

WE BRING
Lifeline to Clean
Sustainable Infrastructure

Investor Presentation | Q4FY21



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About PFS



PTC India Financial Services Limited (PFS) is an infrastructure finance company which provides a vast array of services to the entities in energy value chain. The Company invests in equity and/or extending debt to power projects in generation, transmission, distribution, and fuel sources, fuel related infrastructure, equipment manufacturers and engineering, procurement and construction (EPC) contractors, renewables, transmission, road HAM, annuity projects, e-mobility projects, other sustainable infrastructure projects and other economic strategy sectors. PFS also offers long-term and short-term loans, in addition to providing both fund and non-fund-based financial assistance as debt or structured debts. The Company believes in building a sustainable future and provides fund based/non-fund based financial services to green and brown field projects to help them grow and gain foothold in the industry.



Mission

“To partner and forge strong relationships with credible stakeholders to provide complete financial solutions- equity, debt and other financial services for all links in sustainable infrastructure value chain and other related infrastructure sectors”



Vision

“To be the most preferred financial partner in sustainable infrastructure value chain”



**Incorporated in
2006**



**Listed in
BSE & NSE**



**Professionals
~50**
(Backed by team of advisors
/ consultants having rich
industry experience)



**Market Cap
Rs. 1,339 Crore**



**PBT (As of FY21)
Rs. 93 Crore**



The Company has emphasized on moving from consolidation to growth and expansion by enhancing its product offerings and focusing on quality portfolio. Our returns over the last few quarters underline our resolve to improve liquidity, improve value for the stakeholders, focus on achieving sustainable growth and contribute towards a better environment by relying on renewable energy. We are ironclad on our promise of maintaining a clean and robust balance sheet, both in terms of nature of business and the quality of portfolio. As a result, our thermal assets have come down to 11% from 50% in the last 4-5 years so as to decarbonize our balance sheet and to focus on sustainable green finance infrastructure projects. These measures are aligned towards our vision of becoming a sustainable infrastructure finance organization.

Our lenders, both domestic and international, have been very supportive due to which the Company's credit standing has enhanced drastically. To ensure the financial stability of the Company, we are now lending in the more resilient sectors like transmission, road HAM and much more. This will help in highlighting our robust business model which is safeguarded from the economic headwinds.



WE EXTEND OUR SUPPORT TO FINANCE ENVIRONMENT-FRIENDLY PROJECTS WHICH CONTRIBUTE TOWARDS



Products & Services

PFS offers various investment and financing products/solutions to Infrastructure and Power projects, the details are illustrated in the graphic below:

PFS provides advisory services to the various infrastructure, renewable energy, energy efficiency projects and other projects for helping in efficient installation of these projects. The Advisory services are focused in the areas of finance and in the areas which lie at the intersection of finance and the energy sector

Debt Financing

PFS provides debt finance in the form of Long Term Loan, Short Term Loan as well as Bridge Financing to the projects in the entire energy value chain i.e. from power generation projects to transmission and distribution projects, fuel sources and to the related infrastructure. In addition, it also provides Mezzanine finance, last mile finance, equity financing, structured loans, gap financing etc. There are various factors considered for the debt assistance to any particular project/borrowing company viz. market conditions, regulatory requirements, risk and reward from the projects etc

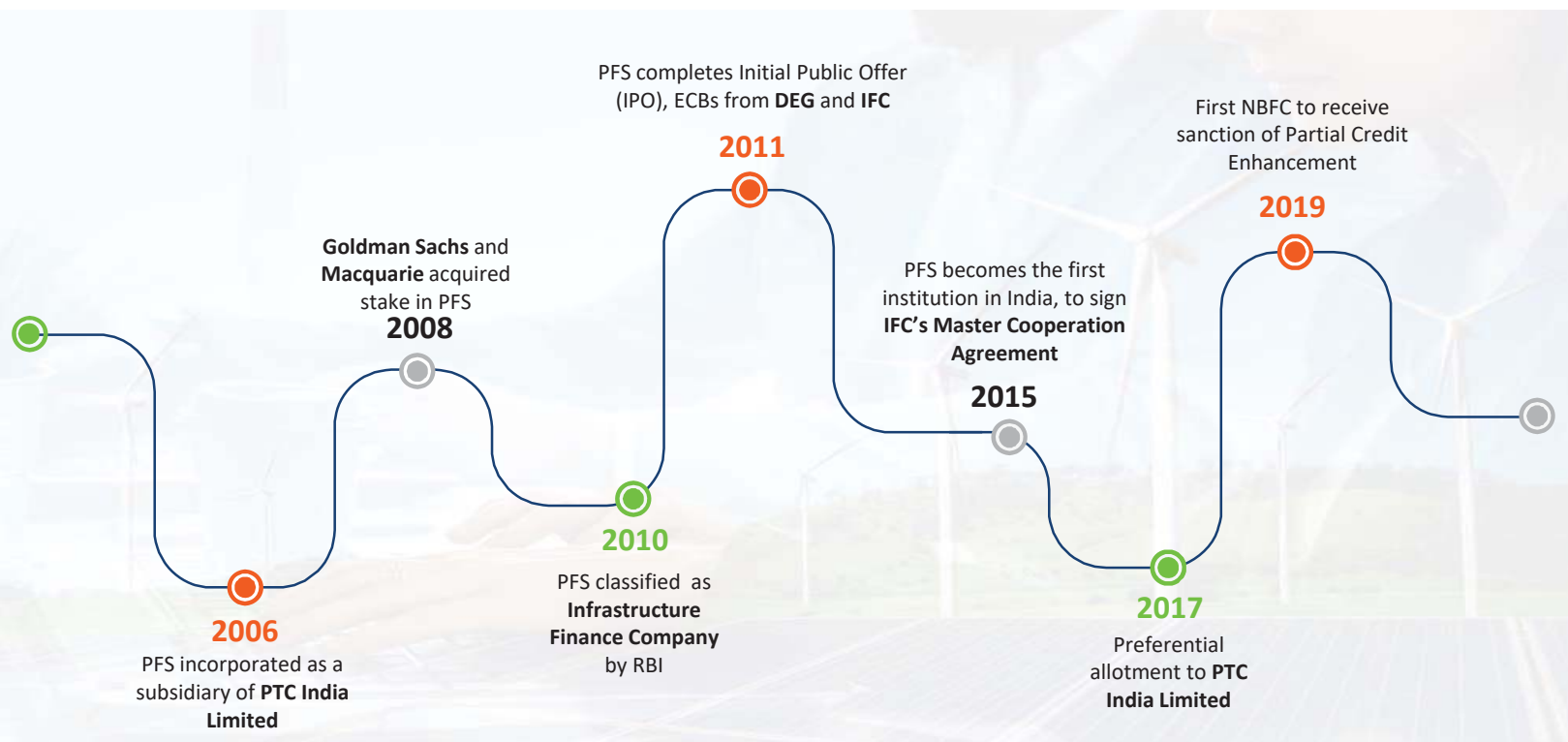
Advisory Services



Fee Based Services

PFS team assists companies in structuring and raising debt and mezzanine capital tailored to their needs. Leveraging on its long term relationships with Banks and Financial Institutions and its experience in executing structured and vanilla debt transactions, PFS handholds companies in structuring and raising capital, which is optimal in terms of cost and structure. With an in house core team of professionals with sectoral as well cross-functional knowledge, PFS helps its clients to become competitive, effective and successful

Company Overview-Milestones



Key Functions of the Company



The details of the key functions of the company are given below:

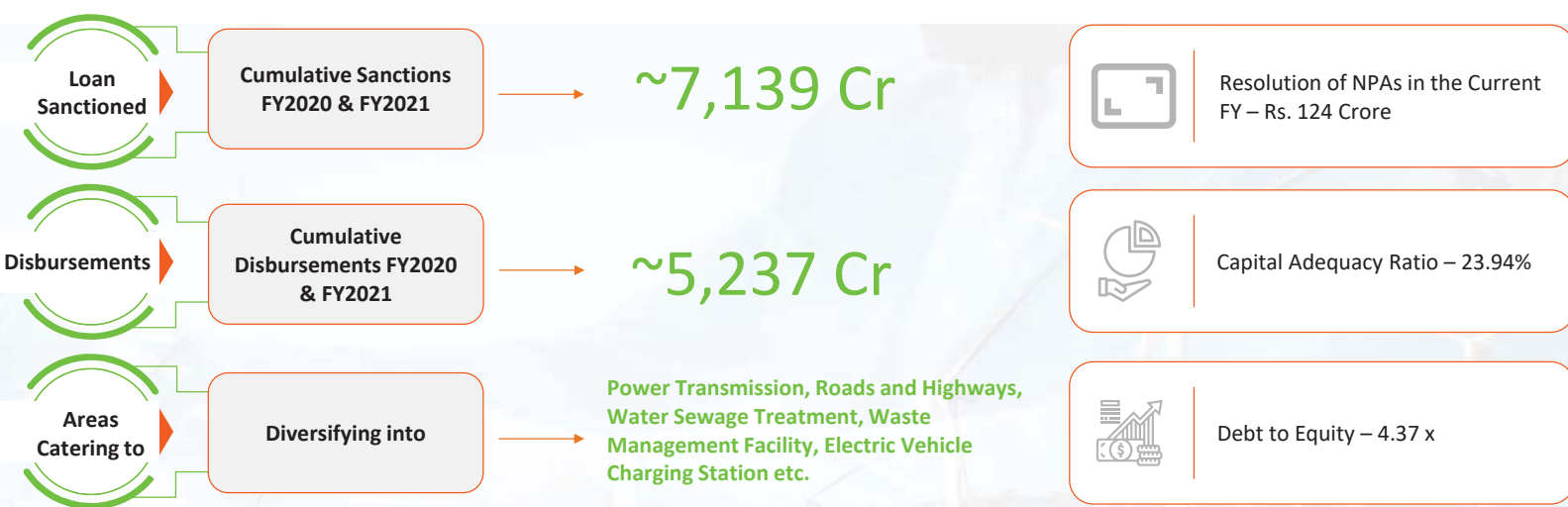


- Implementation of Internal Credit Grading mechanism which captures sector specific risk related parameters during the entire loan-life cycle (i.e. pre-construction and post construction)
- Implementation of Early Warning System which has been integrated with internal credit grading mechanism to identify and closely monitor early warning signals to prevent slippages of performing loan accounts into NPA
- Formulation of Corrective Action Plan for Loan accounts identified under EWS framework, and subsequently reviewing/monitoring on quarterly basis
- Annual review of the entire portfolio through internal credit grading mechanism, wherein review of the security package, compliance of financial covenants is ascertained and assessed



- Implemented the mechanism of Risk Based Pricing which has been integrated with internal credit grading mechanism

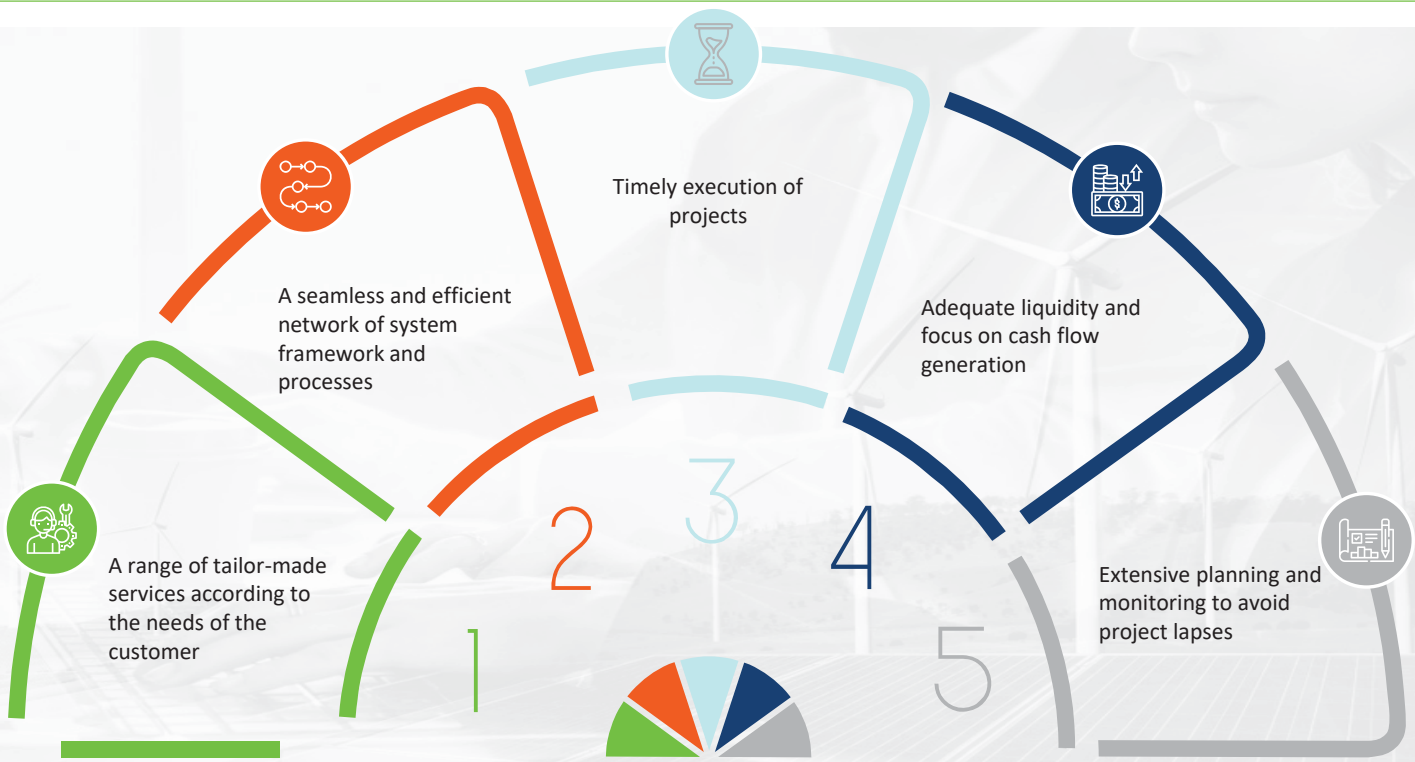
PFS Overview



Figures are upto 31st March, 2021

What rating agencies say

Facilities	CRISIL	ICRA	CARE
NCD / Bonds	CRISIL A+ / Stable	ICRA A+ /Stable	CARE A+ /Stable
Long Term Loan	CRISIL A+ / Stable	ICRA A+ /Stable	CARE A+ /Stable
Short Term Loan	-	ICRA A1+	CARE A1+
Commercial Paper	CRISIL A1+	ICRA A1+	-



What makes PFS a unique Investment case



We have been the first movers in established and emerging green infrastructure finance sectors like renewable energy, wastewater treatment plant, e-mobility, e-vehicle manufacturing which are long-term sustainable in the future.



Corporate Governance - Board of Directors



Shri Deepak Amitabh, Chairman

He is a former Indian Revenue Services (IRS) Officer. He also serves as Chairman and Managing Director of PTC India Limited. He has more than 35 years of experience in the field of auditing, financing and revenue mobilization.



Dr. Pawan Singh, MD & CEO

He is a former Civil Officer and served as Director (Finance) of Delhi Power Company Ltd, Delhi Transco Ltd, Genco etc. He was involved with power reforms in Delhi and has served in various infrastructure sector organizations like Power Grid, Indian Railways, Tata Steel and Ex. Director Finance for around 7 years of PFS. He has been on board of various companies/ institution including IIFCL (AMC), presently also on Board of PTC Energy, MDI and Chairperson of Audit Committee.



Shri Naveen Kumar, Whole Time Director

He has worked in power sector majors including BHEL, NTPC and PFC and has overall experience of about 39 years covering various areas including infrastructure projects formulation, technical and financial appraisal, monitoring and financing / consortium lending of power projects. He also possesses rich experience in area of erection, commissioning, O&M of power projects and setting up of UMPPs.



Mrs. Praveen Tripathi, Independent Director

She is from IA&AS of 1973 Batch (retired) and has worked at various senior positions in Govt. of India. She has served as member - Competition Appellate Tribunal, Member - Airport Economic Regulatory Authority Appellate Tribunal and as Deputy Comptroller & Auditor General of India.



Shri Thomas Mathew T, Independent Director

He served as Managing Director and Interim Chairman of Life Insurance Corporation of India. He has also served as Managing Director and CEO of Reinsurance Group of America (RGA) for India Bangladesh and Sri Lanka. He has also served on the board of leading companies like Tata Power, Voltas, Mahindra & Mahindra, Corporation Bank, IFCI Limited, MDI, Gurgaon, National Insurance Academy, Pune, Metropolitan Stock Exchange of India and L&T Capital Markets. Currently he is on board of Larsen & Turbo Limited, L&T Finance Holdings, L&T Infra Debt Fund, L&T Infrastructure Finance Limited, Canara HSBC OBC Life Insurance Company Limited, LIC (International) Bahrain, L&T Capital Markets, Dubai.

Corporate Governance - Board of Directors



Shri Santosh B. Nayar, Independent Director

He has rich working experience of around 40 years in project finance and banking, including international & investment banking, and life insurance industry. He was the Chairman of India Infrastructure Finance Company Limited (IIFCL), a wholly-owned Government of India Enterprise with an asset size of USD 6.5 Bn.



Shri Kamlesh Shivji Vikamsey, Independent Director

He is a chartered accountant and a Senior Partner of Khimji Kunverji & Co, Chartered Accountants since 1982. He has more than thirty five years of experience in Accounting and Finance, Taxation, Corporate and Advisory services. He is Chairperson of the External Audit Committee (EAC) of International Monetary Fund (IMF), Washington D.C., United States of America; Deputy Chairperson of the Audit Advisory Committee of United Nations Children's Fund (UNICEF), New York, United States of America; and Member of the Independent Management Advisory Committee (IMAC) of International Telecommunication Union (ITU), Geneva, Switzerland.



Shri Rakesh Kacker, Independent Director

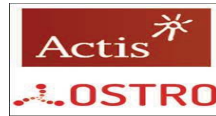
He is an independent director of PTC India Limited on the Board of the company and has earlier worked as Secretary to the Government of India and hold various posts at senior level in the Government. He has rich experience of India Power sector.



Rajiv Malhotra, Nominee Director

He is a Nominee Director of PTC India Ltd. on the Board of the Company. He is Executive Director & Group CRO, PTC India Ltd. His previous assignments include COO, Athena Energy Ventures and was part of the team that successfully completed PTC's IPO in 2004.

Our Marquee Clients



Our Key Lenders (International and Domestic)

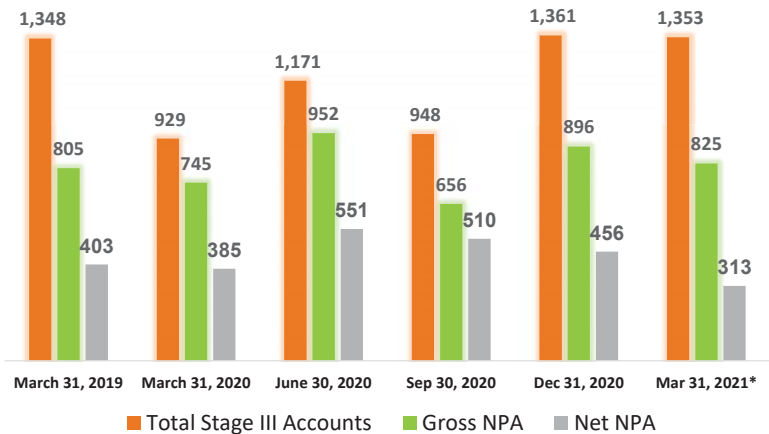
Established relationship with Leading Development Financial Institutions (DFIs) and Banks in form of treasury of around Rs. 12,000 crore (around \$ 1,700 million)



Operational Overview

- Long Term Liability to Short Term Liability has improved to 89:11 with adequate liquidity in the system
- Reducing trend of cost of funds with improvement in yields of earning portfolio
- In discussion with additional credit lines of Rs. 1,650 crore
- Relationship enhanced with existing bankers and establishing with new lenders, domestic as well as international
- Capital Adequacy at comfortable level with majority in form of Tier I capital
- Improvement in leverage position with simultaneously improvement in portfolio quality
- Majority of projects has been commissioned and hence nominal construction risk for projects
- Stress / NPA accounts are on declining trend and focus is on improving operational performance
- Company has shifted its pricing methodology from Reference Rate to Base Rate for higher yields in its business model

Stress Account Update



*Stress Accounts of Rs. 578.88 Crore is under resolution and is expected to be resolved in the current Financial Year.



Financials

Key Balance Sheet Indicators

Qtr ended 31 st March, 2021	Qtr ended 31 st December, 2020	Qtr ended 31 st March, 2020	Particulars (Rs. Crore)	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
2,329	1,419	884	Loan Sanctioned (Rs. Crs)	4,098	3,041
1,331	882	511	Loan Disbursed (Rs. Crs)	2,647	2,590
11,094	10,972	11,394	Outstanding Credit	11,094	11,394
10,751	10,621	11,005	Loan Assets (Rs. Crs)	10,751	11,005
343	351	389	Non fund based (Rs. Crs)	343	389
23.94	23.33	23.72	Capital Adequacy Ratio (%)	23.94	23.72

Key Operational Indicators

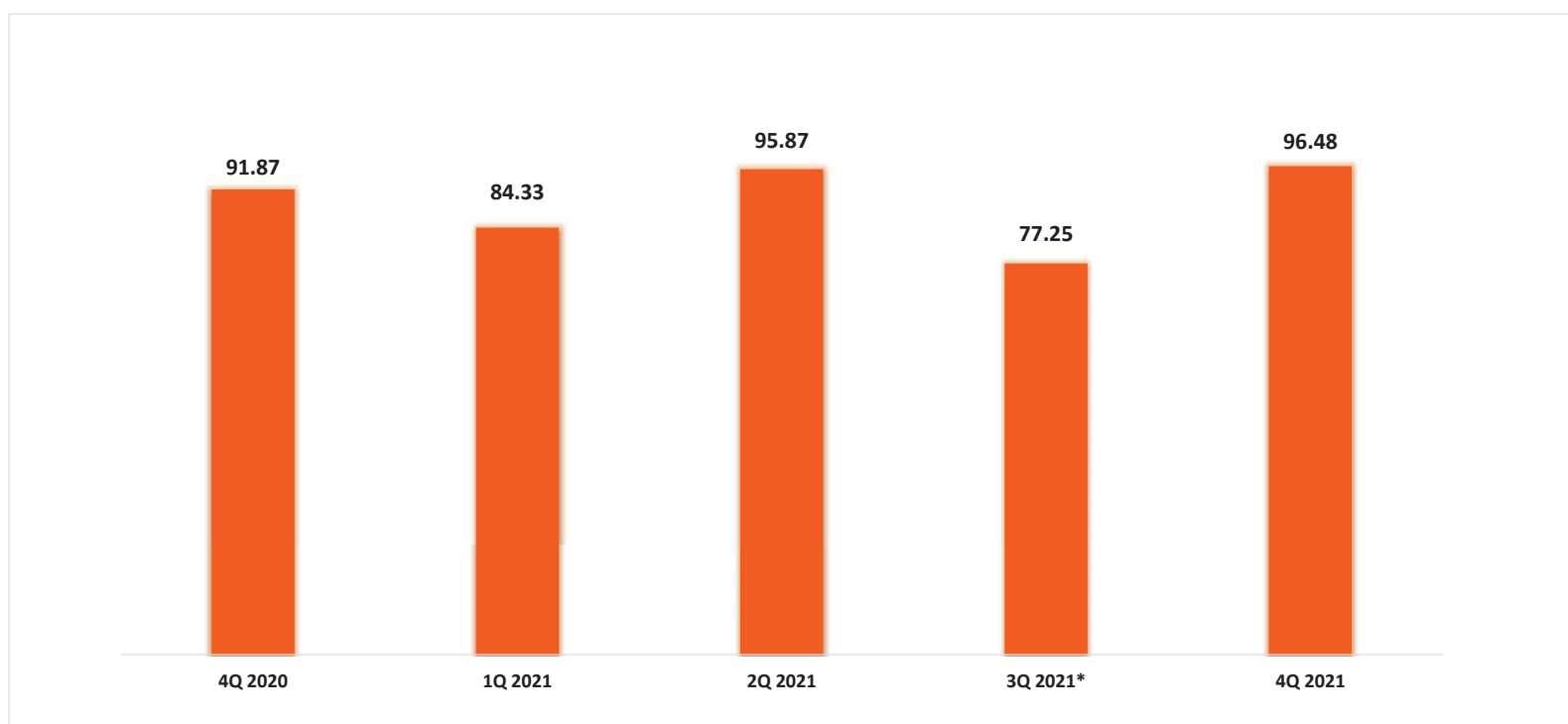
Qtr ended 31 st March, 2021	Qtr ended 31 st December, 2020	Qtr ended 31 st March, 2020	Particulars (Rs. Crore)	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
96.48	77.25	91.87	Net Interest Income (Rs. Crs)	353.74	375.81
10.98	11.25	11.66	Yield on Earning Loan (%)	11.13	11.73
8.00	8.39	8.98	Cost of borrowed funds (%)	8.42	9.12
2.98	2.86	2.68	Interest Spread (%)	2.71	2.61
4.24	3.53	3.38	Net Interest Margin (%)	3.47	3.31
(0.84)	0.32	0.11	Earnings Per Share (Rs.)	0.40	1.71
12.78	13.54	14.58	Cost to Income Ratio (%)	11.83	10.69
4.37	4.09	4.43	Debt Equity Ratio (%)	4.37	4.43
(10.00)	3.85	1.34	Return on Net worth (%)*	1.22	5.34
(1.86)	0.74	0.24	Return on Assets (%)*	0.22	0.94

*Pre Provisioning (without tax effect) Return on Asset is ~4.26% and Return on Net worth is ~12.47% for FY20-21.

Results Overview (Rs. In crore)

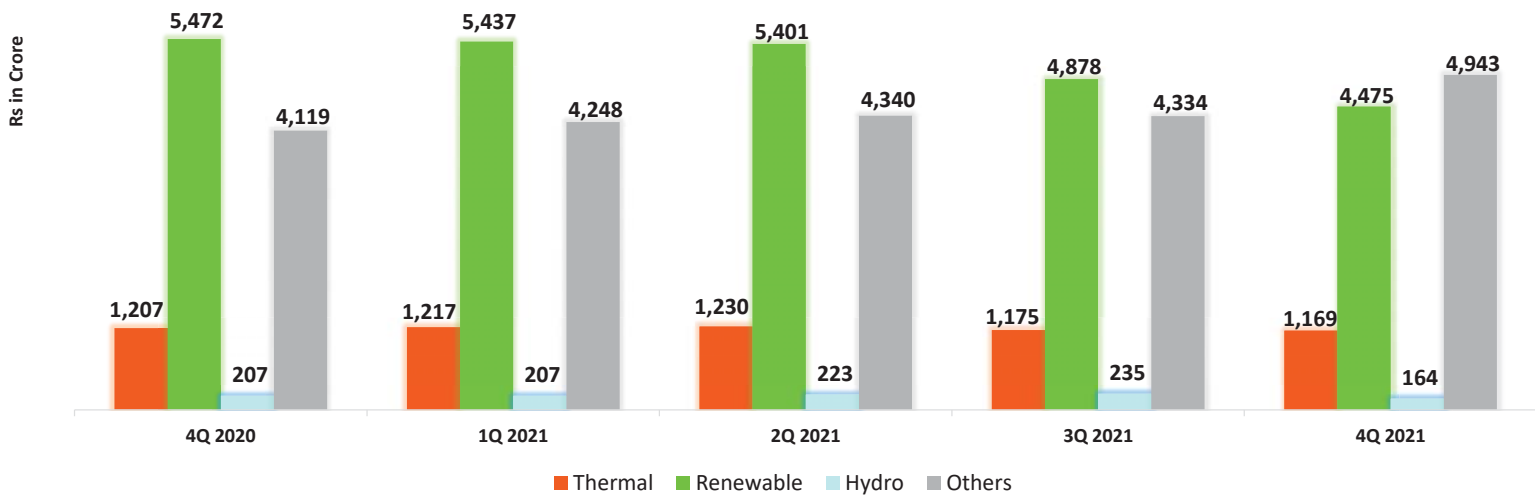
Qtr ended 31 st March, 2021	Qtr ended 31 st December, 2020	Qtr ended 31 st March, 2020	Shift %	Particulars (Rs. Crore)	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020	Shift %
262.68	260.30	316.61	(17%)	Interest Income	1,105.24	1,324.26	(17%)
274.57	269.39	332.88	(18%)	Total Income	1,139.45	1,369.71	(17%)
166.85	184.07	224.74	(26%)	Interest and financial charges	752.98	950.35	(21%)
106.92	40.91	73.78	45%	Provision and contingencies	229.47	195.71	17%
31.34	10.48	19.95	57%	Other operating expenses	63.58	51.61	23%
305.11	236.49	318.47	(4%)	Total expenses	1,046.03	1,197.67	(13%)
(30.54)	32.90	14.41	(312%)	Profit before tax	93.42	172.04	(46%)
23.12	12.05	7.36	214%	Tax expense (including deferred tax)	67.82	62.04	9%
(53.66)	20.85	7.05	(861%)	Profit after tax	25.60	110.00	(77%)

Net Interest Income (Rs. in crore)



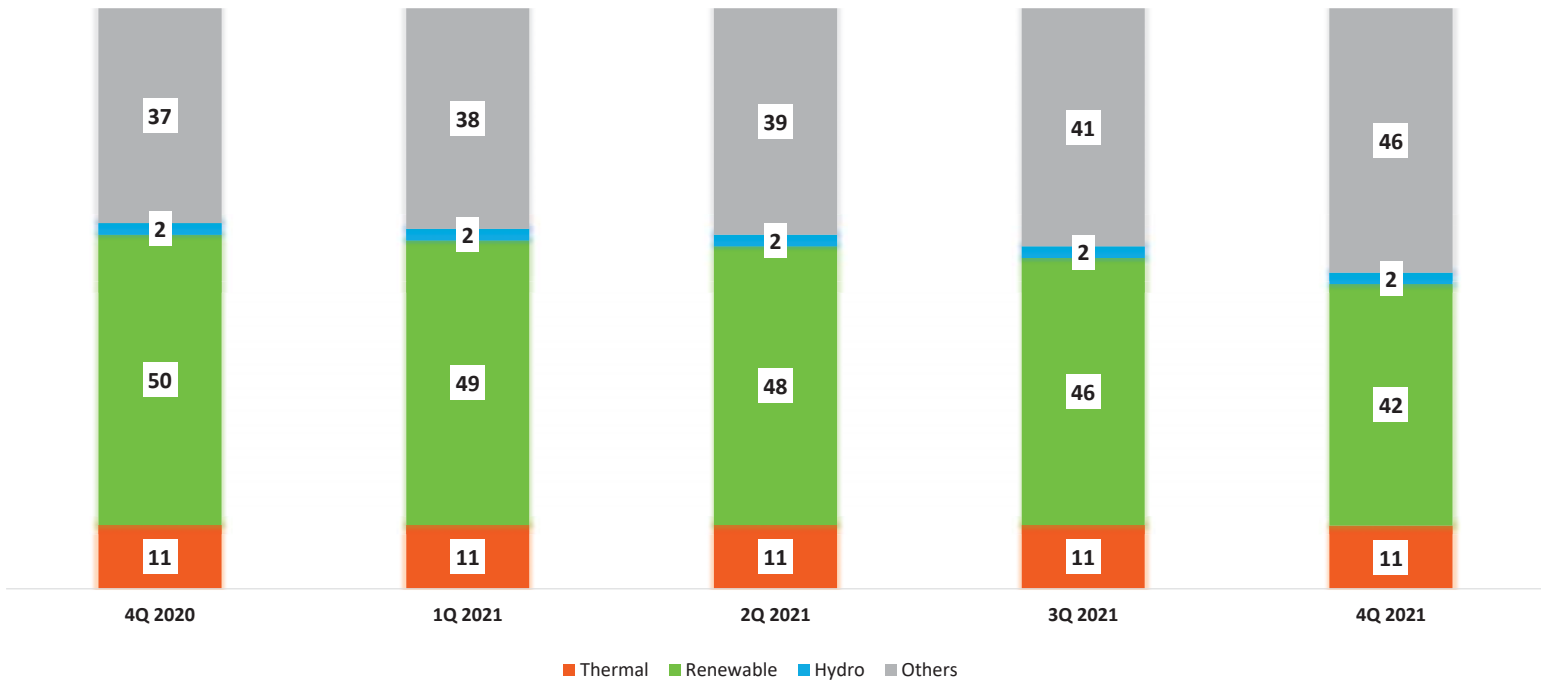
*One time provision / reversal of interest of Rs.11.20 crore on IL&FS provided in Q3FY21

Operational Performance – Debt Outstanding

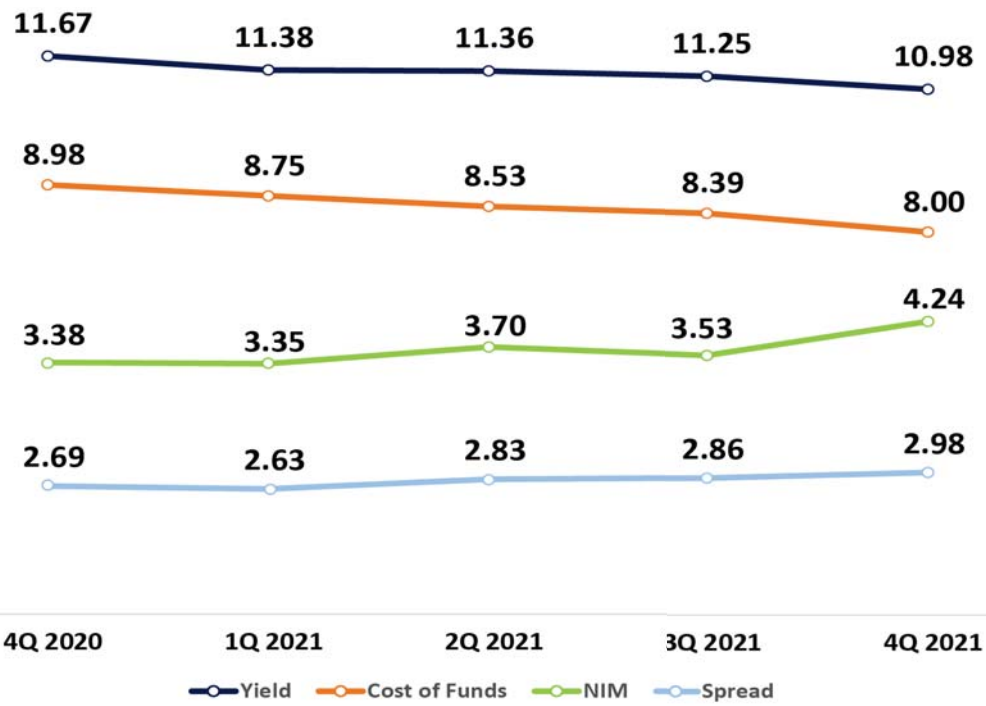


Total	11,005	11,109	11,194	10,621	10,751
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Portfolio Shift – Credit Portfolio %



NIMs / Spread driven by consistent improvement on operational parameters on earning book portfolio



Provisioning on Stage III Loan Account as on 31st March, 2021

Loan Account (Rs. crore)	Gross Loan	Provision	Impairment Reserve	Net Exposure (After provision & Impairment Reserve)
ICOMM Tele Limited	2.65	0.03	1.68	0.94
Athena Chhattisgarh Power Limited	189.51	169.73	4.61	15.17
Danu Wind Park Pvt Limited	306.55	6.36	46.98	253.21
Dirang Energy Pvt Limited	4.00	0.04	1.16	2.80
IL&FS Tamil Nadu Power Company Limited	221.96	59.98	33.29	128.69
Konaseema Gas Power Limited	100.00	76.73	23.27	-
KSK Mineral Resources Pvt Limited	42.66	18.40	-	24.26
Meenakshi Energy Pvt Limited	150.00	68.69	15.06	66.25
NRSS XXXVI Transmission Limited	206.92	48.14	-	158.78
NSL Nagapatnam Power & Infratech Pvt Limited	125.00	125.00	-	-
Varam Bio-energy Pvt Limited	4.29	4.29	-	-
Total of Stage III accounts	1,353.53	577.39	126.05	650.09

*Stress Accounts of Rs. 578.88 Crore is under resolution and is expected to be resolved in the current Financial Year.

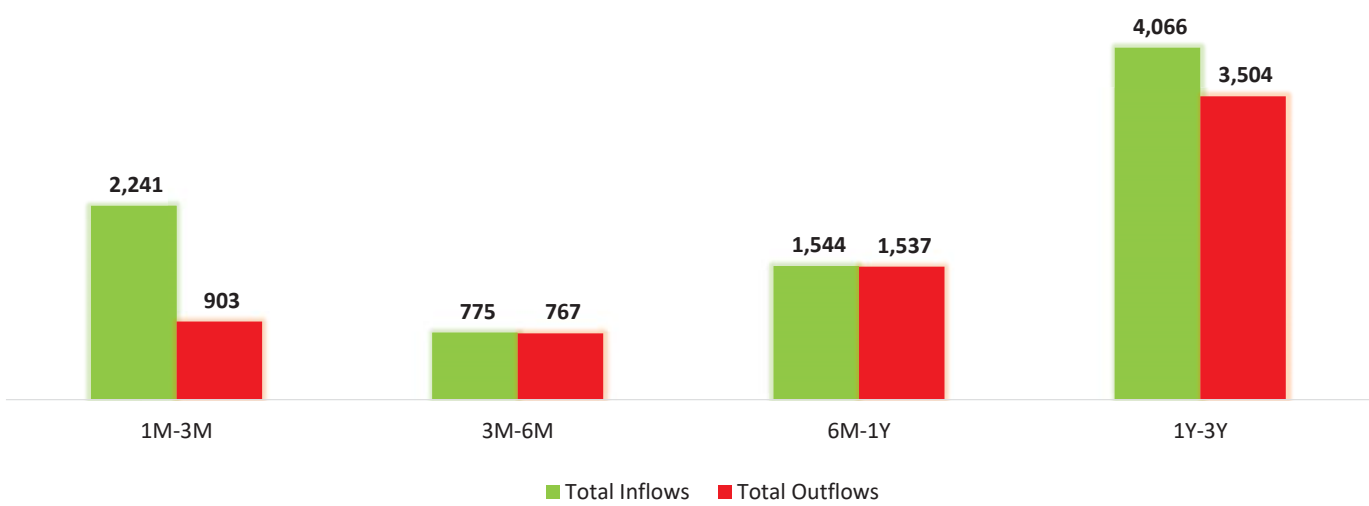
Comfortable Cash Flows

Additional comforts above cash flow indicated in chart below :

- Undrawn credit lines of around Rs. 1,550 crore to meet liability and growth in the near future

- High Quality Liquid Assets (HQLA) of Rs.~ 741 crore and Fixed deposits of Rs. 858 crore

- Fresh Credit lines of around Rs. 1,650 crore is under consideration with various lenders



Ongoing project of MHCs operated in underprivileged localities in Delhi NCR.



Sehat ki Tokri – COVID protection kits being distributed among the underprivileged



Face mask distribution among farmers of Ludhiana where our CRM (Crop Residue Management) project is being undertaken



Solar panels donated to Mahatma Gandhi Netralaya, Anandam, Vijay Mandir and Anandam, Dadikar, Alwar, operated by NGO Sapna



Water ATMs installed in underprivileged localities in Delhi NCR

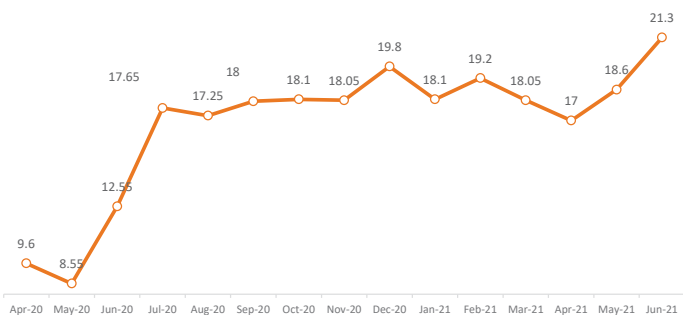


Shareholder Information

Stock Information (As on 07 th June, 2021)		
	Market Cap	1,339.16 Cr
	Stock Price	20.85
	52 Week (High/Low)	24.30/9.61
	NSE/BSE Symbol	PFS/533344
	No of shares outstanding	64.22 Cr
	Average Daily Volume (3 months)	13,14,038

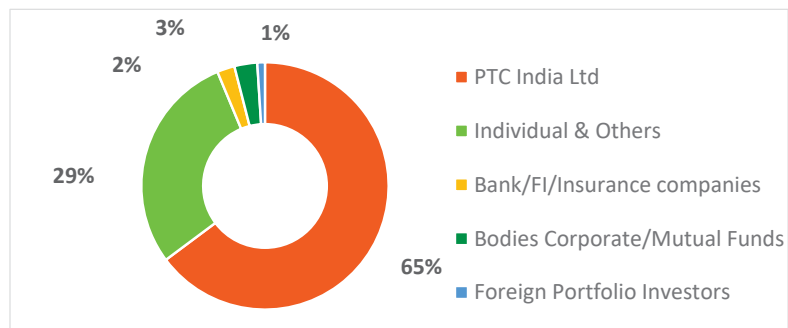
Top 5 Shareholders (As on 31 st March, 2021)	% of holding
PTC India Limited	64.99
Life Insurance Corporation of India	2.13
Quant Money Managers Ltd	0.84
Dimensional Fund Advisors LP	0.67
FIL Investment Management (Singapore) Ltd	0.22

Stock Chart (As on 07th June, 2021)



Source : BSE

Shareholding Pattern as at 31st March, 2021



Rounded off to nearest multiple

THANK YOU

Abhinav Goyal - Vice President

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Nikunj Seth / Karan Thakker

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