

Performance Highlights

Quarter ended 31st March 2018

Funding for a Brighter Tomorrow....



Disclaimers

- ❑ The presentation is prepared based on stand-alone audited financial statements of PFC for quarter ended 31.03.2018
- ❑ 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.
- ❑ 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.

Power Sector Outlook

India Peak Power Demand to jump three-fold by 2036-37

Electricity Demand Outlook

Demand Drivers

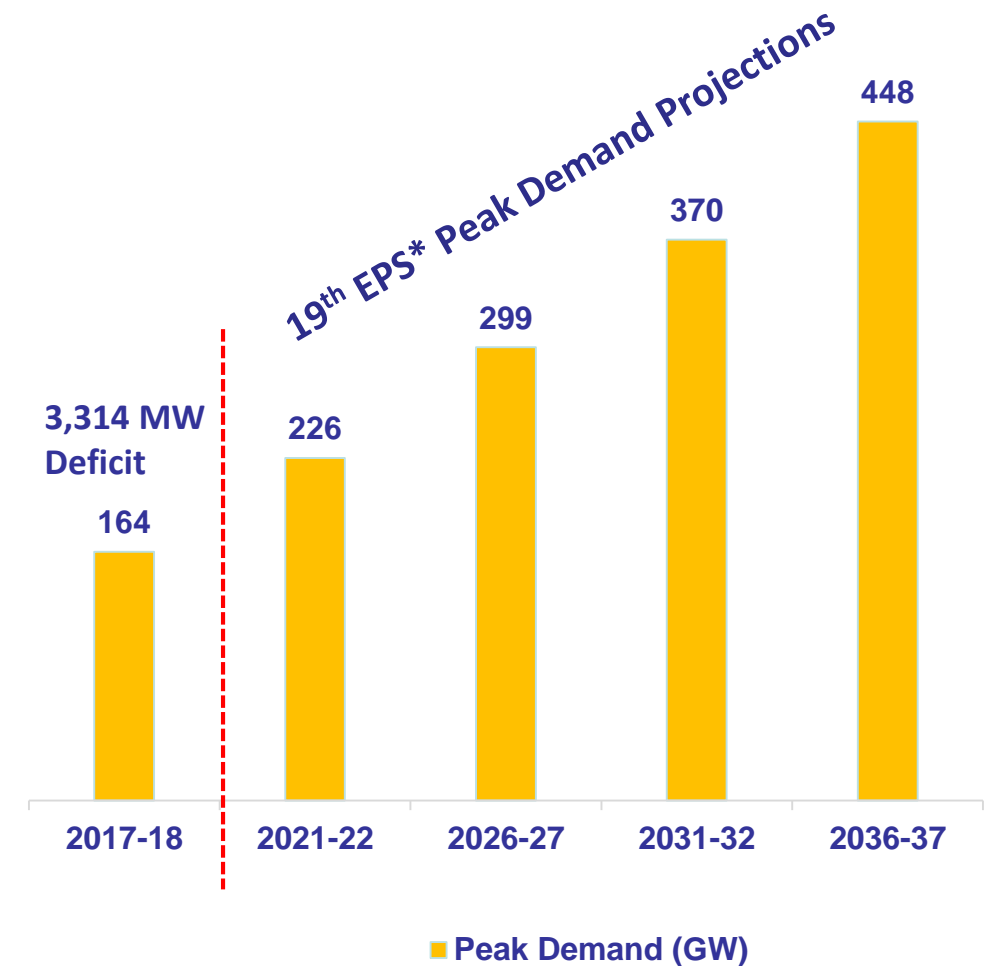
Electrification of Villages – 100% electrification achieved in April 2018

Last mile connectivity to households under **SAUBHAGYA** – 4 crore households to be electrified by Dec'2018 -**28 GW demand expected**

Electrification of Vehicles under **National E-mobility Programme** – 10,000 e-vehicles already procured by EESL last year

Expansion in industrial activity under '**Make in India**' – to boost electricity demand

Sustained Growth in Peak Demand



March 2017-18 are provisional figures. *Electricity Power Survey of Central Electricity Authority (CEA)

Schemes for resolution of Stress – 2500 MW Power Procurement Scheme

Objective

2500 MW Power Procurement scheme introduced by Government of India on 10th April 2018 with the aim to resolve PPA issues

Scheme Brief

To facilitate procurement of 2500 MW Power :

- **On Competitive Bidding Basis**
- **For 3 years**
- **From commissioned coal based power plant without a PPA**

PTC India is the aggregator under the scheme - To sign 3 yr agreement for procurement with successful bidders and power supply agreement with DISCOMS

PFC Consulting is the nodal agency under the Scheme for the Bidding process

Current Status

Bidding process initiated and Bids have been received. Pre-Bid Conference held on 11.05.2018

Bidding expected to be completed shortly

Schemes for resolution of Stress – SHAKTI

Objective

SHAKTI (Scheme for Harnessing and Allocating Koyala Transparently in India) introduced by Government of India on 17th May 2017 to resolve lack of coal linkages

Scheme Brief

State/Central Gencos and their JVs to get coal linkages as per MoP recommendations – linkage quantity unutilized for 2 years to lapse

Coal linkage on auction basis for IPP's having PPA based on Domestic Coal

- Bid for discount in existing tariff(paise/unit)
- A minimum discount in tariff to be determined
- Discount to be adjusted from gross amount at time of billing

Current Status

CIL conducted Auction for eligible IPP between 11th & 12th September 2017

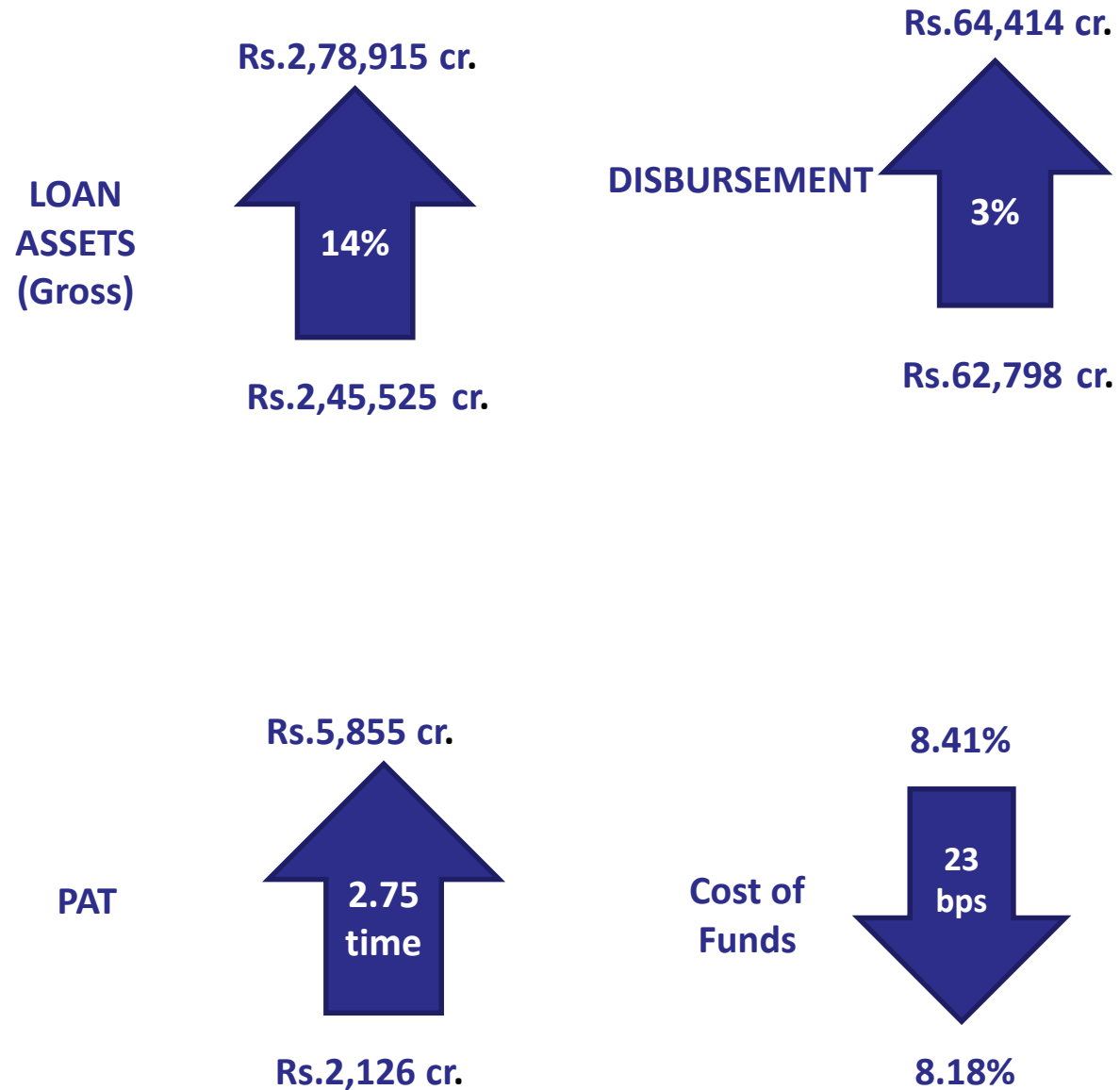
10 bidders participated in the auction representing a cumulative capacity of approx 9044 MW

Coal India has started supplying coal to some of the 10 power plants that won coal allocation

PFC's Performance Highlights

Highlights

12M FY18 vs. 12M FY17



SNAPSHOT - As on 31.03.2018		Amt -Rs. Crore	
<i>Profit & Loss - Highlights</i>		12M'18	Q4'18
PAT		5,855	936
Interest Income		26,205	6,121
Interest Expense		16,857	4,218
Net Interest Income		9,348	1,903
Net Interest Margin on Earning Assets		3.76%	3.50%
Cost of Funds		8.18%	8.05%
Interest Spread on Earning Assets		2.77%	2.65%
<i>Balance Sheet – Highlights</i>		As on 31.03.2018	
Gross Loan Assets		2,78,915	
Net Loan Assets		2,72,812	
Gross NPA		26,703	
Net NPAs		20,600	
Net NPA (% of Gross Loan Assets)		7.39%	
Restructured Standard Assets.		24,105	
Out of above upgrades from NPA to Restructured Standard is Rs.12,017 cr.			
Provisions on Restructured Loan Assets		1,404	
Capital Adequacy Ratio		19.99%	
of which Tier I		16.98%	
of which Tier II		3.01%	

Highlights

79% drop in Government Sector NPA Assets - Rs.24,031 cr. in FY 16-17 to Rs.5,016 cr. in FY 17-18

47% drop in Government Sector Restructured Assets - Rs.35,995 cr. in FY 16-17 to Rs. 19,167 cr. in FY 17-18

115% increase in outstanding foreign currency raisings - USD 1,302 mn in FY 16-17 to USD 2,803 mn in FY 17-18

USD 1,659 million equivalent (Rs.10,686 cr.) of Foreign raisings made during FY 17-18

- Green Bonds - USD 400 million
- Syndicated Loans - USD 800 million
- FCNR (B) Loans - USD 459 million

Refinancing/Re-pricing of Foreign Currency Loans to reduce borrowing cost

- USD 450 mn loan with average residual maturity of 3 years was refinanced during FY 17-18
- For loans worth USD equivalent 650 mn (approx.) possibility for refinancing/re-pricing is being explored in FY 18-19

Financial Performance

Profit & Loss & Key Ratios

Revenue & Profit Growth

(Rs.'crore)

	Q4 FY 18	Q3 FY 18	Q4 FY 17	FY 18	FY 17
Interest Income	6,121	6,203	5,615	26,205	26,682
Interest Expense	(4,218)	(4,242)	(4,030)	(16,857)	(16,326)
Net Interest Income	1,903	1,961	1,585	9,348	10,357
Operating Costs	(40)	(62)	(53)	(362)	(354)
Provisions*	(500)	219	(4,499)	(815)	(5,094)
Profit before Tax & Extra-Ordinary Items	1,446	2,112	(2,863)	8,327	5,110
Tax Provisions	(375)	(587)	(670)	(2,421)	(3,074)
DTL/DTA	(135)	80	123	(50)	91
Profit After Tax	936	1,604	(3,409)	5,855	2,126

*Includes provisioning on Standard Assets, Restructured Standard Assets, NPA Assets & provision for decline in value of investment.

Key Ratios

	Q4 FY 18	Q3 FY 18	Q4 FY 17	FY 18	FY 17
Yield on Earning Assets	10.71%	10.95%	10.01%	10.96%	11.60%
Cost of Funds	8.05%	8.10%	8.36%	8.18%	8.41%
Interest Spread on Earning Assets	2.65%	2.85%	1.65%	2.77%	3.19%
Net Interest Margin on Earning Assets	3.50%	3.85%	2.83%	3.76%	4.46%

Figures are regrouped / reclassified to make them comparable. The P&L reflects only major items and therefore, the totals may not reconcile with the reported figures. Ratios are annualised & are based on daily average & excluding exchange/loss gain and rounded off.

Balance Sheet & Key Ratios

Balance Sheet Growth

(Rs.'crore)

	FY 18	FY 17
Assets	2,86,465	2,58,461
Loan Assets (Net)	2,72,812	2,40,169
Investments	2,336	3,591
Fixed & Other Assets	11,317	14,701
Liabilities	2,86,465	2,58,461
Shareholder Funds	39,861	36,470
Borrowings	2,29,538	2,02,588
Provisions (other than for NPA)*	2,968	4,590
Other Liabilities & DTL	14,098	14,813

*Mainly Includes provisioning on Standard Assets & Restructured Standard Assets.

Key Ratios

	Q4 FY 18	Q3 FY 18	Q4 FY 17	FY 18	FY 17
Net worth (Share Capital + All Reserves)	39,861	39,716	36,470	39,861	36,470
Return on Average Net worth	9.41%	16.13%	-ve	15.35%	5.89%
Return on Average Assets	1.34%	2.37%	-ve	2.15%	0.84%
Debt Equity Ratio	5.76	5.38	5.55	5.76	5.55
Capital Adequacy Ratio	19.99%	20.75%	19.28%	19.99%	19.28%
EPS* (after considering bonus share issue of 1:1 in Sep'16)	Rs.14.18	Rs.24.31	-ve	Rs.22.18	Rs.8.05
Book Value Per Share (after considering bonus share issue of 1:1 in Sep'16)	Rs.150.98	Rs.150.44	Rs.138.14	Rs.150.98	Rs.138.14

Figures are regrouped / reclassified to make them comparable .The B/s reflects only major items and therefore, the totals may not reconcile with the reported figures.Ratios are annualised

Operational Performance

Sanctions - Composition

(Rs.'crore)

	Q4 FY 18		Q4 FY 17		FY 18		FY 17	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Sanctions	45,712	100%	27,236	100%	1,16,233	100%	100,603	100%

Scheme Wise

Generation	19,188	42%	10,145	37%	59,083	51%	45,294	45%
Transmission	4,353	10%	9,180	34%	12,735	11%	17,166	17%
Distribution	16,511	36%	4,633	17%	27,799	24%	23,946	24%
Others	5,660	12%	3,278	12%	16,616	14%	14,197	14%

Sector Wise

State Sector	30,939	68%	23,377	86%	86,801	75%	82,263	82%
Central Sector	-	0%	0	0%	-	0%	4,118	4%
Joint Sector	5,620	12%	0	0%	14,787	13%	2,760	3%
Private Sector	9,153	20%	3,859	14%	14,645	13%	11,462	11%

<u>R-APDRP/IPDS</u>	1,311	100%	185	100%	2,637	100%	3,045	100%
R-APDRP (Part A)	-	0%	0	0%	-	0%	28	1%
R-APDRP (Part B)	-	0%	0	0%	-	0%	-	-
IPDS	1,311	100%	185	100%	2,637	100%	3,018	99%

Sanctions - Outstanding Sanctions as at 31.03.2018

(Rs.'crore)

Particulars	O/S Sanctions where			Total Outstanding Sanctions
	Doc. Executed & Disb. Commenced	Doc. Executed but Disb. not Commenced	Doc. Not Executed	
Outstanding Sanctions	90,032	32,248	23,943	1,46,222

Scheme Wise

Generation	55,923	18,241	4,889	79,054
Transmission	14,704	7,341	7,657	29,702
Distribution	18,124	2,834	6,818	27,776
Others	1,280	3,832	4,578	9,690

Sector Wise

State Sector	78,273	16,092	22,775	1,17,140
Central Sector	1,890	-	-	1,890
Joint Sector	4,026	6,515	-	10,542
Private Sector	5,842	9,640	1,168	16,650

Disbursements - Composition

(Rs.'crore)

	Q4 FY 18		Q4 FY 17		FY 18		FY 17	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Disbursements	26,852	100%	28,383	100%	64,414	100%	62,798	100%

Scheme Wise

Generation	15,652	58%	10,814	38%	36,956	57%	29,267	47%
Transmission	1,970	7%	1,345	5%	4,436	7%	3,905	6%
Distribution	5,960	22%	14,001	49%	11,571	18%	18,229	29%
Others	3,270	12%	2,224	8%	11,450	18%	11,397	18%

Sector Wise

State Sector	18,891	70%	23,114	81%	42,348	66%	45,757	73%
Central Sector	236	1%	1,264	4%	905	1%	4,659	7%
Joint Sector	615	2%	693	2%	6,826	11%	4,730	8%
Private Sector	7,111	26%	3,312	12%	14,335	22%	7,652	12%

<u>R-APDRP/IPDS</u>	750	100%	1,198	100%	3,442	100%	3,914	100%
R-APDRP (Part A)	281	37%	189	16%	408	12%	655	17%
R-APDRP (Part B)	146	19%	270	23%	555	16%	926	24%
IPDS	323	43%	740	62%	2,479	72%	2,333	60%

Loan Assets - Composition

(Rs.'crore)

As on	31.03.2018		31.03.2017	
	Amt.	%	Amt.	%
Gross Loan Assets	2,78,915	100%	245,525	100%

Scheme Wise

Generation	2,03,410	73%	1,86,878	76%
Transmission	19,646	7%	16,907	7%
Distribution	29,997	11%	20,092	8%
Others	25,861	9%	21,648	9%

Sector Wise

State Sector	1,82,069	65%	161,137	66%
Central Sector	21,260	8%	22,931	9%
Joint Sector	24,785	9%	19,378	8%
Private Sector	50,801	18%	42,079	17%

Loan Quality & Provisions - NPA Status

(Rs.'crore)

	31.03.2018		31.12.2017		31.03.2017	
	Amt.	% of Gross Loan Assets	Amt.	% of Gross Loan Assets	Amt.	% of Gross Loan Assets
Gross NPAs	26,703	9.57%	14,977	5.71%	30,702	12.50%
a) State Sector	5,016	1.80%	6,287	2.40%	24,031	9.79%
b) Private Sector	21,687	7.78%	8,690	3.32%	6,671	2.72%
NPA Provisions	6,103	2.19%	4,054	1.55%	5,356	2.18%
a) State Sector	533	0.19%	1,015	0.39%	2,617	1.07%
b) Private Sector	5,570	2.00%	3,039	1.16%	2,739	1.12%
Net NPAs	20,600	7.39%	10,923	4.16%	25,346	10.32%

26% NPA provisioning (Rs.5,570 cr.) has been made against Pvt. Sector NPA Assets of Rs.21,687 cr.

Loan Quality & Provisions - Restructured Standard Loan Assets

(Rs.'crore)

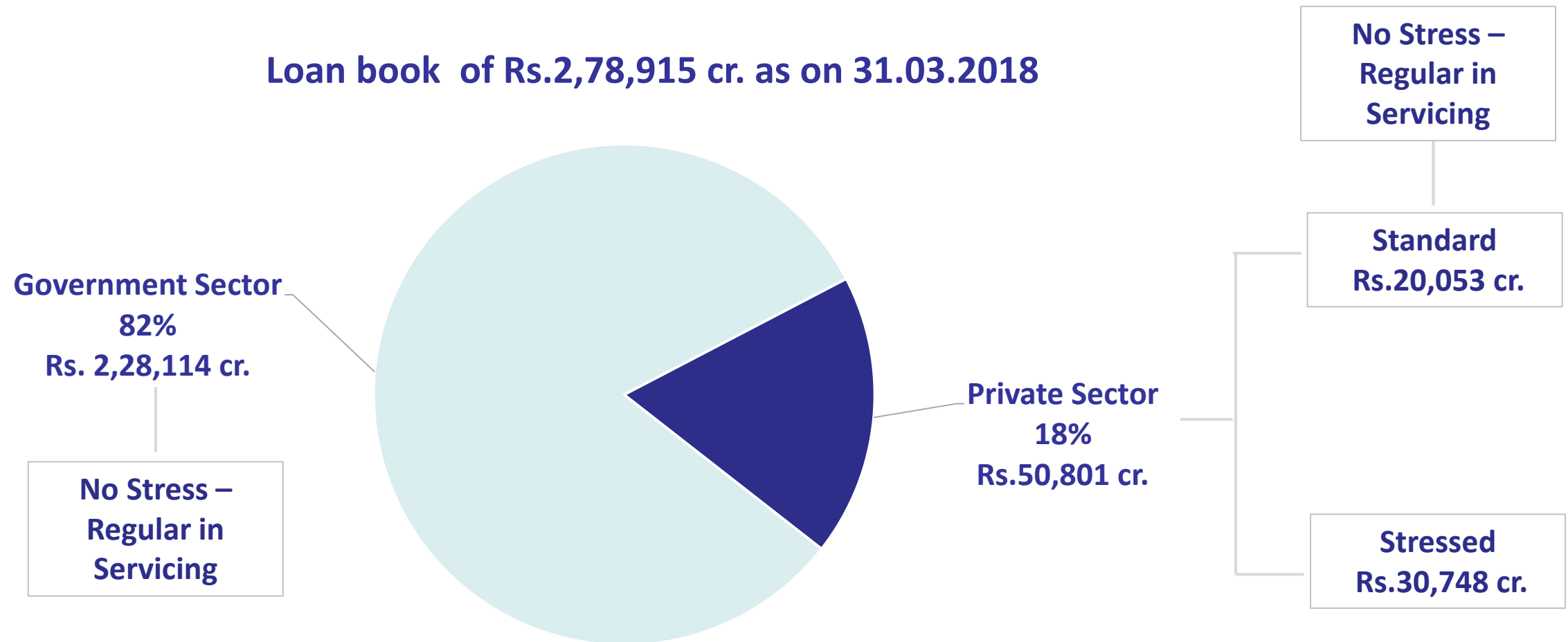
Particulars	31.03.2018	31.12.2017	31.03.2017
Restructured Loan assets	24,105	56,636	55,441
State sector	19,167	40,852	35,995
Private Sector	4,938	15,784	19,446
Provisions on Restructured Standard Loan Assets	1,404	3,152	2,356
State sector	958	2,043	1,530
Private sector	446	1,109	826

Loan Quality & Provisions - Provisioning Status

(Rs.'crore)

Particulars	Loan Assets (as on 31.03.2018)	Provisioning on Loan Assets		
		31.03.2018	31.12.2017	31.03.2017
Provision against Standard assets	2,28,107	1,338	1,333	558
Provision against Restructured Standard assets	24,105	1,404	3,152	2,356
Provision against NPA	26,703	6,103	4,054	5,356
Reserve for bad & doubtful debts (RBDD)	-	3,383	3,326	3,015
Total	2,78,915	12,228	11,865	11,285

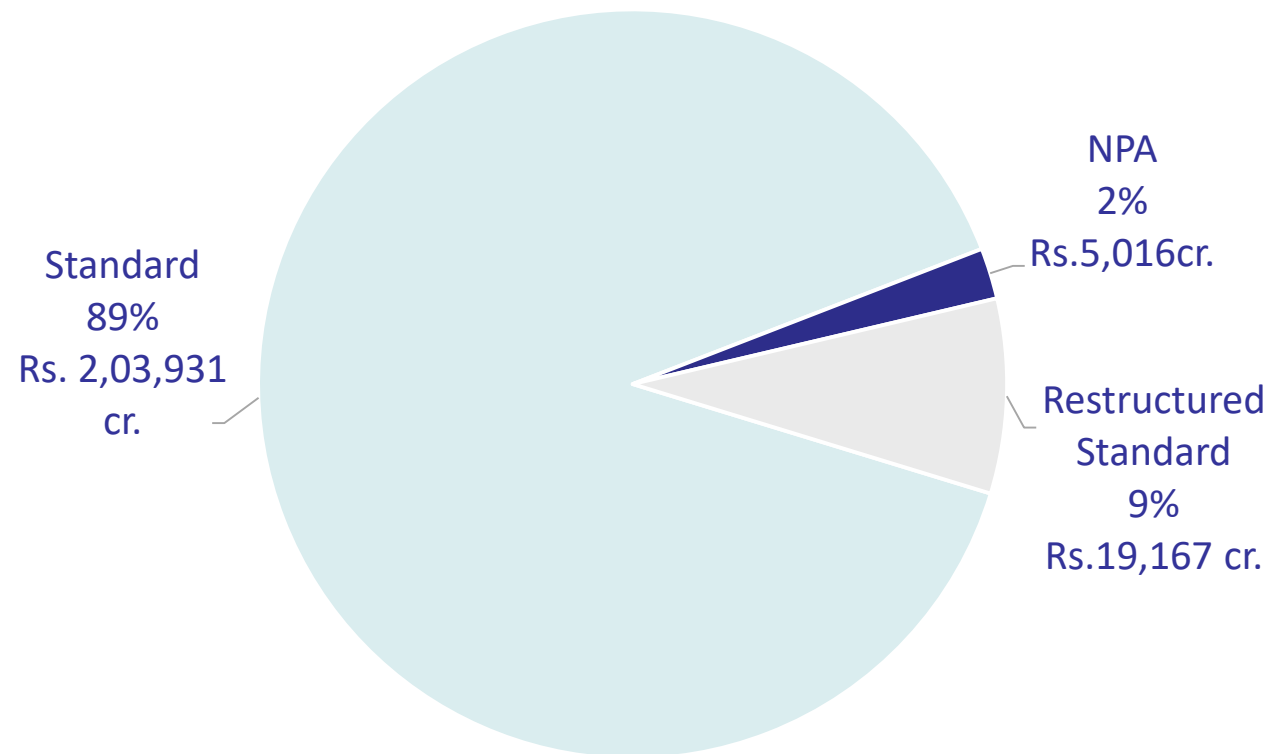
Loan Quality Snapshot - Total Portfolio



89% of the Loan Assets are regular in servicing of dues & no stress is envisaged

Loan Quality Snapshot – Government Sector as on 31.03.2018

Govt. Loans – 89% Standard Asset



□ Developments in Q4'18 – Govt. Portfolio

➤ Status of Restructured Standard Assets

- Decrease in Restructured Assets by 53% from Q3'18 – from Rs.40,852 to Rs.19,167 cr.
- During Q4, loans worth Rs. 21,963 cr. upgraded from Restructured Standard category to Standard category on achievement of DCCO.
- Additions to Restructured Assets in Q'4 - Rs. 134 cr

➤ Status of NPA

- Decrease in NPA Assets by 20% from Q3'18 – from Rs.6,287 cr. to Rs.5,016 cr.
- No additions to NPA in Q4
- Upgrade from NPA to Standard Category - Loan of Rs. 709 cr.
- Loan of Rs. 486 cr. moved out of NPA category on account of loan being repaid fully.

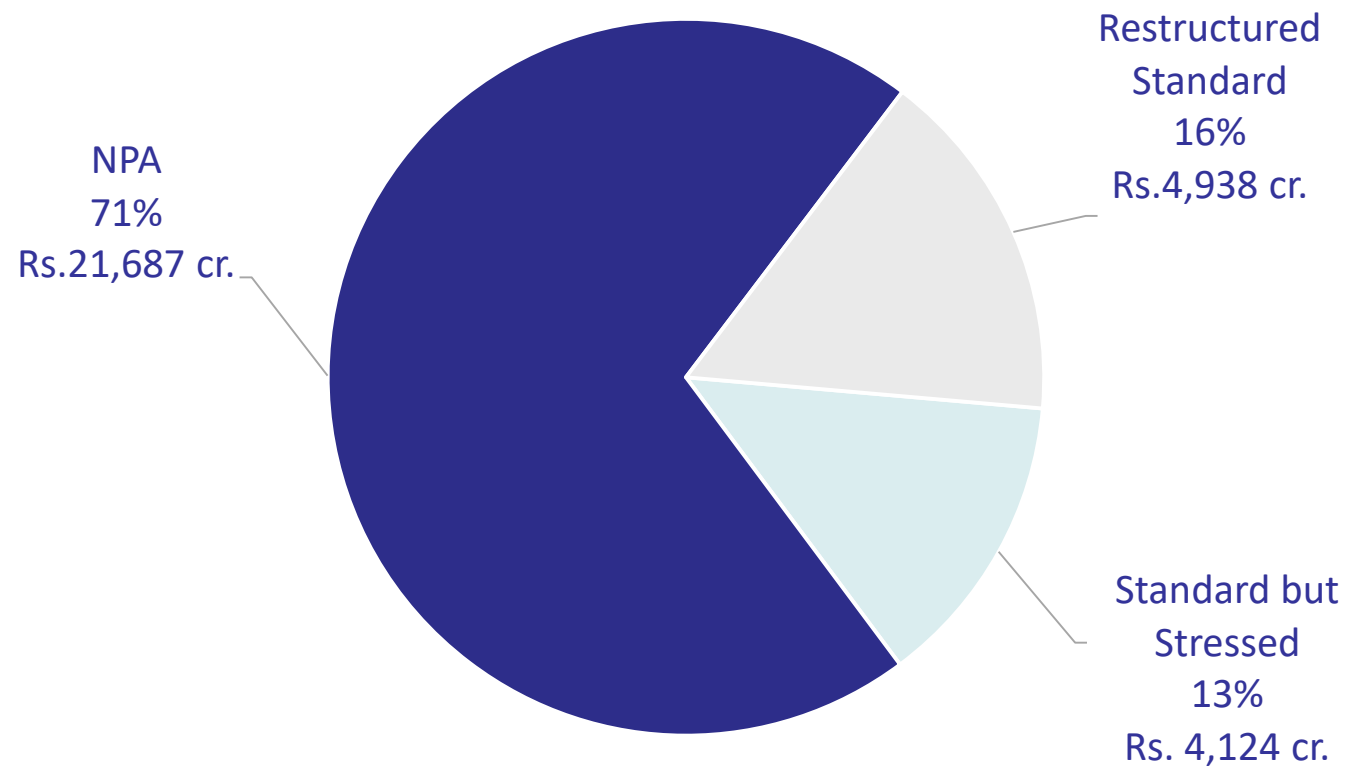
□ Expected Up gradations – FY18-19

- NPA to Restructured Standard category – Loans worth Rs.4600 cr. (approx.) – Provision reversal of Rs.230 cr. (approx.)
- Restructured Standard to Standard category – Loans worth Rs.12,000 cr. (approx.) – Provision reversal of Rs.600 cr.

Loan Quality Snapshot – Private Sector as on 31.03.2018 – Provisioning status

(Rs.'crore)

28 Pvt. Sector projects in Stress with outstanding of Rs.30,748 cr.



Stressed Assets - Provisioning Status

As on 31.03.2018	
1) Provision on Restructured Standard Loan Asset	446
2) Provision on NPA	5,570
3) Provision on Standard but Stressed Assets	125
4) Reserve for Bad & Doubtful debts	3,383
Grand Total	9,524

31% provisioning/reserves (Rs. 9,524 cr.) is available against Stressed Assets of Rs.30,748 cr.

Applicability of RBI Circular dated 12.02.2018 on Resolution of Stressed Assets

RBI on 12.02.2018 introduced a revised framework for Resolution of Stressed Assets

This circular has been issued for Banks and is not applicable on NBFCs. Therefore, this circular is not applicable on PFC.

In the circular, RBI has withdrawn resolution schemes like Strategic Debt Restructuring, S4A earlier issued by them.

Although circular is not applicable on PFC, but being in consortium with banks and as a prudent measure, all loans under various RBI resolution scheme have been classified as NPA.

Loan Quality Snapshot – Private Sector – Resolution Status as on Date

➤ Status of projects being resolved through NCLT – ALL projects belong to NPA category

Particulars	Outstanding Amt as on 31.03.2018 (in Rs.cr)	Capacity (In MW)	COD Status	Provisioning as on 31.03.2018 (in Rs.cr)	% of Provisioning made as on 31.03.2018
Cases where petition admitted in NCLT – As on date					
1. East Coast Energy	1,193	1,320	Not Commissioned	681	42%
2. Ind-Barath (Madras)	442	660			
Sub- Total	1,635	1,980			
Cases where application has been/is being filed in NCLT route					
1(a) Lanco Amarkantak Power –Unit 1&2	331	600 (2X300)	commissioned	2,371	37%
1(b) Lanco Amarkantak Power – Unit 3&4	2,142	1,320 (2X660)	Not commissioned		
2.Ind-Barath (Utkal) (350MWX2) ¹	1,368	700	Not Commissioned except Konaseema Gas Power		
3. Shri Maheshwar Hydel Project ¹ -HEP	1,363	400			
4.Konaseema Gas Power	425	445			
5.KVK Nilanchal	399	350			
6. Jal Power ¹ - HEP	386	120			
7. Krishna Godavari Power ¹	77	60			
Sub- Total	6,491	3,995			
Grand Total	8,126	5,975		3,052	38%

¹ In these cases, application has already been filed with NCLT

38% provisioning (Rs. 3,052 cr.) against NCLT loans of Rs.8,126 cr.

Loan Quality Snapshot – Private Sector – Resolution Status as on Date

➤ Status of projects being resolved through other than IBC

Particulars	O/s as on 31.03.2018 (in Rs.cr)	Capacity (In MW)	Resolution Status	COD Status	FSA	PPA
A. Change in Management – Outside IBC						
1. KSK Mahanadi Power	3,300	3,600 (6X600)	15 expression of Interest received -13 qualified. RFP to be floated shortly.	3 units commissioned	Allocated under SHAKTI	87%
2.South East U.P. -Transmission	2,476	Not Applicable	In discussion with Govt. of UP for project takeover	65% complete ¹	Not Applicable	Not Applicable
3. Indiabulls Realtech – Nashik	3,001	1,350	In discussion with Govt. of Maharashtra for project takeover	Commissioned	73%	0%
4.GMR Chhattisgarh	928	1,370	5 non-binding offer received. Binding offer document to be floated on 25.05.2018.	Commissioned	0%	0%
5.Essar Power -Mahan	1,345	1,200	Change in management underway – Expression of Interest expected to be floated within a week	Commissioned- Synchronised with grid	0%	21%
6.Jhabua Power	764	600	Expression of Interest floated for change in management through bidding – submission by bidders this week.	Commissioned	87%	70%
7.Astonfield-Solar	27	11.5	Change of management through bidding	Commissioned	Not Applicable	100%
Total	11,841	8131.5				

¹ Based on assessment

Loan Quality Snapshot – Private Sector – Resolution Status as on Date

➤ Status of projects being resolved through other than IBC

Particulars	O/s as on 31.03.2018 (in Rs.cr)	Capacity (In MW)	Resolution Status	COD Status	FSA	PPA
B. Resolution Plan being finalised – Outside IBC						
1(a) RKM PowerGen (Phase I)	1,126	360	Restructuring plan submitted by borrower. Expected to finalise terms of restructuring by end of June.	Commissioned	100%	100%
1(b) RKM PowerGen (Phase II)	3,979	1,080		Commissioned	50%	43%
2.Indiabulls Power – Amravati (Rattan India)	1,917	1,350	Resolution plan under finalisation	Commissioned	100%	98%
3. India Power Haldia	959	450 (3X150)	Resolution plan expected to be finalised shortly.	Unit 1&2 completed. Unit 3 under construction	0%	66%
4.R.S India -Wind	224	41.25	Resolution Plan submitted by borrower and it is under examination	Commissioned	Not Applicable	100%
Total	8,205	3,281.25				

Loan Quality Snapshot – Private Sector – Resolution Status as on Date

➤ Status of projects being resolved through other than IBC

Particulars	O/s as on 31.03.2018 (in Rs.cr)	Capacity (In MW)	Resolution Status	COD Status	FSA	PPA (in MW)
C. Resolution Plan under implementation– Outside IBC						
1.GVK Ratle	817	850	Settlement Agreement under finalisation. Borrower started paying as per the settlement terms	Not Commissioned	0%	0%
2.Shiga Energy –Hydro	522	97	PPA signed recently – power supply to commence within a month.	Commissioned	Not Applicable	Under approval
3.Dans Energy –Hydro	503	96		Commissioned	Not Applicable	Under approval
4.Essar Power Transmission	438	Not Applicable	Expected to commission in June'18. Resolution Plan to be finalised Post COD.	95% complete ¹	Not Applicable	Not Applicable
Total	2,280	1,043				
D. Resolution Plan under DRT/SARFAESI						
Loans worth Rs.298 cr. are being resolved under DRT/SARFAESI						

¹ Based on assessment

Borrowing Profile

(Rs.'crore)

Borrowings	31.03.2018		31.03.2017	
	Amt.	%	Amt.	%
Bonds	1,96,436	86%	190,911	94%
Term Loans	26,178	11%	9,277	5%
Short Term Loans	6,925	3%	2,401	1%
Total	2,29,538	100%	202,588	100%
of which:				
Rupee Denominated	2,11,278	92%	194,144	96%
Foreign Currency Loans	18,260	8%	8,444	4%

Shareholding Pattern

(Holding %)

Particulars	31.03.2018	31.03.2017
President of India	65.92%	66.35%
FII's & FPI's	14.00%	15.51%
Indian FI's & Banks	7.06%	9.51%
Bodies Corporate	1.29%	1.44%
Resident Individuals	4.87%	3.19%
Mutual Funds	6.01%	3.25%
Employees	0.05%	0.06%
Others	0.81%	0.70%
Total	100%	100%

SL.No	Top 10 Shareholders (as on 31.03.2018)	Holding (%)	Category
1	President of India	65.92	POI
2	Life Insurance Corporation of India	5.96	INS
3	HDFC Trustee Company Limited - HDFC Prudence fund	2.21	MUT
4	UBS Principal Capital Asia Ltd	1.83	FPI
5	CPSE ETF	0.77	MUT
6	HDFC Trustee Company Limited - HDFC Top 200 Fund	0.67	MUT
7	Morgan Stanley Mauritius company limited	0.66	FPI
8	BNP Paribas Arbitrage	0.47	FPI
9	Vanguard Emerging Markets Stock Index Fund	0.44	FPI
10	Morgan Stanley (France) S.A.	0.41	FPI

Contact Us

Investor Relations Cell

PFC aims to connect with the current and prospective investors and build a strong and enduring positive relationship with the investment community. For this, PFC has a dedicated Investor Relations Cell to provide information to investors on companies' performance.

For queries relating to PFC's financial performance, please contact the Investor Relations Cell at the following :

Mr. B.S.Bisht
(General Manager)
Tel No : +91-11- 23456846
Fax no.: +91-11- 23456882
Email:investorrelations@pfcindia.com

Ms. Jasneet Guram
(Deputy General Manager)
Tel No : +91-11- 23456823
Fax no.: +91-11- 23456882
Email:investorrelations@pfcindia.com



Thank You!