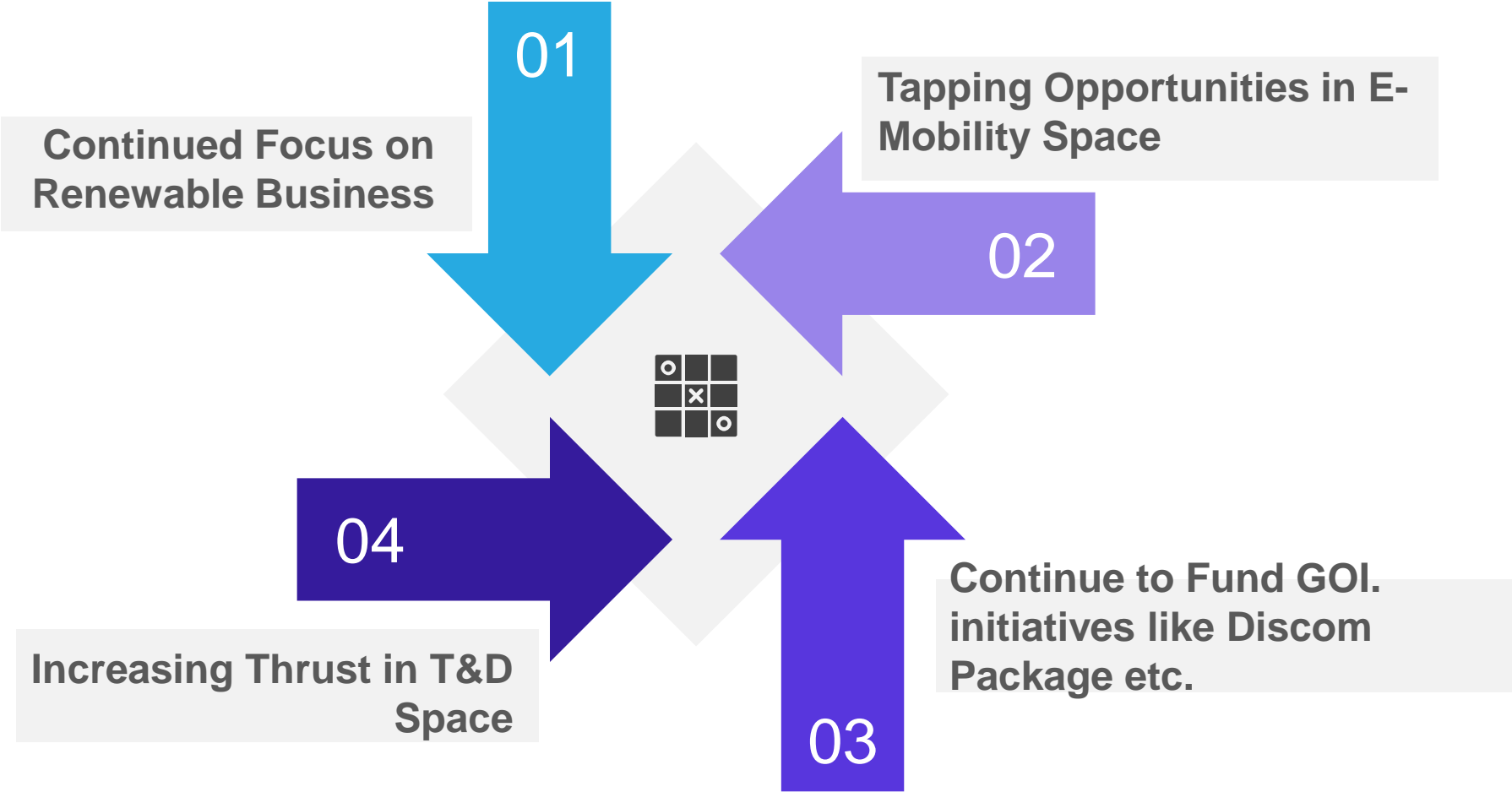


Spread ↑ 27bps



Continuous Growth in Key Earning Indicators

Strategy Forward





2. Earning Update

Revenue & Growth

(Rs.'crore)

Particulars	Q4 FY 21	Q4 FY 20	FY 21	FY 20
Interest Income	8,876	8,285	36,146	31,950
Interest Expense	5,804	5,550	23,194	21,853
Net Interest Income	3,072	2,735	12,951	10,097
Profit After Tax	2,327	1,435	8,444	5,655
Total Comprehensive Income	2,373	1,170	8,534	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

Particulars	(Ratios in %)			
	Q4 FY 21	Q4 FY 20	FY 21	FY 20
Yield on Earning Assets	10.28	10.67	10.58	10.63
Cost of Funds	7.25	7.71	7.48	7.79
Interest Spread on Earning Assets	3.03	2.96	3.10	2.83
Net Interest Margin on Earning Assets	3.30	3.28	3.54	3.17
CRAR	18.83	16.96	18.83	16.96
Net Worth (Share Capital + All Reserves)	Rs.52,393 cr.	Rs.45,164 cr.	Rs.52,393 cr.	Rs.45,164 cr.

(Y/E- March)

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

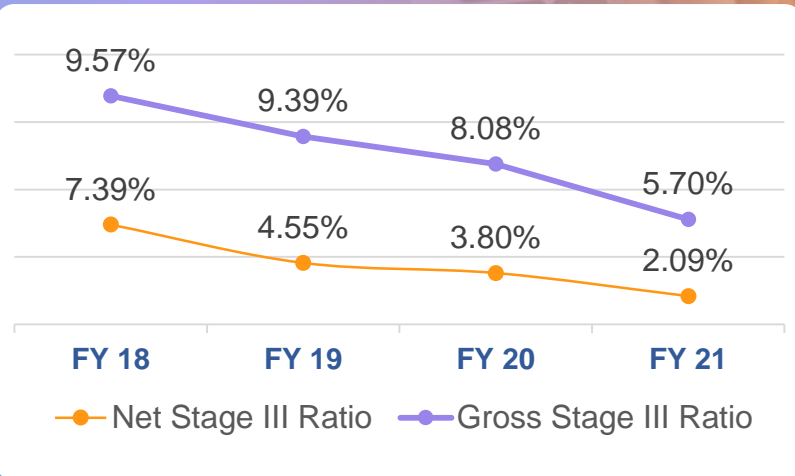


3. Asset Quality

Asset Quality Snapshot

Rs.3,70,771 cr. loan book as on 31.03.2021

Net NPAs continue their downward trend



LOAN ASSET COMPOSITION



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

Provisioning Snapshot – 31.03.2021

(Rs.'crore)



Provisioning Status as on 31.03.2021

63% 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	3,11,387	-	-	3,11,387
- Private Sector	38,234	21,150	-	59,384
Total Outstanding Amount	3,49,621	21,150	5.70%	3,70,771
Total Provisioning Amount	3,181	13,416	-	16,598
Net Assets	3,46,440	7,734	2.09%	3,54,173

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 (1/2)

25% Stressed Book Resolved as on 31.03.2021

NCLT Resolution

Jal Power – Rs. 386 cr.
(resolved During Q4'21)

4 Projects of
Rs.6,844 cr.
Resolved
during FY 21

Outside NCLT Resolution

RKM Powergen – Rs.5,105 cr.
Suzlon Energy - Rs.915 cr.
Essar Transmission - Rs.438 cr

No additional provisioning required. Sufficient provisioning was available

Resolution Status – Stage III Assets (2/2)

Resolution status of Rs.21,150 cr. of loan assets in Stage III



Under NCLT

Rs.15,820 cr. in NCLT

16 projects

68% provision

Outside NCLT

Rs.5,330 cr. resolution being pursued outside NCLT

09 projects

51% provision



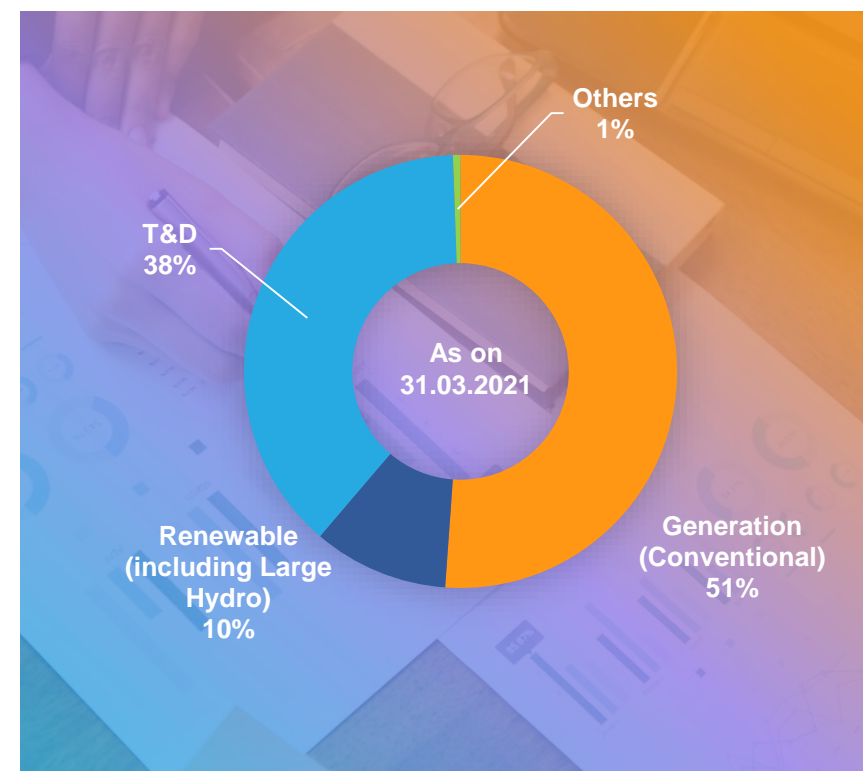
4. Operational Performance

Loan Asset – Composition

Continued focus on T&D and Renewable Business

(Rs.'crore)

	As on 31.03.2021	As on 31.03.2020
Gross Loan Assets¹	3,70,771	3,44,905
Scheme Wise		
Generation	2,27,052	2,37,178
▪ Conventional Generation	1,89,578	2,00,173
▪ Renewable Energy	37,474	37,005
• Renewable Energy - Large Hydro Projects (>25 MW)	16,734	17,594
• Renewable Energy Other than Large Hydro Projects	20,741	19,411
Transmission	29,345	29,159
Distribution	1,12,299	75,892
Others	2,076	2,676
Sector Wise		
Government Sector	3,11,387	2,87,514
Private Sector	59,384	57,391



1. These Gross Loans Assets are after considering extra-ordinary prepayments of Rs.20,097 cr. Loan Asset Growth rate is 13% after excluding this extra-ordinary event.

Disbursement Composition

(Rs.'crore)

	Q4 FY 21		Q4 FY 20		FY21		FY20	
	Amt	%	Amt	%	Amt	%	Amt	%
Disbursements	28,357	100%	20,752	100%	88,301	100%	67,997	100%
Scheme Wise								
Generation	8,193	29%	8,880	43%	30,722	35%	36,012	53%
Transmission	1,351	5%	2,911	14%	5,495	6%	7,096	10%
Distribution	18,784	66%	8,710	42%	51,903	59%	24,331	36%
Others	29	0.1%	251	1%	182	0.2%	558	1%
Sector Wise								
Government Sector	25,591	90%	18,261	88%	79,051	90%	59,180	87%
Private Sector	2,766	10%	2,491	12%	9,251	10%	8,817	13%

Key Tenets - Borrowing Strategy



Continued focus on diversifying funding Mix – launched public issue of taxable bonds in FY '21



Enhanced Asset Liability Management – Surplus liquidity for upto 1 year time buckets



Well Managed Liquidity – Implemented RBI's LCR Framework



Liability Mix as on 31.03.2021



86% exchange risk hedged for FCL with 5 years residual maturity

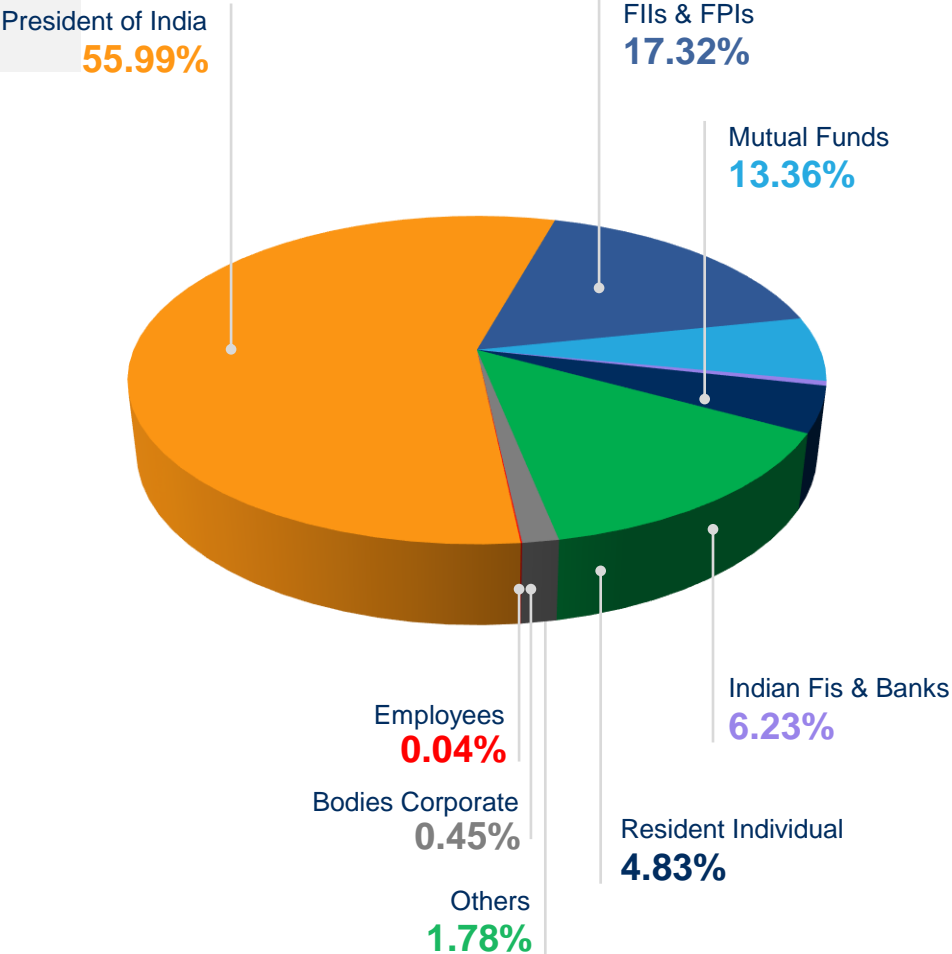


1. Like CC/OD/line of credit/LAFD.



5. Shareholder Outlook

Shareholder Outlook as on 31.03.2021



Equity Ratios Indicate Potential For Upside

EPS
(Annualized)
Rs.31.98

Book Value
Per Share
Rs.198.45

Price to
Earning Ratio
3.57

Price to Book
Value Ratio
0.58

Above ratios are for FY'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.71,701 cr.



LOAN ASSET - Rs.7,45,189 cr.



Gross NPA- 5.29%



FY'21 PAT- Rs.15,716 cr.



NETWORTH - Rs.81,790 cr.



NET NPA - 1.91%



Key Consolidated Financials

(Rs.'crore)

Particulars	Q4 FY 21	Q4 FY 20	FY 21	FY 20
Interest Income	17,728	16,044	70,845	61,628
Interest Expense	11,244	10,491	44,684	40,845
Net Interest Income	6,484	5,553	26,162	20,783
Profit After Tax	3,906	694	15,716	9,477
Total Comprehensive Income	3,955	(100)	16,264	8,589

(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






Contact Information

For Investors

For investment in 54 EC Capital Gain Bonds - 54ECinvestorcell@pfcindia.com

For all Bonds Queries - bondsinvestorcell@pfcindia.com

Tel - 011-23456000

Join us:    @pfclindia  www.pfcindia.com

Disclaimer

- ▶ The presentation is prepared based on consolidated/stand-alone audited financial statements of PFC for financial year ended 31.03.2021.
- ▶ There is a possibility of Ind AS financial results and the additional disclosures to be updated, modified or amended because of adjustments which may be required to be made on account of introduction of new standards or its interpretation, receipt of guidelines or circulars from regulatory bodies and/or Reserve Bank of India
- ▶ This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward looking statements. The future involves uncertainties and risks that could cause actual results to differ materially from the current views being expressed. Potential uncertainties and risks include factors such as general economic conditions, currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.
- ▶ We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.
- ▶ Figures are regrouped / reclassified to make them comparable.
- ▶ 'Analytical data' are best estimates to facilitate understanding of business and NOT meant to reconcile reported figures.
- ▶ Answers will be given only to non-price sensitive questions.
- ▶ This presentation is for information purpose only and does not constitute an offer or recommendation to buy or sell any securities of PFC. Any action taken by you on the basis of the information contained in the presentation is your responsibility alone and PFC or its directors or employees will not be liable in any manner for the consequence of such actions taken by you.