POWER FINANCE CORPORATION LIMITED
(A Maharatna PSE)

Innovative Schemes of Financing

17th April, 2026

Need of the Hour

High Capital Outlay
- Nuclear project(s) require massive investment, typically **₹30+ Cr/MW**—significantly higher than other alternatives

Extended Timelines
- **Long Gestation:** Usually span between **7 to 10 years**
- **Long Tenure:** Requires extended horizons for ROI compared to traditional projects, thereby requiring longer loan tenure

Regulatory Compliance- RBI Project Financing Norms
- **Structural Shift:** From sovereign-backed funding to limited recourse project finance **(≥51% repayment from project cash flows), requires bankable PPAs + predictable cash flows**
- **Stringent DCCO & Time Overrun Norms:** 3 years (infra) → asset downgrade & Cost overruns funding capped (~10%), leading to Asset classification downgrade & higher provisioning burden
- Credit Event triggers become frequent

Inherent Risks
- High upfront capital requirements, hence big ticket loan
- Managing technology and construction specific risks, requiring specialized appraisal skills

🔑**Key Takeaway:** The sector demands **patient capital**, financiers with **experience** & exceptionally **strong balance sheets**

PFC’s Strategic Positioning for Financing Nuclear Power

Leveraging Competitive Strengths to Lead the Sector

Financial Resilience

- Strong balance sheet & high net worth, capability to independently finance "large ticket" projects
- Can offer longer tenure of loan
- Maintains strict **RBI-compliant exposure limits** while handling mega-infrastructure disbursements

Deep Sectoral Expertise

- **~40 Years of Experience:** Although new to nuclear power, PFC has deep expertise in appraising complex power and infrastructure projects
- **Specialized Knowledge:** Proven ability to appraise and monitor long-gestation projects

Proven Track Record

- **Established Credibility:** Sanctioned ₹26,000+ crore to NPCIL in the nuclear segment with tenure of over 30 years
- Facilitate consortium lending, wherever required
- First Mover Advantage

Key Offering

High-Value & Long-Tenure Financing	• Up to **85% of project economic life** loan tenure as per RBI (over 30 years) • Enables **viable tariff structuring** for nuclear power
Structured & Customized Financing	• Tailored repayment (moratoriums, back-ended repayment) • **Flexible Terms & Conditions (T&Cs)** vs traditional lending
Risk-Taking & Catalytic Role	• Strong Government backing enables **higher risk appetite** • Ability to supports first-of-a-kind **nuclear PPP projects**
Higher Debt–Equity (D:E) Structuring	• Flexibility to support higher leverage structures
Consortium & Syndicated Financing	• Lead arranger • Anchor lender • Mobilizes domestic + international capital
Innovative Instruments	• Subscription to **Government-backed bonds** for nuclear • Blended finance models (with MDBs, DFIs)

Thank you!!!