

Performance Highlights

Quarter
ended 30th September 2022



**Power Finance
Corporation Ltd.**

A Maharatna PSU



Funding for a
Brighter Tomorrow

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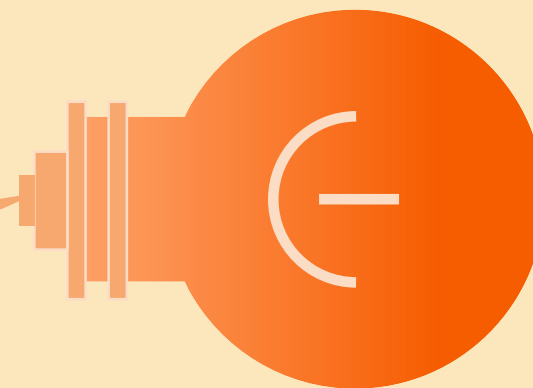
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PFC at a Glance



Leading Financer in Power Sector

Majority Owned by
Government of India

Key financial partner for
Government in Power Sector

Highest Long Term
Domestic Rating of 'AAA'

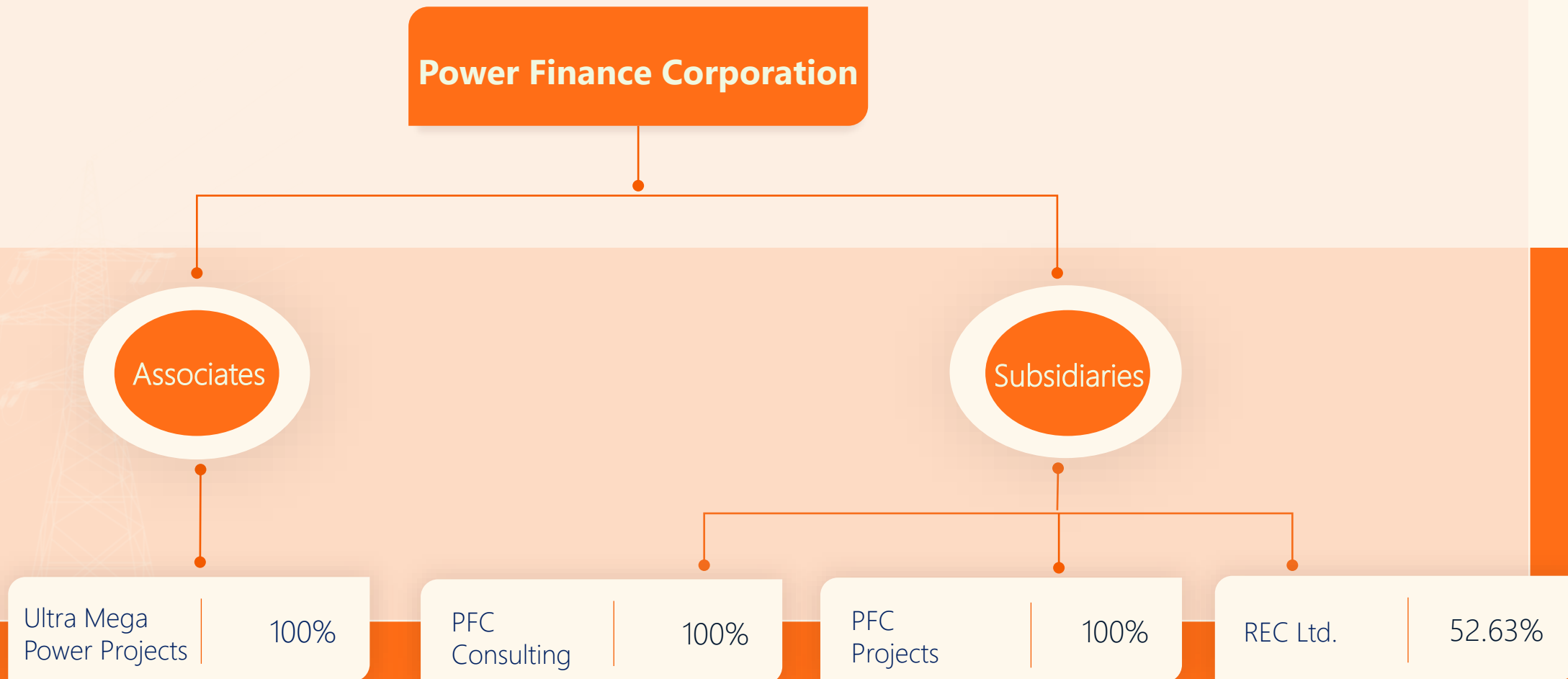


#365 in the world
in terms of assets
as per Forbes Global'2021

#29 in Fortune 500
India'2021

1. Based on figures as on 31.03.2022

PFC Group Structure





Consolidated Performance

Consolidated Highlights



Highest ever Quarterly PAT registered in Q2'23

Rs.5,229 cr. in Q2'23 vs. Rs.5,023 cr. in Q2'22



Consolidated net worth crosses Rs. 1 lakh crore mark

Rs.1,02,280 cr.⁽¹⁾ as at 30th Sep,2022 vs. Rs.90,311 cr. as at 30th Sep,2021



Lowest ever consolidated Net NPA Ratio

Net NPA ratio of 1.27% in H1'23 vs. 1.72% in H1'22

Synergies in resolution process has led to this sharp reduction



PFC group to finance 2X660 MW thermal power project at Buxar

PFC Group to provide financing of Rs.8,521 cr. to SJVN Thermal Pvt. Ltd. for setting up the project.



Update on Late Payment Surcharge Scheme

Till date, PFC group has cumulatively sanctioned Rs.1,00,303 cr. to 15 Discoms in 10 states and disbursed Rs.13,307 cr.

Key Consolidated Financials

Largest Power Sector CPSE in India



Loan Asset Book of more than Rs.7.7 lakh cr.



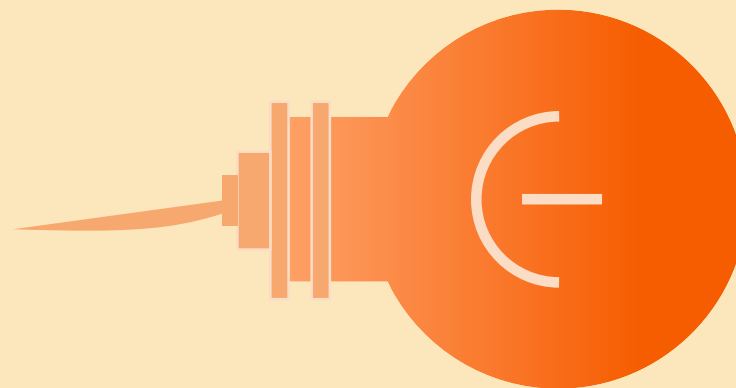
(Rs. 'crore)

	Q2 FY 23	Q2 FY 22	H1 23	H1 22
INTEREST INCOME	19,225	18,928	37,531	37,617
INTEREST EXPENSE	11,413	11,235	22,250	22,548
NET INTEREST INCOME	7,812	7,693	15,281	15,069
PROFIT AFTER TAX	5,229	5,023	9,809	9,578
TOTAL COMPREHENSIVE INCOME	4,185	5,160	7,878	9,891

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



Stand Alone Performance





1.

Highlights

Q2'23 in Perspective



Highest Quarterly PAT in last 5 years

Rs 2,999 crores in Q2'23 vs Rs 2,759 in Q2'22, an increase of 9%

PFC can now lend to infrastructure and logistics sector

For a start, lending upto 30% of standalone net worth is permitted by Ministry of Power

An opportunity for PFC to diversify its business

Lowest Net NPA Ratio of 1.31% in last 6 years

Resolution of two stressed assets has led to reduction in Net NPA:

South East UP Transmission - Rs.2,263 cr.

Jhabua Power Ltd - Rs. 764 cr.

Update on Distribution Sector Schemes

Projects sanctioned in 2 new states under RDSS⁽¹⁾ namely Maharashtra & Puducherry. Now total 10 states sanctioned.

Amount of Rs.45,524 cr. sanctioned and Rs.6,610 cr. disbursed so far under LPS⁽²⁾

Amount of Rs 17,433 cr. sanctioned and Rs.4,496 cr. disbursed so far under Revolving Bill Payment Facility

Release of 19th edition of "Report on Performance of Power Utilities 2020-21"

Provides insights on performance of power utilities, covering a total of 117 utilities across India.

1. Revamped Distribution Sector Scheme
2. Late Payment Surcharge

2.

Earning Update

Revenue & Growth



» Robust Financial Performance Quarter on Quarter



(Rs. 'crore)

	Q2 FY 23	Q2 FY 22	H1 23	H1 22
INTEREST INCOME	9,533	9,202	18,462	18,466
INTEREST EXPENSE	5,685	5,672	11,146	11,412
NET INTEREST INCOME	3,848	3,530	7,316	7,054
PROFIT AFTER TAX	2,999	2,759	5,108	5,032
TOTAL COMPREHENSIVE INCOME	2,768	2,907	4,663	5,297

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Key Ratios

Increase in Net Worth by 11%



Rs 62,860 cr. in H1'23 versus Rs 56,643 cr. in H1'22



(Ratios in %)

	Q2 FY 23	Q2 FY 22	H1 23	H1 22
YIELD ON EARNING ASSETS	10.07	10.28	10.02	10.34
COST OF FUNDS	7.31	7.39	7.30	7.41
INTEREST SPREAD ON EARNING ASSETS	2.76	2.89	2.72	2.93
NET INTEREST MARGIN ON EARNING ASSETS	3.56	3.63	3.51	3.67
CRAR	24.29	21.76	24.29	21.76
NET WORTH (SHARE CAPITAL+ALL RESERVES)	Rs.62,860 cr.	Rs.56,643 cr.	Rs.62,860 cr.	Rs.56,643 cr.

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

3.

Asset Quality

Asset Synopsis –H1'23



**Powering Indian
Electricity Sector for
Growth**



Loan Assets

Rs.3,76,696 cr.



Disbursements

Rs.21,790 cr.



Gross NPA Ratio

4.75%

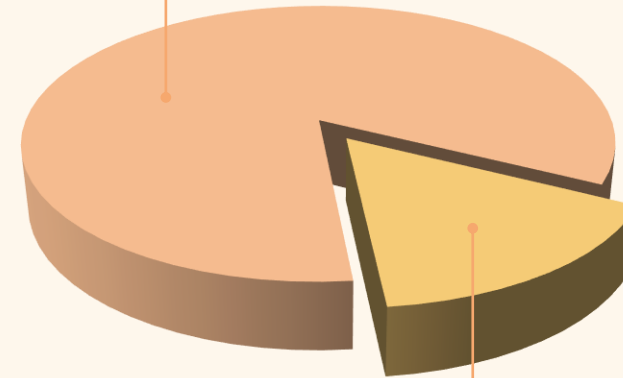


Net NPA Ratio

1.31%

Government
Sector
84%

**Majority Lending to Govt.
Sector**



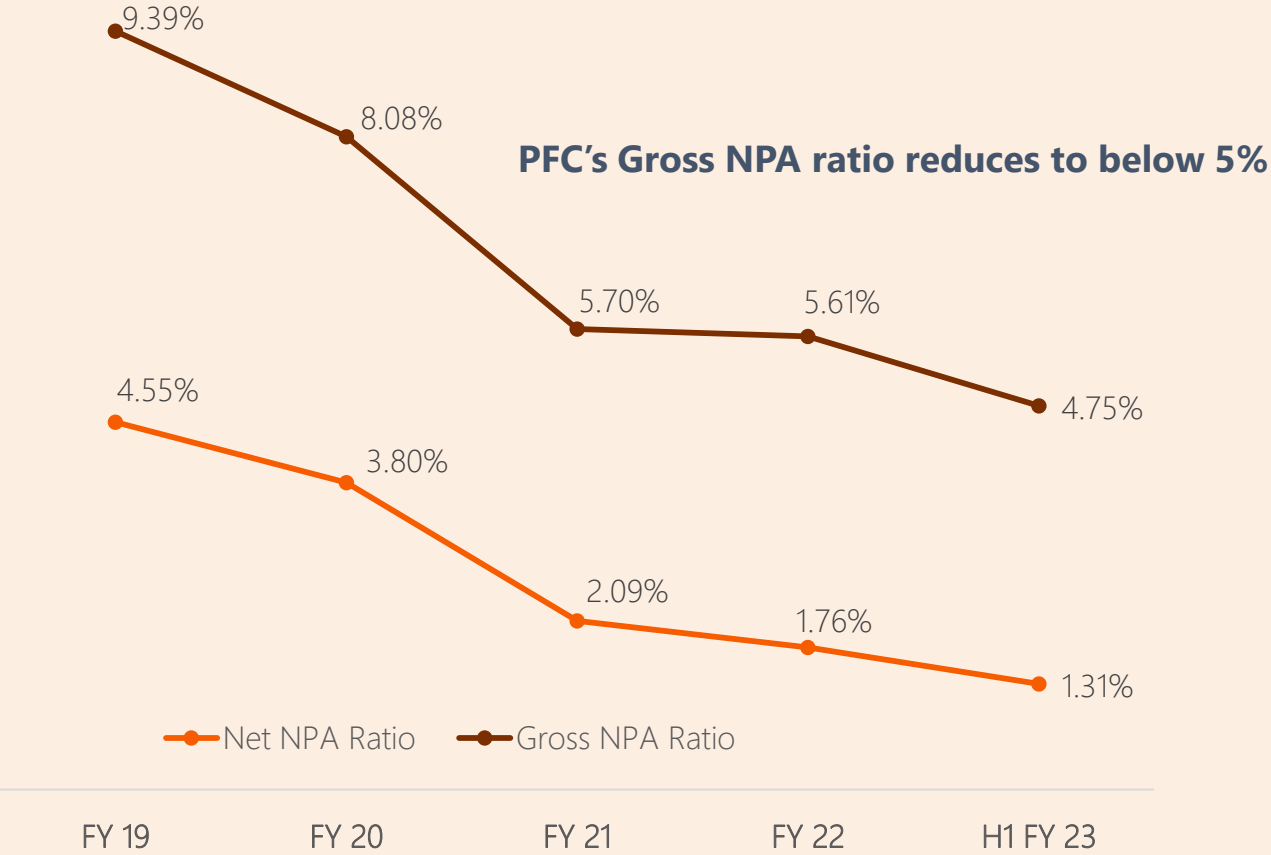
Private
Sector
16%

Substantial reduction witnessed in Gross and Net NPA Ratio



Reducing NPA trend reflective of PFC’s successful resolution efforts & improving asset quality

Lowest Ever Net NPA Ratio of 1.31% in last 6 years



Provisioning Snapshot -30.09.2022

STAGE I & II

OUTSTANDING LOAN ASSETS

Government Sector	3,16,597
Private Sector	42,189

TOTAL OUTSTANDING 3,58,786

TOTAL PROVISIONING 4,643

NET ASSETS 3,54,143

STAGE III

OUTSTANDING LOAN ASSETS

Government Sector	NIL
Private Sector	17,910

TOTAL OUTSTANDING 17,910

TOTAL PROVISIONING 12,971

NET ASSETS 4,939

TOTAL

OUTSTANDING LOAN ASSETS

Government Sector	3,16,597
Private Sector	60,099

TOTAL OUTSTANDING 3,76,696

TOTAL PROVISIONING 17,614

NET ASSETS 3,59,082

Provisioning Status as on 30.09.2022



72% provisioning against Stage III Assets (NPA)

STAGE III

(as % of Gross Loan Assets)

OUTSTANDING STAGE III (IN %)

Government Sector	NIL
Private Sector	4.75%

TOTAL STAGE III (IN %) 4.75%

TOTAL PROVISIONING (IN %) 72%

NET STAGE III ASSETS (IN %) 1.31%

Resolution Status – Stage III Assets

Resolution status of Rs.17,910 cr. of loan assets in Stage 3

NCLT Resolution

↓
12 Projects – Rs.12,319 cr.

↓
76% Provision

Outside NCLT Resolution

↓
10 Projects – Rs.5,591 cr.

↓
63% Provision

Lowest Net NPA Ratio of 1.31% in last 6 years

4.

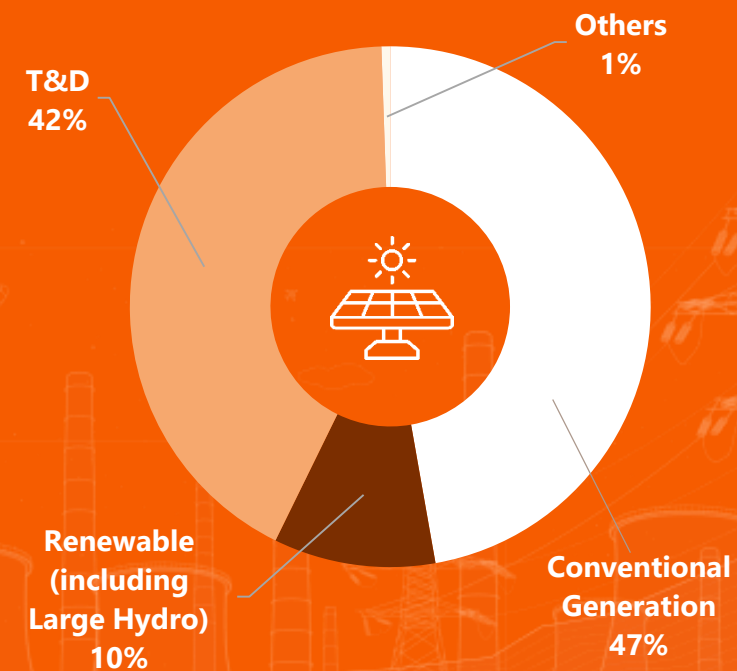
Operational Performance

Loan Asset - Composition

(Rs./crore)

	As on 30.09.2022	As on 30.09.2021
Gross Loan Assets	3,76,696	3,71,732
Scheme Wise		
Generation	2,14,781	2,19,818
- Conventional Generation	1,76,799	1,82,578
- Renewable Energy	37,982	37,240
- Large Hydro Projects (>25MW)	16,189	16,403
- Other than Large Hydro Projects	21,793	20,837
Transmission	28,671	28,100
Distribution	1,31,002	1,21,804
Others	2,242	2,010
Sector Wise		
Government Sector	3,16,596	3,10,715
Private Sector	60,100	61,017

Loan Asset Mix



Borrowers – Loans Outstanding



Top 10 Borrowers as on 30.09.2022

(Rs.'crore)

S.No.	Borrower's Name	Amount outstanding	% of Total loan assets
1	Tamil Nadu Generation and Distribution Corporation Limited	35,891	9.53%
2	Kaleshwaram Irrigation Project Corporation Limited	33,769	8.96%
3	Rajasthan Rajya Vidyut Utpadan Nigam Limited	21,789	5.78%
4	U.P. Power Corporation Limited	20,700	5.50%
5	AP Power Development Corporation	14,616	3.88%
6	Telangana Power Generation Corporation Limited	11,755	3.12%
7	M.P. Power Generating Company Limited	10,537	2.80%
8	Maharashtra State Power Generation Company Limited	10,350	2.75%
9	Tamil Nadu Transmission Corporation Limited	9,237	2.45%
10	JK Power Corporation Limited	8,486	2.25%
Total		1,77,130	47.02%

Top 10 borrowers constituting 47% of total loan asset portfolio

Disbursement Composition

(Rs.'crore)

	Q2 FY 23		Q2 FY 22		H1 23		H1 22	
	Amt	%	Amt	%	Amt	%	Amt	%
Disbursements	17,147	100%	14,161	100%	21,790	100%	25,492	100%
Scheme Wise								
Generation	8,942	52%	2,617	18%	11,884	54%	8,973	35%
Transmission	1,025	6%	459	3%	1,442	7%	966	4%
Distribution	7,124	41%	11,070	78%	8,287	38%	15,535	60%
Others	56	0.33%	15	0.10%	177	0.81%	19	0.07%
Sector Wise								
Government Sector	11,941	70%	12,726	90%	14,919	68%	20,957	82%
Private Sector	5,206	30%	1,435	10%	6,871	32%	4,535	18%

Liability Mix as on 30.09.2022



95% exchange
risk hedged for
FCL up to 5 years
residual maturity



**Rs.3,23,522 cr.
Outstanding
Borrowings as
on 30.09.2022**

Commercial Papers

Nil



Domestic Bonds

Rs.1,85,626 cr. (57%)



RTL from Banks/FI's

Rs. 62,341cr. (19%)



Foreign Currency Borrowing

Rs. 57,481 cr. (18%)



Subordinated Bonds

Rs.9,212 cr. (3%)



54EC Bonds

Rs. 5,166 cr. (1.60%)



Others (CC/OD/line of credit/LAFD)

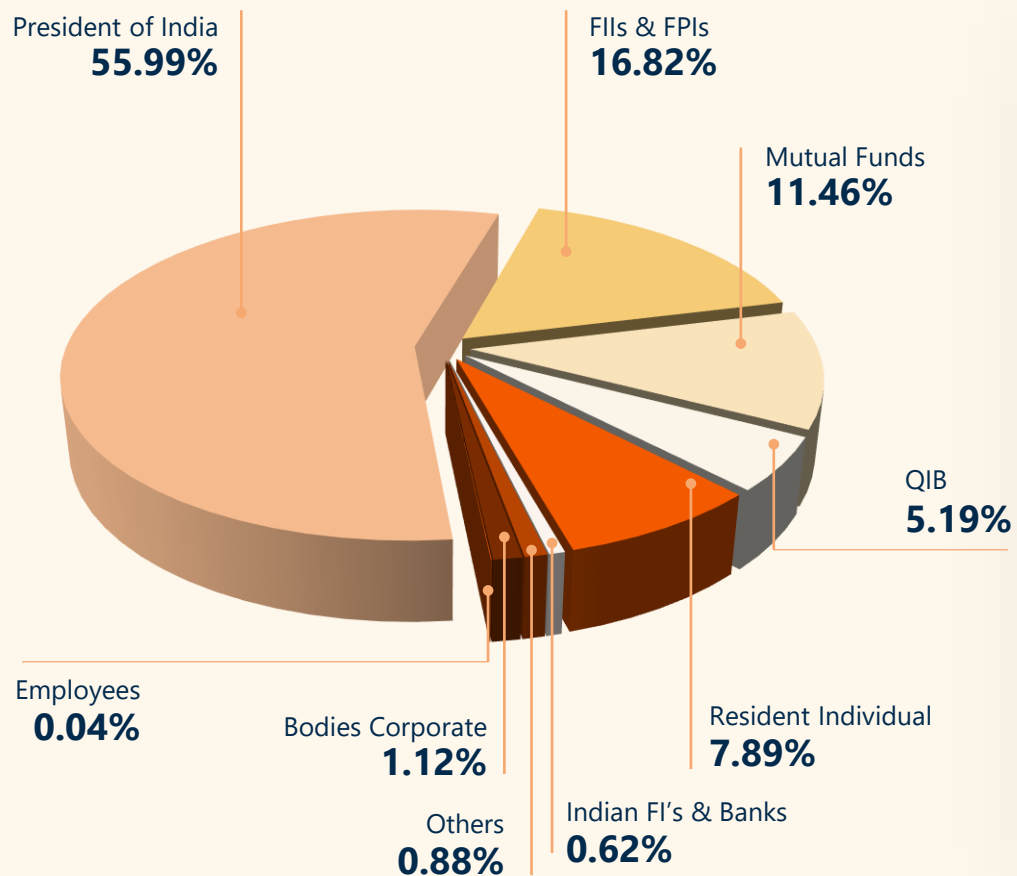
Rs. 3,696cr. (1.14%)



5.

Shareholder Outlook

Shareholder Outlook as on 30.09.2022



35% of stake with FII's & Institutional Investors

PFC delivering Dividend Yield¹ more than Bank FD return

EPS
(Annualized)
Rs.38.70

Book Value
Per Share
Rs.238.10

Price to
Earning Ratio
2.70

Price to Book Value
Ratio
0.44

¹ Dividend Yield as on 31.03.2022 is 10.67% based on the last available closing share price from BSE as on 31.03.2022 i.e. Rs.112.45
Above ratios are for H1'23 & are based on the last available closing share price from BSE as on the end of reporting period i.e. Rs.104.55



Investor Resources



Annual Report



<https://www.pfcindia.com/Annual Report>

Financial results



<https://www.pfcindia.com/Results>



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