

# POWER FINANCE CORPORATION LTD. ( NSE : PFC , BSE : 532810 )

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WE AT AS RESEARCH TECHNIC, INITIATE OUR COVERAGE ON POWER FINANCE CORPORATION LTD .Power Finance Corporation (PFC) was set up as a financial institution dedicated to power sector financing and committed to the integrated development of the power and associated sectors.

## ABOUT THE BUSINESS :

POWER FINANCE CORPORATION LTD.(P.F.C.) IS AN INDIAN PUBLIC SECTOR UNDERTAKING THE OWNERSHIP OF MINISTRY OF POWER, GOVERNMENT OF INDIA. ESTABLISHED IN THE YEAR 1986, IT IS THE FINANCIAL BACKBONE OF INDIAN POWER SECTOR. PFC's NETWORTH AS ON 30 JUNE 2023 IS INR 1,184 BILLION.PFC IS THE 8TH HIGHEST PROFITMAKING CENTRAL PUBLIC SECTOR UNDERTAKING (CPSU) AS PER THE DEPARTMENT OF PUBLIC ENTERPRISES SURVEY FOR FY 2017-18.

## PROS :

- Company has delivered good profit growth of 18.9% CAGR over last 5 years.
- Company has been maintaining a healthy dividend payout of 22.4%.

## CONS :

- Company has low interest coverage ratio.
- The company has delivered a poor sales growth of 9.79% over past five years.
- Company might be capitalizing the interest cost.

## RESEAECH ANALYST :

P.SUNANDINI

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## MARKET SNAPSHOTS :

MARKET CAP	₹ 1,34,446
STOCK P/E	7.15
ROE	20.40%
CURRENT PRICE	₹ 407
BOOK VALUE	₹ 283
ROCE	9.08%
HIGH	₹ 478
LOW	₹ 122
DIVIDEND YIELD	2.69%
FACE VALUE	₹ 10.00

## SHARE HOLDING PATTERN:

PROMOTERS	55.99%
FIIS	17.85%
DIIS	17.47%
PUBLIC	8.66%
NO.OF SHAREHOLDERS	597315

## PEER COMPARISON :

**Sector: Finance**

**Industry: Finance - Term-Lending Institutions**

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	I R F C	144.8	31.33	189165.52	1.04	6741.89	5.32
2	Power Fin.Corpn.	401.3	7.04	132450.06	2.74	23571.83	9.08
3	REC Ltd	460.9	9.25	121419.13	2.74	12051.77	9.14
4	Indian Renewable	142.65	44.34	38340.96	0	1252.85	8.17
5	IFCI	41.68		10363.64	0	454.46	5.38
6	Tour. Fin. Corp.	177.55	16.47	1574.19	1.35	67.27	9.46
7	Guj. State Fin.	26.99		240.51	0	0.02	

- NINE YEARS OF THE PRIME MINISTER'S GOVERNMENT : A TOTAL TRANSFORMATION OF THE POWER SECTOR .
- WITH THE INCREASED TARGETS FOR RENEWABLE ENERGY AND FURTHER REDUCTIONS IN EMISSIONS, THE PRIME MINISTER'S GOVERNMENT CONTINUES TO POWER THE FUTURE OF INDIA'S POWER SECTOR.
- THE GOVERNMENT OF INDIA HAS BEEN PLACING IMMENSE FOCUS ON INCREASING THE COUNTRY'S GREEN ENERGY SHARE.
- INDIA HAS COMMITTED TO ACHIEVING NET ZERO BY 2070, AND THE GOVERNMENT HAS TARGETS TO PROPEL NEW OPPORTUNITIES FURTHER.
- THE YEAR 2022-23 IS THE YEAR OF RESURGENCE FOR PFC, AS THE COMPANY HAS EMERGED FROM THE ADVERSE IMPACT OF COVID AND ACHIEVED IMPRESSIVE GROWTH ALONG WITH OUTSTANDING FINANCIAL PERFORMANCE.
- THE COMPANY HAS DELIVERED THE HIGHEST EVER NET PROFIT OF RS.11605 CRORE, UP 16% FROM THE PREVIOUS FISCAL.
- THIS IS THE THIRD CONSECUTIVE YEAR IN WHICH THE COMPANY IS SETTLING A NEW RECORD FOR THE HIGHEST ANNUAL PROFIT.
- THE COMPANY HAS DECLARED A DIVIDEND OF RS.13.25 PER SHARE, WHICH EQUATES TO IMPRESSIVE 132.5% ON THE SHARE FACE VALUE.
- THE GOVERNMENT'S "MAKE IN INDIA " INITIATIVE AND THE PRODUCTION- LINKED INCENTIVE SCHEME ARE EXPECTED TO FURTHER BOOST DEMAND.
- PROJECTIONS INDICATE A 7.18 % COMPOUND ANNUAL GROWTH RATE (CAGR) IN INDIA'S ELECTRICITY CONSUMPTION UNTILL 2027.
- THE COMPANY'S COMMITMENT TO MAKING A SUSTAINABLE FUTURE IS STRONG AND IT IS TAKING BIG STEPS FORWARD.
- IN THIS DIRECTION , PFC HAS ALREADY TAKEN TANGIBLE ACTIONS TO INTEGRATE ESG INTO THE BUSINESS.
- RECENTLY, TO HAVE A FOCUSED APPROACH TOWARDS ESG, A DEDICATED ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) UNIT HAS BEEN ESTABLISHED.
- THE COMPANY'S FIANCING ENDEAVOURS WILL ALSO BE CLOSELY ALIGNED WITH THE GOVERNMENT'S GOALS AND VISION FOR THE POWER SECTOR PARTICULARLY IN CLEAN ENERGY SPACE AND RDSS.

- THE COMPANY RECEIVED THE ASSENT OF GOVERNMENT OF INDIA TO LEND TO LOGISTICS AND INFRASTRUCTURE SECTORS, A MILESTONE DECISION ,WHICH WILL PLAY A CRUCIAL ROLE IN PFC'S LONG TERM BUSINESS GROWTH.
- THE COMPANY HAS WOMEN IN IMPORTANT AND CRITICAL FUNCTIONAL AREAS. WOMEN REPRESENTATIONS HAVE GONE ACROSS HIERARCHIAL LEVELS.
- PFC HAS UNDERTAKEN VARIOUS INFORMATION TECHNOLOGY INITIATIVES TO ACHIEVE SUSTAINABLE BUSINESS GROWTH, IMPROVE OVERALL PRODUCTIVITY, ENSURE DATA INTEGRITY AND DATA CENTRE PRIVACY .
- PFC RECEIVED 'GREEN URJA ENERGY EFFICIENCY AWARD ' FOR BEING THE BEST RENEWABLE ENERGY FINANCING INSTITUTION THIS YEAR AT ATMA NIRBHAR BHARAT SUMMIT ORGANIZED BY ELETs.
- THE SHARE PRICE CAN GO UPTO 418.06 IF IT BREAKS 411 ON THE UPPER SIDE.
- THE SHARE PRICE CAN GO UPTO 353 IF IT BREAKS 361 ON THE LOWER SIDE.
- UNDER THE LEADERSHIP OF THE PRIME MINISTER, THE GOVERNMENT HAS TAKEN MULTIPLE PATH BREAKING INITIATIVES IN THE POWER SECTOR.
- IN CONCLUSION , PFC IS A GOOD INVESTMENT IN NEAR FUTURE KEEPING IN MIND OF THE STEPS TAKEN BY THE RULING PARTY .

- THE SHARE PRICE CAN GO UPTO 476 AFTER BREAKING 399 ON THE UPPER SIDE
- THE SHARE PRICE CAN GO UPTO 353 AFTER BREAKING 361 ON THE LOWER SIDE

### PIVOT TABLE :

	SUPPORT				RESISTANCE				
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
01-04-2024	406.7	382.81	387.9	394.6	399.7	406.31	411.43	418.06	390.25
28-03-2024	390.25	375.49	380	385.1	398.7	394.79	399.32	476.44	384.5
27-03-2024	390.25	356.55	368.4	376.5	388.3	396.35	408.2	416.25	394.95
26-03-2024	391.65	377.89	381.7	388.3	392.2	398.79	402.62	409.24	391.65
22-03-2024	391.65	366.36	372.7	394.8	388.5	397.96	404.28	413.76	386.75
					381.1	394.16	401.58	414.66	361.5

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK,PAST PERFORMANCE IS NOT A GUARENTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKETS INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.