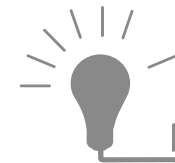


Power Finance Corporation Ltd.
A Navratna PSU

Performance Highlights

Quarter ended 31st March 2020



Funding for a
Brighter Tomorrow



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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'

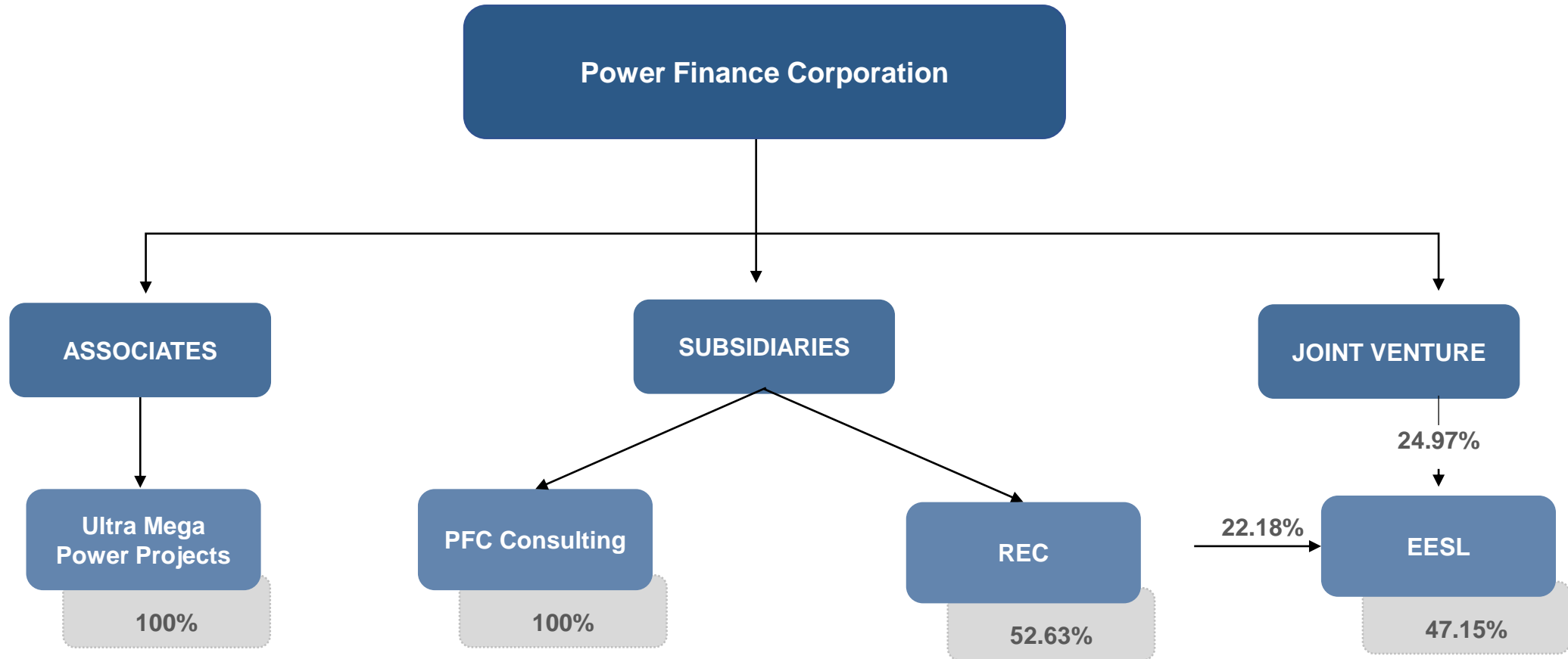


PFC group is
largest financial
company in
Power sector



#34 in
Fortune 500
India (2019)

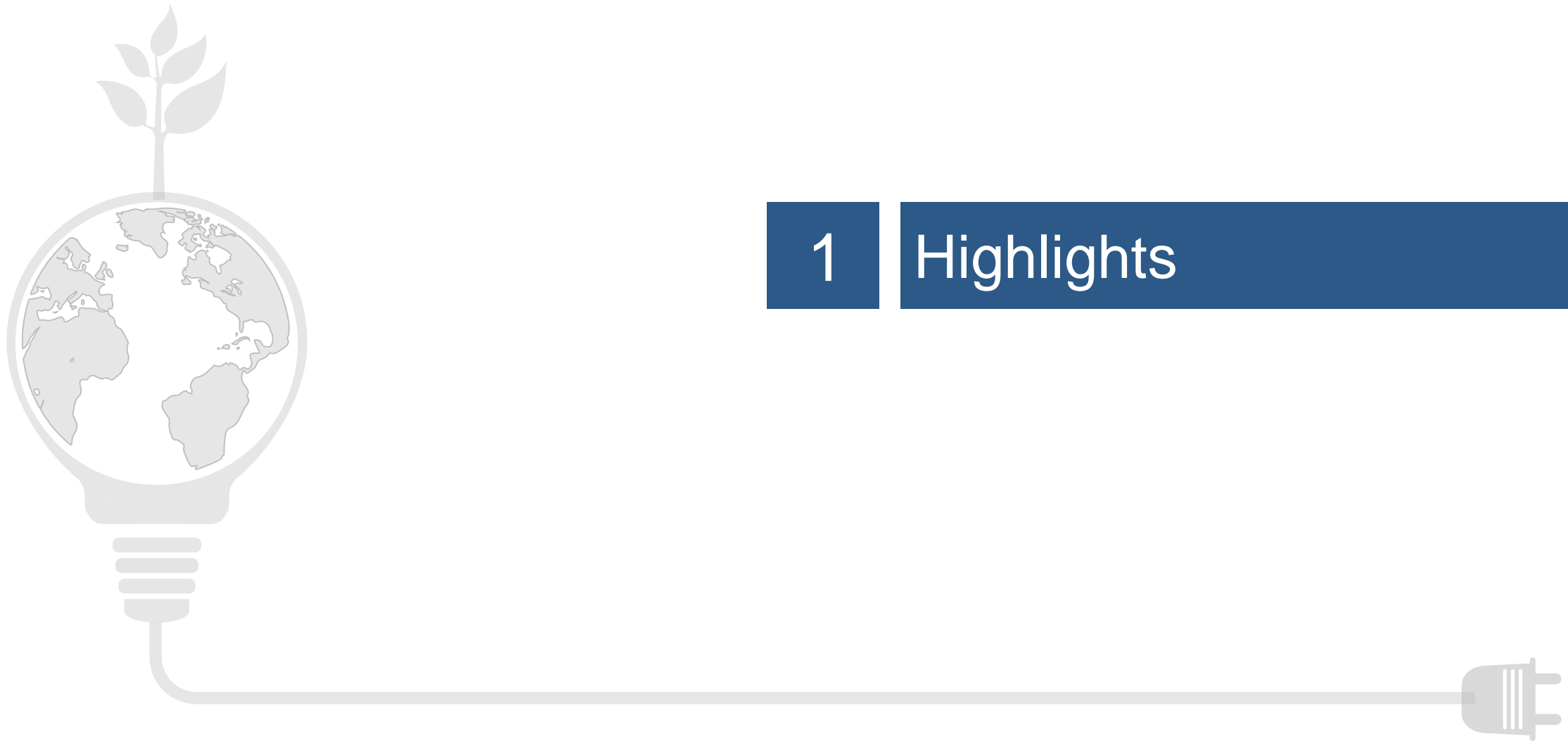
PFC Group Structure



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

COVID-19 Response



OPERATIONAL RESPONSE

Operations stayed highly resilient

Quickly adapted to Remote Access Capability

Business Operations continued as usual from Day 1 of Lockdown



BUSINESS RESPONSE

Disbursed Rs.11,000 cr. in last week of March'20 compared to Rs.6,400 cr. in last week of March'19

Registered 10% Growth in Loan Assets in FY 20

AAA rating re-affirmed by CRISIL, ICRA & CARE



BORROWER SUPPORT

Moratorium extended on approx. 70% due(s) & to approx. 50% borrowers¹

PFC to provide Rs.45,000 cr. to DISCOMS for liquidity



ROBUST LIQUIDITY

Raised around Rs.29,000 cr. from Domestic markets since 31.03.2020

Rs.10,000 cr. of line of credit available from banks

Rs.9,500 cr. term loan sanctions in pipeline



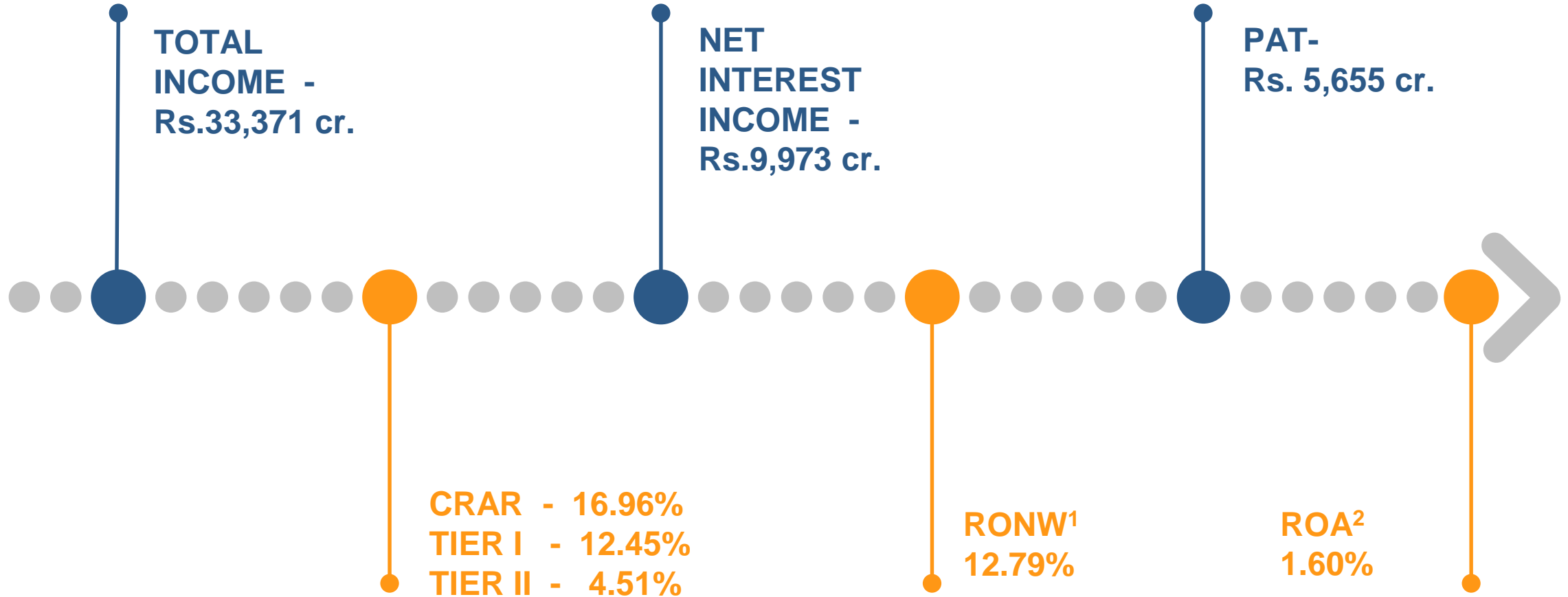
COMMUNITIES

Rs. 200 cr. contributed to PM CARES Fund

Rs. 3.45 cr. of financial support extended for various pandemic related cause(s)

1. Till June 2020

FY'20 in Perspective

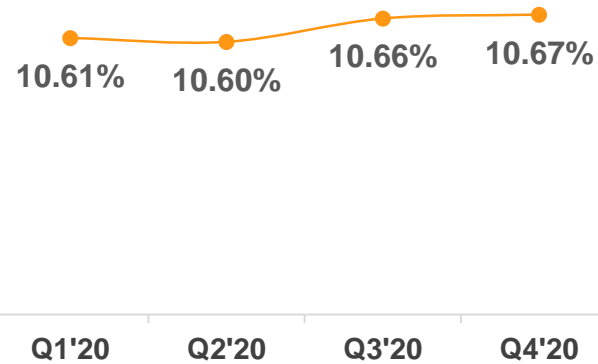


1. Return on Average Net Worth. 2. Return on Assets

Stable Financial Indicators for FY'20



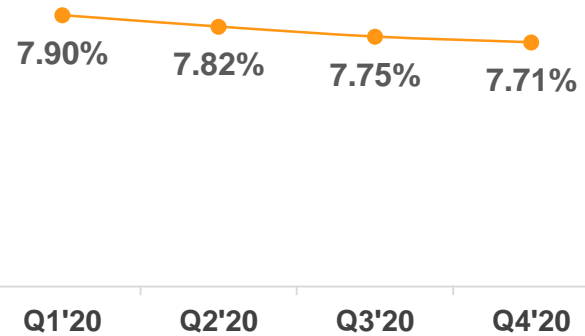
Yield at 10.67%



Maintaining a Stable Yield on Earning Assets Quarter on Quarter



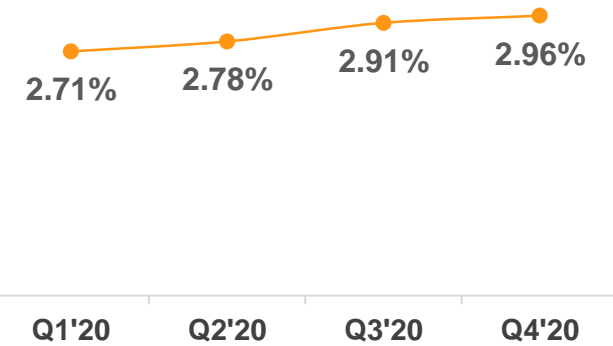
Cost at 7.71%



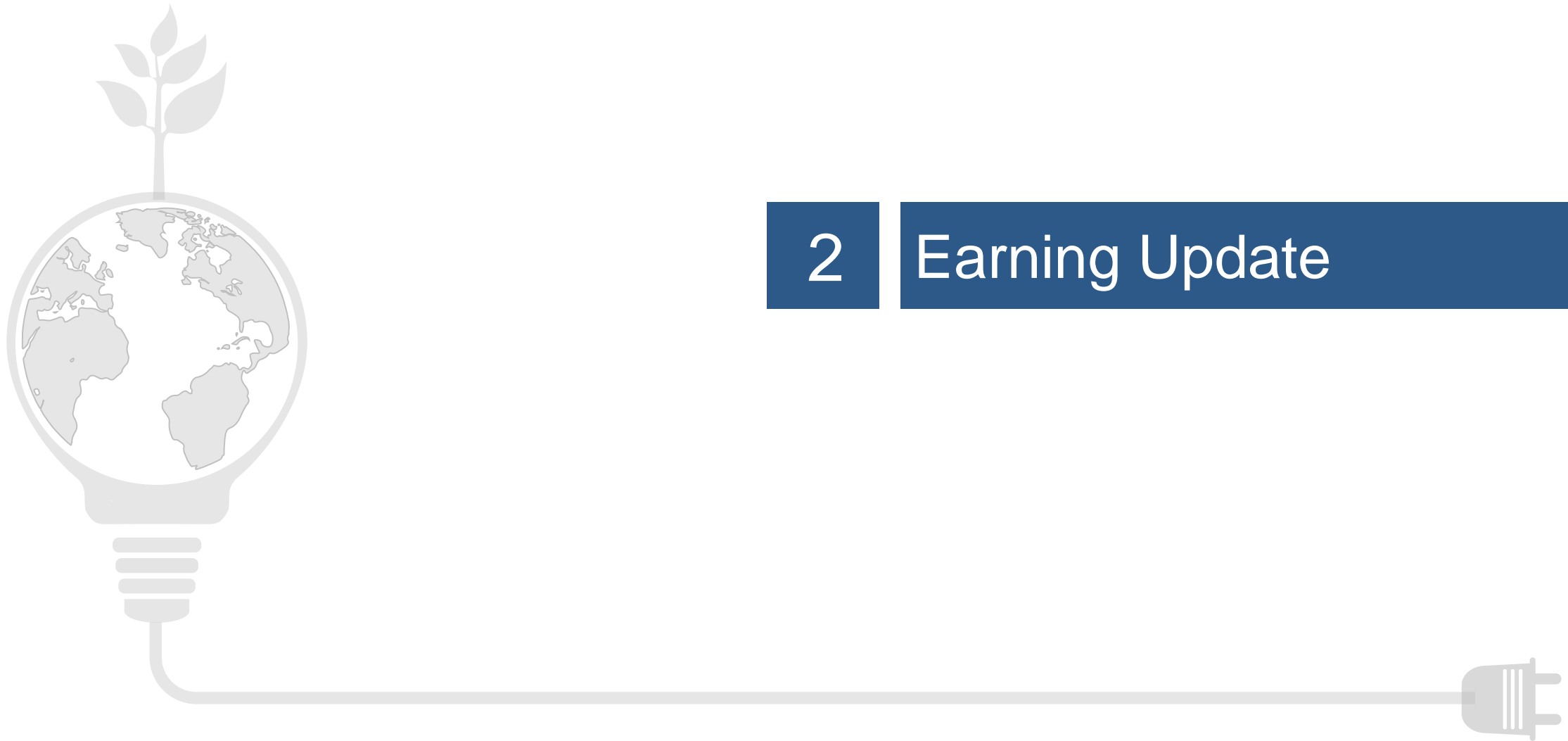
Well managed cost of funds – Reducing trend Quarter on Quarter



Spread at 2.96%



Improving spread in a challenging operating environment



2 Earning Update

Revenue & Growth



(Rs.'crore)

	Q4 FY 20	Q3 FY 20	Q4 FY 19	FY 20	FY 19
Interest Income	8,285	8,149	7,634	31,982	28,447
Interest Expense	5,616	5,530	4,963	22,009	19,152
Net Interest Income	2,669	2,619	2,671	9,973	9,296
Reported Profit After Tax	1,435	1,680	2,118	5,655	6,953
Impact of DTA re-measurement ¹	-	-	-	1,133	-
Profit After Tax (excluding of impact of DTA re-measurement)	-	-	-	6,788	6,953

(Y/E- March)

1.PFC has exercised the option under section 115BAA of the Income Tax Act, 1961 to pay corporate tax at a reduced rate. Consequently, Deferred Tax Asset has been re-measured at reduced rates and accordingly, the excess DTA of Rs1,133. has been reversed in FY'20. Therefore, the PAT for FY20 is suppressed due to such re-measurement of deferred tax asset at the reduced tax rates.

Some figures may have been regrouped / reclassified for analysis purposes. Therefore, they may not reconcile with the reported figures. Further, the reported figures for Q4 19/FY'19 have been restated to make them comparable pursuant to amalgamation of PFC GEL from 01.04.2017.

Key Ratios

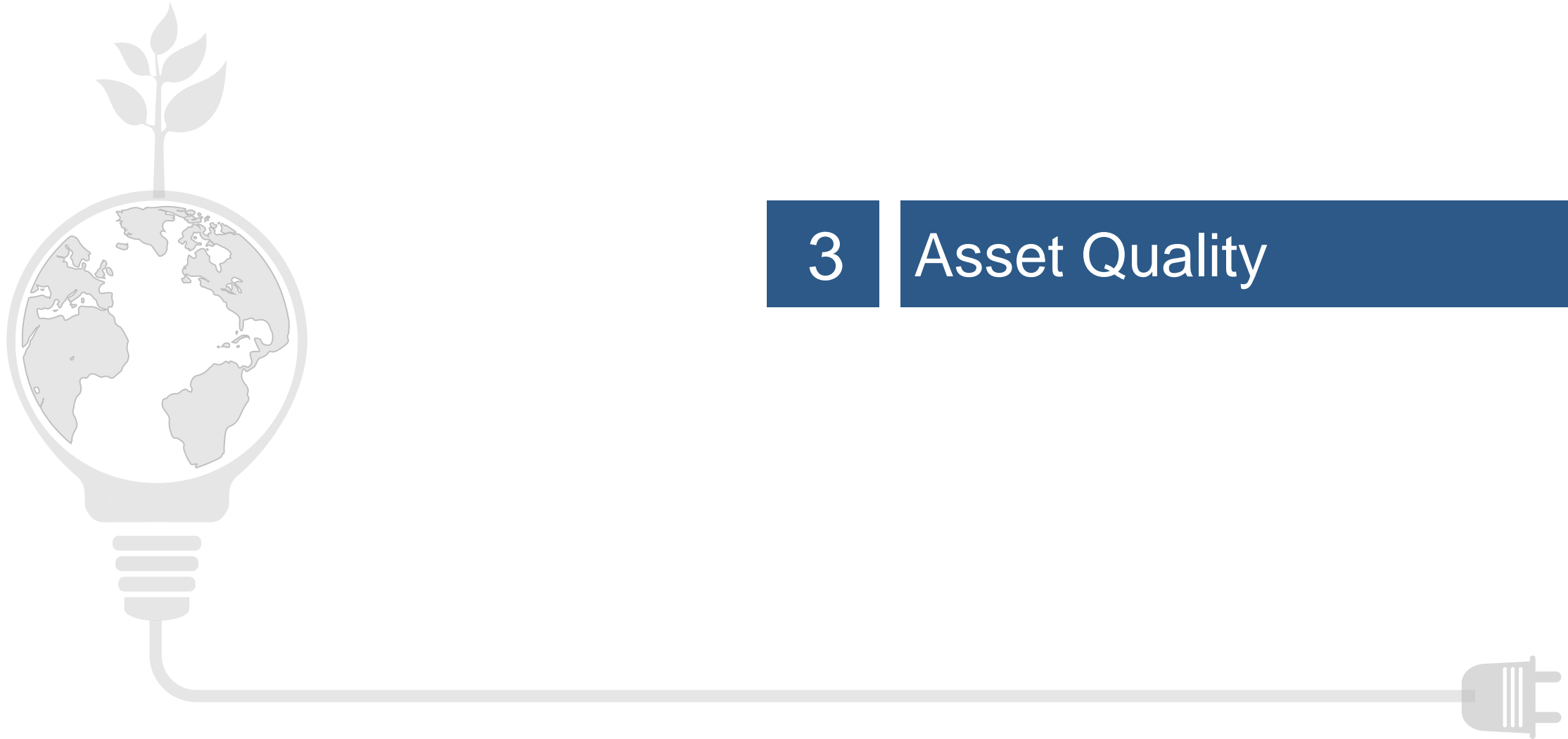


(Ratios in %)

	Q4 FY 20	Q3 FY 20	Q4 FY 19	FY 20	FY 19
Yield on Earning Assets	10.67	10.66	10.66	10.63	10.62
Cost of Funds	7.71	7.75	7.68	7.79	7.95
Interest Spread on Earning Assets	2.96	2.91	2.98	2.83	2.67
Net Interest Margin on Earning Assets	3.28	3.28	3.46	3.17	3.37
Net worth (Share Capital + All Reserves)	Rs.45,164 cr.	Rs.47,227 cr.	Rs.43,288 cr.	Rs.45,164 cr.	Rs.43,288 cr.

(Y/E- March)

Ratios are annualised & are based on daily average & excluding exchange/loss gain and rounded off.

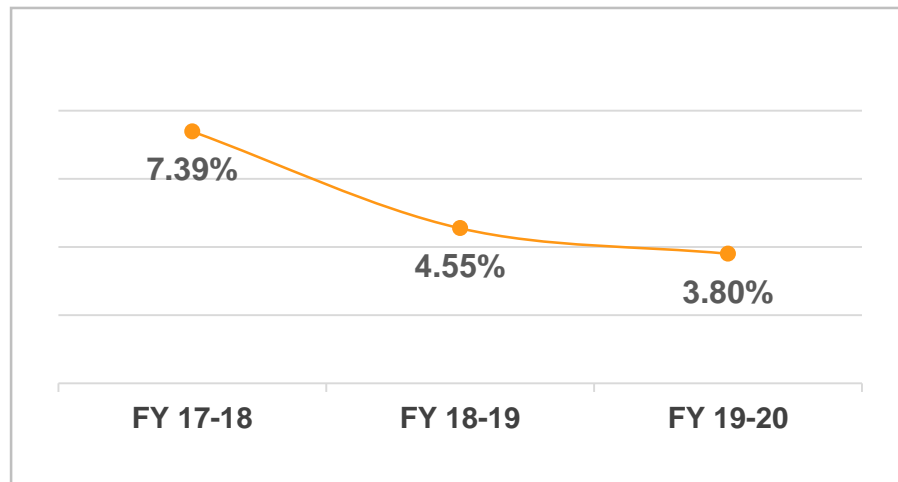


3 Asset Quality




Rs.3,44,905 cr. loan book as on 31.03.2020

Lowest Net NPA in last 3 years



FY 17-18 Net NPA ratio based on RBI norms

 **83%**
GOVERNMENT SECTOR

 **17%**
PRIVATE SECTOR

 **92%**
STANDARD ASSET

Provisioning Snapshot



Provisioning Status as on 31.03.2020

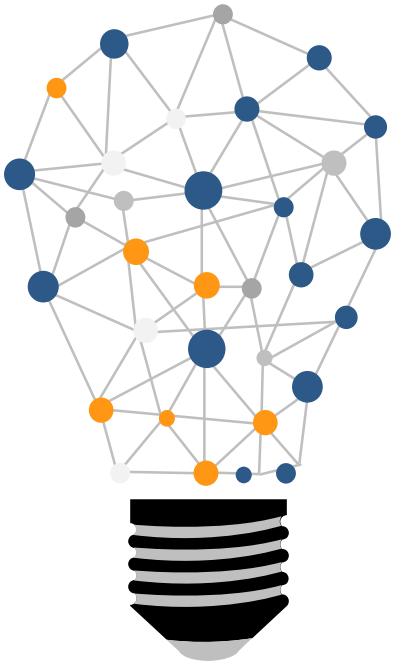
(Rs.'crore)

	Stage I & II	Stage III	Stage III (NPA) as % of Gross Loan Assets	Total
Outstanding Loan Assets				
- Government Sector	2,87,514	-	Nil	2,87,514
- Private Sector	29,519	27,872	8.08%	57,391
Total Outstanding Amount	3,17,033	27,872	8.08%	3,44,905
Total Amount	Provisioning			
	1,215	14,749	-	15,964
Net Assets	3,15,818	13,123	3.80%	3,28,941

53% provisioning against Stage III Assets (NPA) of Pvt. sector

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

7 Projects of Rs.9,320 cr.in Advance Stages of Resolution



Resolution reached in R.S. India Loan of Rs.224 cr.

In loans of Rs. 6,578 cr. - Resolution Plan Approved

1. RKM Powergen - Rs.5,207 cr.
2. India Power Haldia - Rs.959 cr.
3. Essar Transmission - Rs.412 cr.

In loans of Rs. 2,518 cr. - Successful Bidder in NCLT

1. Ind Barath Utkal - Rs.1,368 cr. - Bidder Identified
2. Jal Power - Rs.386 cr. - Bidder Identified
3. Jhabua Power- Rs.764 cr. - Bidder under finalization

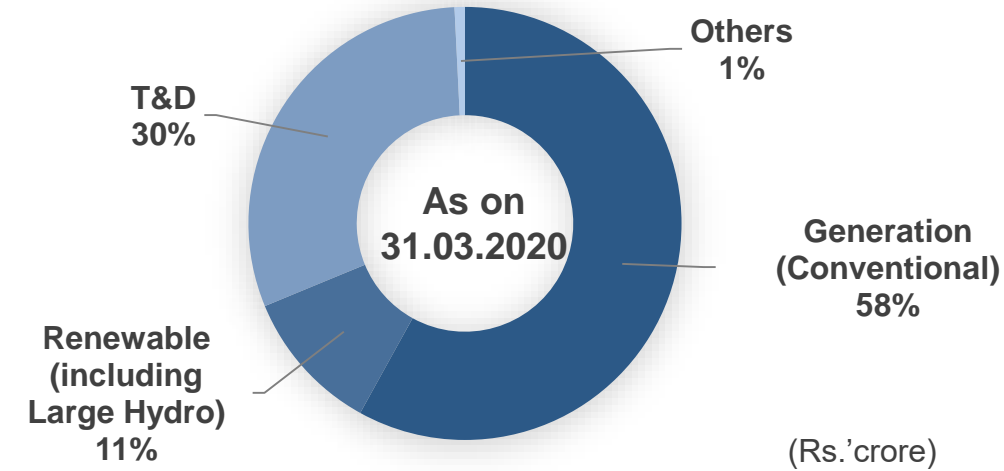
On Resolution, current NPA levels are expected to improve in future



4 Operational Performance

Loan Asset – Composition –

Increasing thrust towards T&D & renewable business



	As on 31.03.2020	As on 31.03.2019
Gross Loan Assets	3,44,905	3,14,667
Scheme Wise		
Generation	2,37,178	2,22,965
- Conventional Generation	2,00,173	1,93,985
- Renewable Energy	37,005	28,980
- Large Hydro Projects (>25 MW)	17,594	13,590
- Renewable Energy Other than Large Hydro Projects	19,411	15,390
Transmission	29,159	25,481
Distribution	75,892	63,094
Others	2,676	3,126
Sector Wise		
Government Sector	2,87,514	2,61,055
Private Sector	57,391	53,612

Disbursements - Composition



(Rs.'crore)

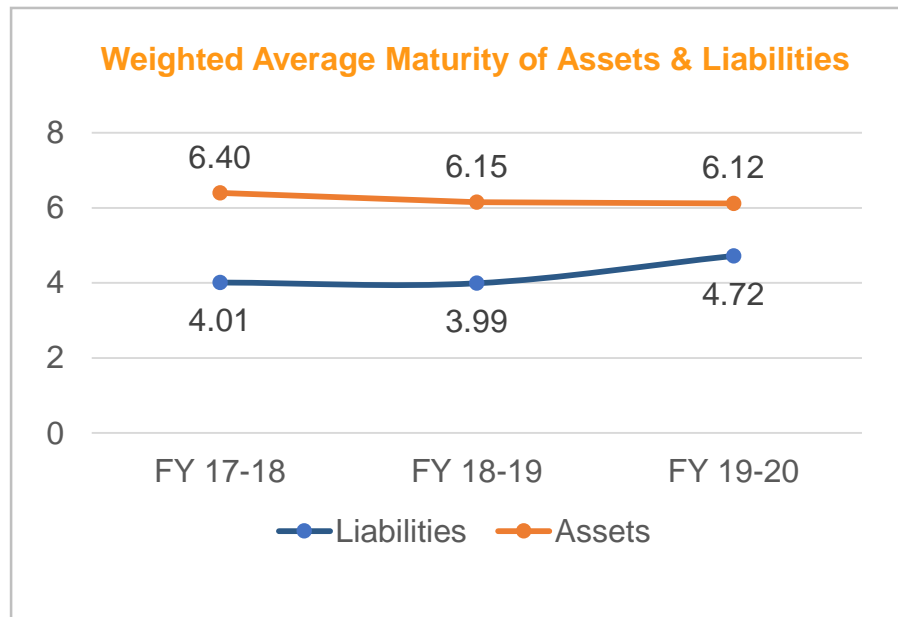
	Q4 FY 20		Q4 FY 19		FY 20		FY 19	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Disbursements	20,752	100%	22,544	100%	67,997	100%	67,678	100%
<u>Scheme Wise</u>								
Generation	8,880	43%	10,440	46%	36,012	53%	28,996	43%
Transmission	2,911	14%	2,740	12%	7,096	10%	7,129	11%
Distribution	8,710	42%	9,300	41%	24,331	36%	30,905	46%
Others	251	1%	64	0.3%	558	1%	648	1%
<u>Sector Wise</u>								
Government Sector	18,261	88%	20,879	93%	59,180	87%	63,161	93%
Private Sector	2,491	12%	1,665	7%	8,817	13%	4,516	7%

Well Managed Liability Profile



Rs. 3,03,452 of outstanding borrowings as on 31.03.2020

Improving ALM Maturity Profile



Diversification of funding profile

84% from domestic sources & 16% from foreign currency sources



No outstanding CP's as at end of FY'20
as against 4% in FY'19



66% exchange risk hedging

for FCL with residual maturity upto 5 years. 35% exchange risk hedged for total FCL portfolio



Liability Mix as on 31.03.2020

Diversified Liability Mix

Rs.3,03,452 cr.
Outstanding
Borrowings as
on 31.03.2020

Domestic Bonds

Rs.1,85,484 cr. (61%)

RTL from Banks/FI's

Rs. 57,099 cr. (19%)

Foreign Currency Borrowing

Rs.47,701 cr. (16%)

Commercial Papers

Nil

Subordinated Bonds

Rs.9,212 cr. (3%)

54EC Bonds

Rs. 1,919 cr. (0.63%)

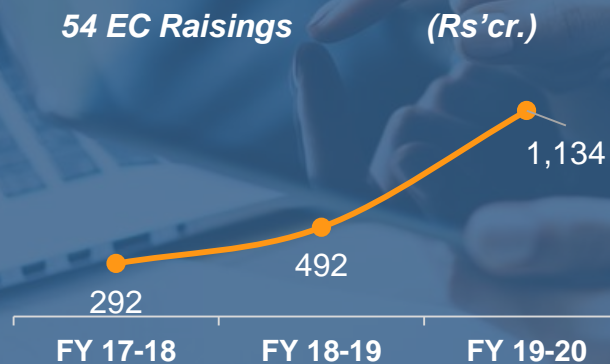
Others (CC/OD/line of credit)

Rs. 2,038 cr.(1%)


PFC's access to low cost funds



54EC Resource Mobilization more than triples from FY 17-18



54EC Salient Features

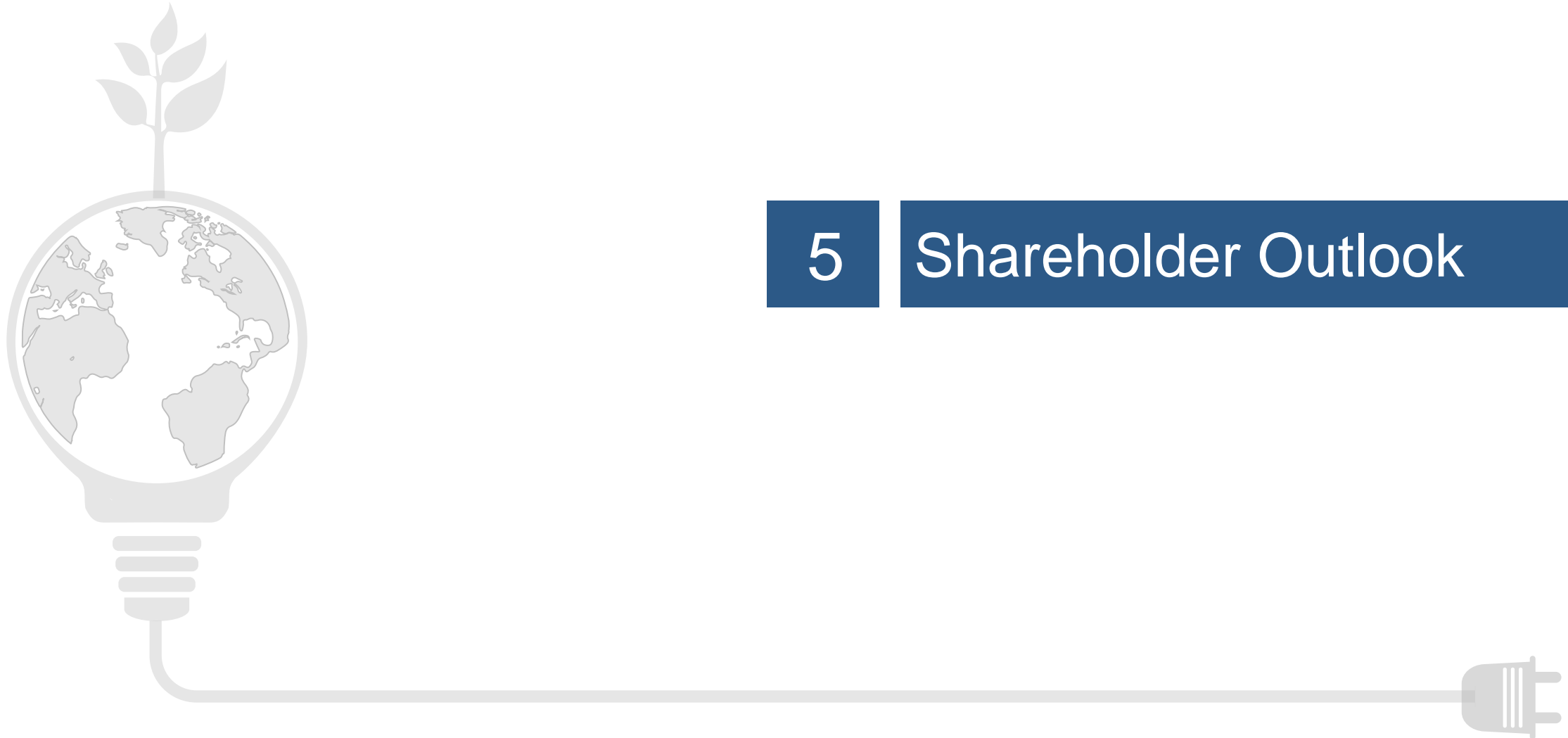
Eligible Investors  Individuals, HUF, NRI, FIs, LLP, Partnership, Banks, Mutual Funds, Insurance Co., PF funds

Tenor  5 years from deemed allotment date

Coupon Rate  5.75% per annum.

Benefit to Investor

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

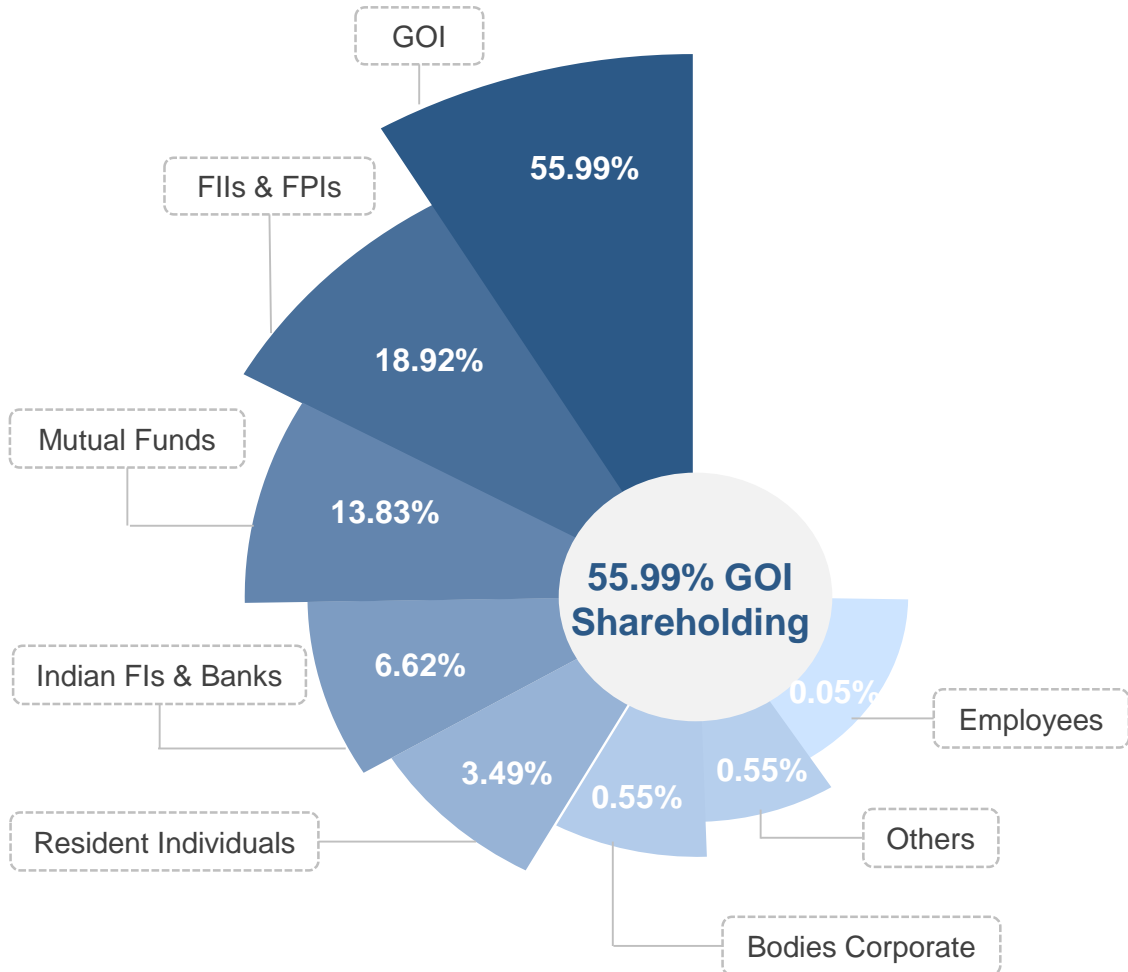


5 Shareholder Outlook

Shareholders Outlook



Equity market valuation ratios indicate potential for upside



EPS Rs. 21.42
(Annualised)

Book Value Per Share Rs. 171

Price to Earning Ratio 4.30

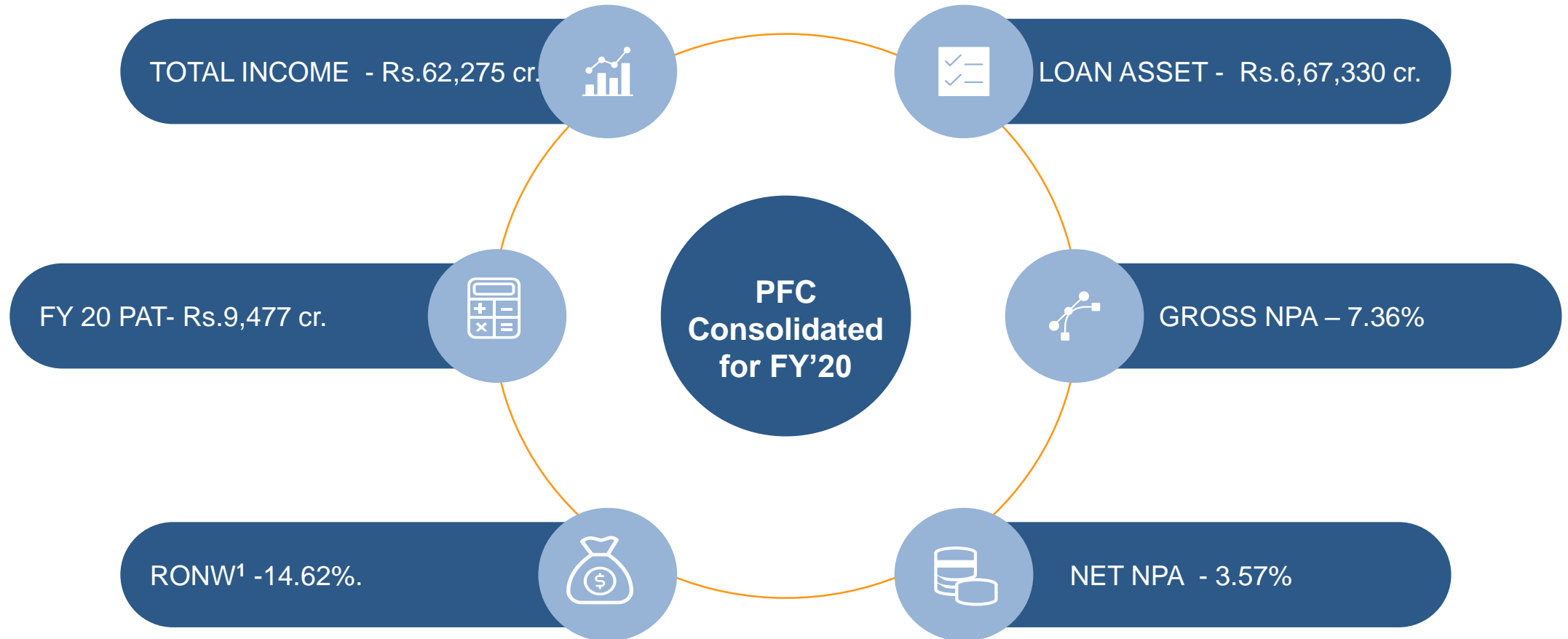
Price to Book Value Ratio 0.54

Above ratios are for FY 19-20 & are based on the last available closing share price from BSE as on the end of reporting period

C. Consolidated Performance

1 Earning Update

Key Consolidated Financials



1. Return on Average Net Worth

Key Consolidated Financials



(Rs.'crore)

	Q4 FY 20	Q3 FY 20	Q4 FY 19	FY 20	FY 19
Interest Income	16,044	15,679	14,183	61,628	53,427
Interest Expense	10,491	10,262	9,146	40,845	34,627
Net Interest Income	5,553	5,417	5,037	20,783	18,800
Net worth	Rs.66,165 cr.	-	Rs.63,484 cr.	Rs.66,165 cr,	Rs.63,484 cr.

(Y/E- March)

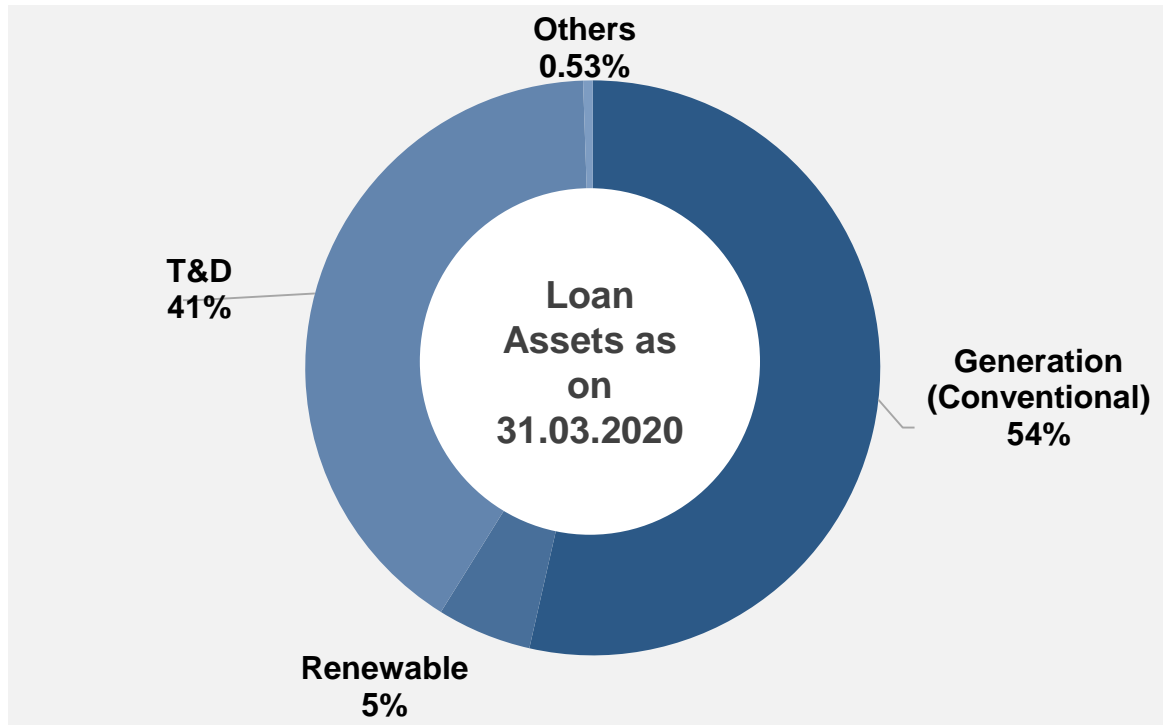
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2 Operational Performance

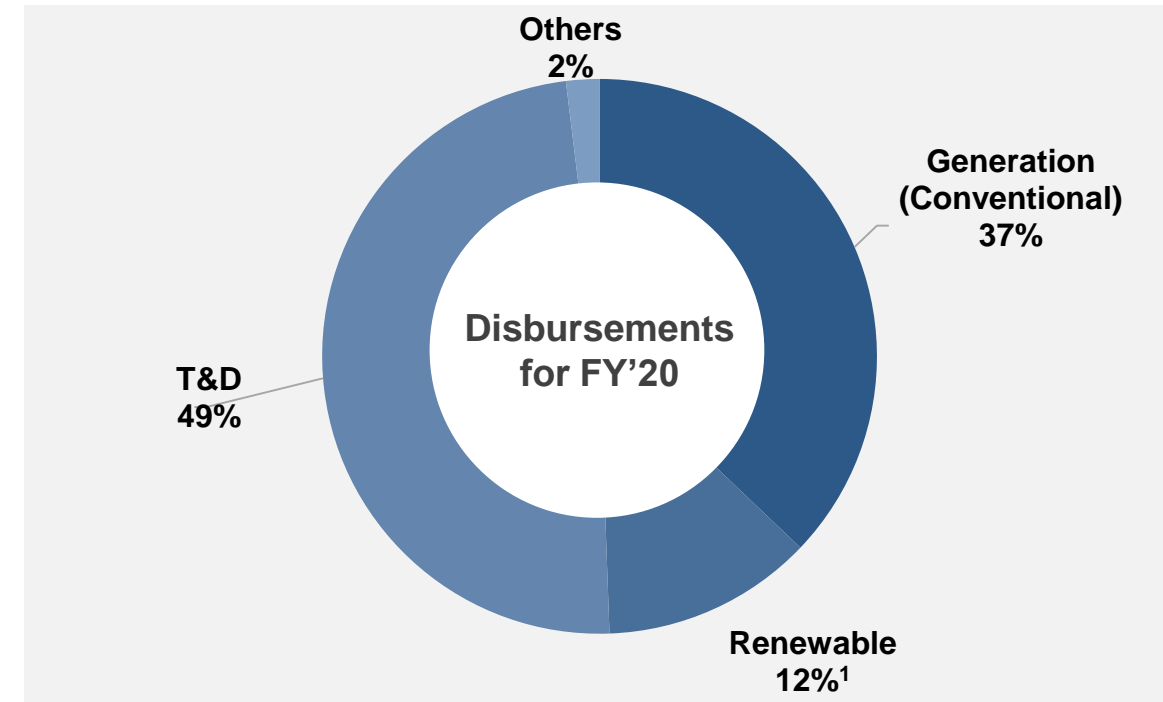
Operational Performance – FY'20



Loan Asset Book of Rs.6,67,330 cr.



Rs.1,43,664 cr. Disbursement for FY'20







PFC Group is the largest financial company in power sector

¹For comparative purpose large hydro projects i.e.>25MW have not been included in the consolidated renewable figures.

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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