POWER FINANCE CORPORATION LIMITED

(A Maharatna CPSE)

ICEF: The Future of Renewable Energy

Presentation by Director (Projects), PFC

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The Indian Perspective

Where India Stands :

- ❑ Non-Fossil Fuel Capacity: 251.4 GW
- ❑ Total Installed Capacity: 484.8 GW
- ❑ Non-Fossil Fuel Share: ~ > 50% of total capacity

India's Climate Targets

- 50% installed capacity non-fossil (2030)
- 500 GW non-fossil - by 2030
- 1 bn t CO_2 reduction by 2030
- 45% intensity cut by 2030
- Net Zero by 2070

- ❑ India achieved its goal of reaching 50% non-fossil fuel capacity by 2030 five years early and is on track to achieve 500 GW by 2030.
- ❑ $300–350 billion (~₹25–30 lakh crore) in renewable and clean energy investments.
- ❑ Scale up of manufacturing required (RE)

PFC at a Glance

- Largest NBFC Group in India
- Majorly owned by GoI
- AAA rated NBFC
- Highest Profit making NBFC in India (FY 2025)
- Largest Renewable Financier in India (Supported > 100+ GW)
- Crossed ~ $ 133 billion (~ INR 11 trillion) mark in loan assets
- Government's key financial partner for driving reforms & developments in Power Sector
- #36 in Fortune 500 India'Dec 2024 and #18 in Forbes Global 2000:India (2025)

Challenges – Next Gen. Renewable Energy Tech.

Institutional & Structural Barriers

- Technology Maturity & Scalability.
- Local content mandate & regulations.
- Dependence on exports/imports & policy risk.
- Grid & Transmission capacity.
- Environmental & Social Acceptance.

Supply Chain & Cost Structure Issues

- Import dependence & supply chain risk.
- Cost structure pressures.
- Cost of capital / financing risk.
- Grid & Transmission capacity.
- Environmental & Social Acceptance.

- ❑ India crossed 100 GW module capacity in FY26, but cell capacity is only ~25 GW — keeping us import-dependent and vulnerable to supply chain and policy risks.
- ❑ Tariff/GST cuts (BCD ~20%, GST 5%) help, but delays and grid gaps risk offsetting equipment savings through higher financing and regulatory costs.

Key Lenders' Expectations

- Dedicated viability gap / grant element to make early projects bankable.
- Public concessional finance / guarantees for first 500 MW demonstration projects.
- Clear IEC/IS standards for product lifecycle stability, recycling & safety.
- Long-term revenue security via CfDs / CfPPs (15–25 yrs).
- VGF & tax breaks to offset high upfront infra cost.

Innovative Financing

Financing Models

While Govt. supports emerging technologies through VGF and PLI;

Private sector must drive through –

- **Blended Finance** - *concessional + private to de-risk new tech*
- **Green / Sustainability Bonds** - *tap global ESG capital*
- **InvITs** - *recycle capital from operating RE assets*
- **Carbon Markets** - *monetise avoided emissions*

Mapping Technology and Finance Readiness Levels

TRL ↓ / FRL →	Low FRL (1–3)	Medium FRL (4–6)	High FRL (7–9)
Low TRL (1–3)	Early R&D (Lab-scale RE, Perovskite Solar)	Pilot research grants	Rarely bankable
Medium TRL (4–6)	Pilot demos (Floating Solar, Battery Storage)	Blended finance critical (first-loss, concessional debt)	Early commercial projects, selective investment
High TRL (7–9)	Mature tech, limited financing awareness	Bankable with policy support	Fully commercial (Solar PV, Onshore Wind, Hydro)

India's Renewable Financing Innovations

- Large-Scale Integrated RE & Manufacturing Hubs
- Government-Backed Subsidy & Incentive Schemes
- Production-Linked Incentive (PLI) Schemes
- Blended Finance & Risk Mitigation
- Tax / Regulatory Incentives
- Zero-Collateral / Pay-As-You-Go Financing

Conclusion

- To secure its future energy needs, India must accelerate its renewable energy adoption.
- India's transition to clean energy depends not only on setting ambitious energy goals, but also on finding new and creative ways to fund them.
- By using innovative financing models like blended finance, we can mobilize funds to drive this transition

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Thank You

PFC Financing Progress - Milestone by Milestone
(Standalone)

From its incorporation in 1986, till date, PFC has achieved multiple milestones, from its IPO in 2007 to its first green bond issue, to doubling of its loan portfolio in less than a decade