

PTC India Limited
Q1 FY21 Earnings Conference Call
12 August 2020

Moderator: Ladies and gentlemen, good evening and welcome to the PTC India Q1 FY21 Earnings Conference call. Representing the company and to answer your queries we have with us on the call, the senior management team lead by Mr. Deepak Amitabh – Chairman and Managing Director.

May I draw your attention on the process that all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing '*' then '0' on your Touchtone phone. Please note that this conference is being recorded.

I would now like to handover the conference to Mr. Deepak Amitabh of PTC India Limited. Thank you and over to you, sir.

Deepak Amitabh: Thank you very much. Good evening, ladies and gentlemen. On behalf of the management of PTC, I welcome you all to the conference call for the Quarter 1 results of the company for financial year 2021.

Today along with me in the call are my two Wholetime directors, Dr. Rajib Mishra, who is our Director-Marketing and Business Development; Dr. Ajit Kumar, who is the Director-Commercial & Director-Operations and then we have the CFO, Mr. Pankaj Goel and the Corporate Communication team led by Rajiv Malhotra who is our Executive Director & Chief Risk Officer and Anand Kumar whom all of you know.

So what a quarter it was. I mean that is what I can say. These types of quarters I mean once a century type of quarter which was very tough not only for the economy and the country. All the reportable numbers and intermittent shift in priorities of the state also which we saw wanted to create conducive environment from livelihood to life first and then slowly and slowly in the second half of the quarter it was a reverse vice versa. That from life how do we go back to the livelihood.

As we have seen that electricity is being one of the essential and basic nature of essential goods. That impact was not so much as seen by other parts of the economy but still energy fell in the entire quarter the energy fall was about 15% vis-à-vis corresponding quarter of the last year.

And in this environment PTC could still manage its business to close quarter 1 at 18.9 billion units, that is around 2.3% down from the corresponding quarter of the last year. It is very important for me to highlight that the business volumes during the quarter are in part reflective of trends in the demand during the lockdown period and subsequent periods of gradual opening up starting mid quarter.

Second point which I wanted to make that while demand for traded electricity was impacted heavily initially. In the month of April the fall in our volumes were much more than the demand fall in the electricity. Gradual dispersion of economic activity saw a revival of demand to levels comparable to corresponding period last year.

Now it is important to note here that demand for traded electricity does not only depend upon overall demand for electricity in the system. It is also depended upon mismatches of demand and supply. During this quarter there was a lot of flux which we saw. First the complete lockdown, then it is easing in part, then obviously we saw a state with good track record on COVID numbers getting or translating into bad and vice versa also.

And there was no predictable pattern to the buildup of electricity demand therefore mismatches were very high. And that give an opportunity for trading of electricity. The fact that our volumes in the short term end have gained from the one day markets I guess how the mismatches have been met by contingency plans etcetera.

But still the pattern needs to be watched for another quarter may be before one can make a significant prediction of trends. The flux during this period had yet again demonstrated our balance business portfolio and its resilience in the company's history this was the most stressful quarter and we could manage it and that it shows that our balance business portfolio which we have been always saying that more than 50% should be coming from long term and medium term.

And it was really tested this time and we came out of this quarter. As we saw a sluggish short term bilateral segment was offset by same trends and more importantly the medium and long term trends. And this trend also suggest of our sound market design principles. Now going forward movement in broad economic indicators. The effective availability of liquidity to the Discoms and consequently the demand for traded electricity needs to be watched for another quarter before we can predict a significant trend.

Now very important to note down that positive results of the structural initiatives taken by Government of India in the wake of COVID-19 are now getting more and more visible still we remain consciously optimist and we believe that we are confident of consolidating our leadership position based on emerging opportunities in the sector during the coming quarters.

What I would like to also state that there was a good pickup of cross broader trade during the quarter compared to the previous year and that has helped us in maintaining the margins also. One more thing which I want to say that with business and economy not still to fully report the growth, the Discoms are going to find it difficult to keep themselves totally financially stable. Obviously the liquidity infusion by PFC and REC is helping Discoms to tied over liquidity issue in the short and medium run up. But obviously the wish for operational parameters to improve is the only way to make it sustainable in the long run.

With this, I handover the mike to my CFO, Mr. Pankaj Goel, who will take you through the numbers.

Pankaj Goel:

Thank you, sir. Good afternoon all. Now I will take you through the standalone financial performance of PTC India Limited for the quarter June 20 vis-à-vis the last quarter June 2019.

Volume has marginally decreased by 2% to 18.9 million units from 19.4 million units. Total operational income has decreased by 8% to Rs. 116 crores from Rs. 126 crores. Profit before tax has decreased by 5% to Rs. 91 crores from Rs. 96 crores. Profit after tax has increased by 8% to Rs. 68 crores from Rs. 63 crores. Total comprehensive income has also increased by 8% to Rs. 68 crores from Rs. 63 crores.

Earning per share for the quarter stood at Rs. 2.29 compared to Rs. 2.12 last year. Now I will also like to take you through the consolidated financial performance for the quarter. Volume has decreased by 2% to 19.1 million units from 19.5 million units. Profit before tax has increased by 2% to Rs. 142 crores from Rs. 140 crores.

Profit after tax has increased by 7% to Rs. 100 crores from Rs. 93 crores. Total comprehensive income has also increased by 5% to Rs. 99 crores from Rs. 94 crores. Earnings per share for the quarter stood at Rs. 3.07 compared to Rs. 2.97. Thank you.

Deepak Amitabh:

Now I think best will be to open the question-answer series and we will try to cover it to the best of our ability. Thank you, moderator.

Moderator:

Thank you very much. We will now begin the question-and-answer session.

The first question is from the line of Devansh Nigotia from SIMPL. Please go ahead.

Devansh Nigotia:

Sir, just a couple of questions. One is can you just elaborate on the status of the upcoming exchange, an early exchange that you are looking to float and there were concerns that earlier we could hold only 5%, but then there is some response pending from our side based on which it can go up to 26%. So what exactly are we there in this whole equation?

Deepak Amitabh:

Yes, see we had applied to CERC where a consortium working between PTC, Bombay Stock Exchange and ICICI Bank and after a lot of hearings in the end of July, CERC came out with an

order that prima facie they are satisfied with the ability to carry on the exchange activities, but they have asked us to bring the shareholding patterns as per Power Market Regulation 2010 and they have given us eight weeks' time.

And I am sure the company which is operational Pranurja they are doing all the efforts and hopefully by September end after getting the things today the net worth got Rs. 25 crores or so, so by making it Rs. 50 crores, additional capital will also come and they will go back to the CERC by the end of September and let us wait for CERC to.

Devansh Nigotia: So sir, would it be right to say that based on existing regulations we can have 5% shareholding and the response is pending based on which it can go up to 26%, if that is the right way to look at it?

Deepak Amitabh: Definitely, see what I can say at this point of time that we will be abiding with whatever Power Market Regulation permit and let us go and along the way as and when anything happens, certainly we will be speaking to you all. Today first thing is to satisfy the Power Market Regulations.

Devansh Nigotia: Okay and sir, so like now that the pricing on, if market coupling which is currently in draft, but let us say if it comes operational then pricing on all the exchanges will be same. So how do you really look at the competitive intensity going forward, in terms of can we charge less than what the existing monopoly exchanges is charging to its customers, do the regulations allow that or if you can just elaborate on?

Deepak Amitabh: Let me just say that these things can be answered only over a period time because as we have stated earlier also that let us say CERC even gives us by September end or so final go ahead, it will be sometime before we will be able to make it operational. It may take six months, seven months, eight months, so by the time the whole objective is to bring a competitive. That is what Electricity Act 2003 is known for it brings competition and let it be voluntarily that has been the ethos and the essence of the whole Electricity Act 2003. So we are working as per that only.

Moderator: Thank you. The next question is from the line of Mohit Kumar from IDFC Securities. Please go ahead.

Mohit Kumar: Sir, my first question is, can you just throw some light on receivables position right now and how much cash we are holding and given the fact that surcharge has declined significantly, so are you holding lot of cash at the end of June?

Deepak Amitabh: I will ask the CFO to give you an answer to this question, but I will like to lay down certain principles, which we see when suddenly the Prime Minister announced on 25th March or so that from next day the India is going to be completely shut down. It created a lot of disturbance

across the country and we also started together and worked out and we believed that at that point of time that we are going to be very conservative in our cash management going forward starting from I think 27th or 28th of March, which was three, four days of the last year and the first quarter.

So that was the basic principle and we also saw as we were going along the journey in the quarter that our current receivables valued somewhere between 50% to 70%. So these two things were the fundamental principles and surcharge there is no shortfall surcharge as an improvement what we reduced was rebate which was a very conscious decision. At the initial one month as I said there was a lot of flux, no certainty and PTC also started immediately working with Government of India and along with all the IPPs and central generating stations and convincing the Ministry of Power that we have to think about infusing liquidity going forward in next two to three months, which occupies most of our time at least at my level.

And only when the finance minister, she came and she announced that Atmanirbhar, by that time we knew now that is something which is going to be certainly happening, it may take two months, three months' time, but that is something and then we started changing our track again. So this was at the principle overall top-down view I have given, now Pankaj will give you the detail.

Pankaj Goel:

Yes sir. As you were enquiring about our receivable position, so always we tell the net receivable position, means the debtors minus the creditors. So our net working capital at the end of this quarter was around Rs. 1,900 crores in comparison to March 20 when our net working capital was around Rs. 2,450 crores. So as CMD was already explaining you that because we have started conserving cash after the lockdown period and we have waited for some time to see how the states are behaving and as expected in the month of April they have released a very flattery amount.

And accordingly we are also managing our cash management, but from mid of May and June then they have started releasing some money and at the end of the June the good amount of money we have received from UP and Rajasthan also, so that is why our cash position is very good at that point of time.

Mohit Kumar:

How much is the cash and debt?

Pankaj Goel:

We were having a net borrowing of Rs. 59 crores at the end of June.

Mohit Kumar:

Rs. 59 crores, it has declined significantly. Okay. Do you think this will increase because you will increase the debt number you will increase the working capitals as we go forward?

Pankaj Goel:

No, actually as you see that sir has already explained that lot of money has now come into the system after this release of Rs. 90,000 crores and today also we are receiving some money.

Deepak Amitabh: We have been receiving some money.

Pankaj Goel: We have been receiving the money, so we do not see that the prorate that the debtors will be increasing or the creditors will be increasing.

Deepak Amitabh: Let me just explain here that you know this is a position as on a particular date, as on 31st March as we had explained. Similarly as on 30th June, but the position will keep fluctuating on a day-to-day basis.

Mohit Kumar: Right. Sir, on the PTC Energy, can you just give us revenue EBITDA and PAT number? Secondly, where is the case with the tariff is it lying with the high court right now or is it with CERC and what is the progress and when do you expect it to be resolved completely?

Deepak Amitabh: As far as the quarter 1 numbers are concerned, there are two reasons for slight decrease in the operational performance because of the wind availability during the period there were some losses and there was some loss because of the low off take by Andhra Pradesh. Because the demand as you all know that the first quarter demand in all the Western and Southern states were low because of the industrial demand.

So they were not off taking 188 megawatt out of 288 megawatt is located in Andhra Pradesh and there the demand was low, so the operational performance was affected slightly because of that. We are trying to see better trend in this quarter, so this is as far as the off take of the power is concerned.

The second aspect you said about the issue related to the reduced tariff which we are getting from Andhra Pradesh that is 243 against 484. We have two cases simultaneously running, one at the High Court and at the Regulatory Commission level also. But in on uncertainty we have checked it with all the legal experts, and the PPAs are generally sacrosanct and it cannot be reduced, but it is taking some time and that is the reason why it is getting affected in our financial results.

Mohit Kumar: Okay sir. Can I have the revenue EBITDA, PAT number for the PTC Energy?

Pankaj Goel: The revenue for this quarter was Rs. 77.83 crores and the PAT was Rs. 5.81 crores.

Moderator: Thank you. The next question is from the line of Gaurav Gupta, who is an individual investor. Please go ahead.

Gaurav Gupta: Sir, I have two questions basically first with respect to PTC Energy. So I was just referring on your website. There you have uploaded information related to PTC Financials as well on quarter-on-quarter basis, but the same kind of information is missing related to PTC Energy. Do not you think so that on a quarter-on-quarter basis considering the huge amount that we

have invested as a company in PTC Energy it makes a good corporate governance point of view that we upload that information as well?

Deepak Amitabh: Let Rajiv Malhotra and Anand they are part of corporate communications. Rajiv Malhotra can you react and Anand, any one of you?

Management: Sir, our corporate presentation does carries the PAT number of PTC Energy Limited, however, when you require a detailed presentation, we will look for the regulatory requirement per se we will put it on our website.

Gaurav Gupta: Sir, I think in last couple of con calls as well investors as well as analyst have requested that PTC Energy being a substantial, it is a wholly owned subsidiary and we have invested substantial amount as well. So specific information just like PAT number you are mentioning in your presentation right, but if you will see your website itself you have uploaded the financials for the PTC Financials. So on the similar lines if you can upload the financials for the PTC Energy as well, so that will make a good case for the investors and analyst to analyze what exactly is going on in PTC Energy as well.

Deepak Amitabh: It is a good suggestion. We will analyze it and do it accordingly. Thank you.

Gaurav Gupta: Yes, so second part is with respect to PTC Financials. We have floated one advertisement where we have invited the bids for the divestment of our stake in PTC Financials. So any update on that part?

Deepak Amitabh: See what we had said that we had said that by 31st of July we had called for interested parties to give their expression of interest by signing the NDA. What I understand and we have appointed investment bankers also, IDFC Securities who are doing the things. So we understand there is good response from variety of people, so they are analyzing it and once they come back to us, we will get into the next phase.

Gaurav Gupta: Okay. In continuation of this only, I was going through the last con call and we categorically mentioned that our investment in PTC Energy and PTC Financial shall be considered as a financial investments like earlier PTC Financial was considered as a majorly on subsidiary and PTC Energy as a wholly on subsidiary. So on the similar lines, we have invested near about 5% in Teesta Urja as well. So any plan on divestment of that as well, because I think there were couple of news where Greenko has taken a substantial part of Teesta Urja in the beginning of this particular calendar year?

Deepak Amitabh: As per our understanding goes in Teesta Urja, Greenko has applied and I think Government of Sikkim has also given the go ahead, but the lenders have to give a go ahead. So all those activities are going on and the Asian Genco which was holding about 30% or so that thing will

get transferred to Greenko. So PTC and Government of Sikkim we will let these transactions takeover because the company is doing well and company is running fully.

So PTC in consultation with Government of Sikkim will look at this option what we are saying. We certainly look at that option and hopefully as we are doing to our subsidiary companies as on now, we will also be considering a monetization in next one to two years' time. We will consider that.

Gaurav Gupta: If you will allow, last question from my side. In the new exchange for which we have applied, what is the amount that we have invested as on date?

Pankaj Goel: It is Rs. 12.5 crores.

Gaurav Gupta: And any further investments we are envisaging over there?

Deepak Amitabh: No, I do not think so. Not required.

Moderator: Thank you. The next question is from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.

Sarvesh Gupta: Sir, my first question is regarding PTC India Financial Services sale So of course we do not know when the sale will materialize hopefully by end of this year, but the amount that we will receive again we do not know the amount, but let us say if we just consider the market cap also, we will be able to get Rs. 600 crores to Rs. 700 crores and may be net of tax and everything may be Rs. 500 crores to Rs. 600 crores or much more than that depending on the deal. So what will be the intended use of such a substantial amount of money that we will receive?

Deepak Amitabh: See as we have been stating for the last two to three years' time that capital allocation etcetera, which we have been working on and in the previous questions also we said that from asset heavy this thing we are trying to becoming light asset. So whatever we will require and our volumes are continuously increasing it is just because of impact of Corona etcetera, certain things and economy is slowing down, but these are only things for a quarter or may be one year or two years, but over a period time, volumes are going to be increasing.

So whatever we will be requiring for business, rest of the money I cannot say today because what will happen at nine months' down, ten months' down the line, but at least we at the management level are very clear that there has been a lot of shareholders who have been really patient with us and we will keep taking care of the shareholders' interest.

Sarvesh Gupta: So you will give it out to the shareholders, is that?

Deepak Amitabh: I cannot say, I will not like to comment upon that, because it is too premature just now. As you rightly you yourself are saying, you do not know how much it may get Rs. 500 crores, it may get

Rs. 1,500 crores, we do not know. So that is what I said we will wait and watch and we will be taking the management is very clear, but ultimately there is a board, there is shareholders. So we will be going back to each one of them with the concrete plans etcetera, but one assurance which I have given to the analysts as well as my shareholders for the last couple of years that we will not be getting into capital heavy business.

Sarvesh Gupta: Understood and this exchange business that you are planning to enter is there a limit of investments that we can keep in mind as shareholders?

Deepak Amitabh: These are as per Power Market Regulation.

Sarvesh Gupta: Is it Rs. 100 crores investment or is it Rs. 200 crores?

Deepak Amitabh: No. We said 12.5 I think my CFO in my earlier question he has said that no further money will be given to them. The exchanges are never a this thing, capital heavy this thing business, other than IT and platforms for software, which you have the OPEX model, CAPEX model whatever they want to follow, but they are very small, but it is not going to be this thing, so whatever money we had to give, we have given them.

Sarvesh Gupta: Okay and then on the PTC Energy because we have been saying since 2019 and earlier that we want to divest that. So what is the thought around that? Is there is anything happening?

Deepak Amitabh: Yes, the thought is very clear, but as Dr. Mishra just explained couple of minutes back that out of 290 megawatt, 188 megawatt or 190 megawatt in Andhra Pradesh where because of certain reasons, matters are pending before the court, and money which we are receiving actually. So they have got all the money for the 31st March they have received from Andhra Pradesh, which has maximum, but it is very, very small amount that is Rs. 2.44 against for Rs. 4.70 or Rs. 4.80 whatever it is there.

So we are very clear of our objective, but obviously we cannot force down anything and we have been in the market and as and when the market will allow us to divest it we will certainly look at that option. But in the meantime we are running that company, we are running it well and last time because of initial two years' period has gone over, so the O&M expenses etcetera., which have really, really increased which are one of the reason for lesser profitability during the last quarter was also the new O&M which has come. So the Managing Director is conceptually involving these things and they will work out a plan till the time it does not get divested.

Sarvesh Gupta: Okay and on the standalone business, I think our run rate of PAT is around Rs. 300 crores annualized, so is that given where things stand? Of course we do not know how things may shape up in the future, but given how things are looking as of today, can we say that if things

were to continue at similar fashion, we would be able to achieve around Rs. 300 crores sort of a PAT in our core business of trading?

Deepak Amitabh: I will not be able to make a comment to this question. Every quarter the results are there, you have seen the growth also. The growth of things for last six, seven, eight years, which we have been given, beyond that I will not be able to make a this thing. I will not like to make a comment on that.

Moderator: Thank you. The next question is from the line of Aman Thadani from Consortium. Please go ahead.

Aman Thadani: Sir, my question is regarding the market based economic dispatch, which says that the 100% of the volumes will be traded through exchanges even the long-term contracts. So will the role that PTC currently plays in the Power Market be redundant as now the power generators and buyers can directly find each other on the exchange for even the longer term contracts?

Deepak Amitabh: I will leave the main question to be answered by Dr. Mishra, but let me say that as I said the spirit of 2003 Electricity Act was always a voluntary market, so there was no compulsion to come through trader at that point of time also. So till the time any trader or any intermediary, not even trader whether you are bank or a financial NBFC or a trading company, till the time we do not keep adding value, you will have to keep adding value creating new product, which we have been doing continuously.

So that is the basic minimum for anyone to do anything. Now for the question regarding, from tomorrow if the government wants, see tomorrow they can shift everything there, I see lot of challenges, but I will leave it to Dr. Rajiv Mishra who is also closely associated with Ministry of Power, he is a part of the taskforce etcetera, so if he wants to give a whatever limited comment he wants to give, please go ahead.

Dr. Rajib Mishra: First of all let me explain what market based economic dispatch is. Because little bit of confusion that market based economic dispatch is going replace the PPAs, it is not so. Market based economic dispatch is a way of dispatching. Today we are all the states are dispatching power through a merit order. They have PPAs, they start all the PPAs and then based on the merit order of their variable cost they dispatch.

Market based economic dispatch is again dispatching the merit order based power on variable cost at a national level. Now the procurement of power is always done at the state level and the dispatching is also done for the geographical boundaries within the state. Of course all the states are interconnected with some transmission line, but the owners of power procurement and dispatching is with the state.

Now market based economic dispatch can be a noble idea to integrate the entire country and use all the PPAs together to get the economy of scale. Now this is at a stage where things are being getting evolved, but at no point people are discussing that PPAs will be disband and it will be replaced with a dispatch system where only the exchange will procure power to meet the requirement of the states.

So at this point of time, we would like to restrict the discussion to the academic level because it will take lot of time before market based economic dispatch can be operationalized in the country. Even if it is operationalized, the conventional PPAs will be in place and the states will be participating at a national level for the clearance of the dispatch by the exchanges. So I think we should not preempt so many things by saying that the market will be changed to a design where all the conventional ones will be replaced with a new dispatch model. We have to wait till finally it is getting implemented and the regulations and the orders are put in place.

Aman Thadani: Sure sir. And my next question is regarding this only, but that how will our margins get impacted in the future if this regulation comes in? Because there is a margin which goes to the exchange and there is a margin, which the traders charge?

Dr. Rajib Mishra: If the PPAs are already in place and then the power is being scheduled at the exchanges, it does not matter to the trader because the trader PPAs will be retained. Now these are again some of the assumptions, which we are making, we have to wait till the final regulation comes because there are lots of things, which we have to discuss before the MBED can be put into place.

Aman Thadani: Sure sir and sir one question is regarding why it is a very basic question that why do the power producers engage in PPAs since the electricity cost keep on coming down? Why not just like procure it from the power exchange?

Dr. Rajib Mishra: Very valid question, but for how much volume is the question. If we are talking about a total national requirement of around 190 Gigawatt, whereas the exchange is only catering to a demand of 8,000 megawatt to 10,000 megawatt, you are only trying to find out the price at a disrupt situation when there is no demand and you are finding the prices have come down to a level, which is very low, so it is not an indicative price of the entire set.

It is a subset, which is not indicating the entire volume requirement. So we are preempting the price of power too much if we are saying that during the COVID period the prices have come down to a level. So it is all demand and supply and exchanges and it is not reflective of the true prices in the market at this point of time.

Moderator: Thank you. The next question is from the line of Rajesh Choudhury from Zenith. Please go ahead.

Rajesh Choudhury: My question is like what is the minimum value that you are looking from the sale of PTC Financial? As I understand like PTC India has invested close to Rs. 750 crore in PTC Financial over a period of time?

Deepak Amitabh: That is what I was saying. These things are at present it is too early for us to say anything on this account, but we will have to wait for next couple of months may be three months or so, three to four months and we will come back with all the details.

Rajesh Choudhury: Okay and will it be a partial stake or a full stake?

Deepak Amitabh: All those structures as on today, that is why I am saying you will have to wait for a couple of months before we can say.

Moderator: Thank you. The next question is from the line of Rahul Modi from ICICI Securities. Please go ahead.

Rahul Modi: Just two questions I had. One, how has the progress of the Pilot-1 2,500 megawatt been and what is your view on the second Pilot 2,500 megawatt, is there is any movement on that?

Deepak Amitabh: First one we operationalized 1,900 megawatt and that is going on, all of them are totally operationalized. For 2,500 megawatt I will ask director marketing to give the feedback.

Dr. Rajib Mishra: As you all know the Pilot-2 the price discovery was done in the month of February and the response initially we got from most of the states were very, very encouraging, but March was something which was unpredictable, nobody knew what is going to happen and so was the demand from the state. So we had a very good response, initial response, commitments also for good off take and we were very pretty sure that we will be in a position to sign the PPA PSA well within the stipulated period, but because of all these reasons, things are delayed. We are of course finding again the traction, but and we will be in a position to inform you the good news may be in the next quarter.

Rahul Modi: Okay. Sir, just one thing, so price there is no talk of renegotiation? It is just the timing?

Dr. Rajib Mishra: Yes, price it is already discovered, the quantum is discovered, the suppliers are already discovered and listed, and the potential buyers are also we have listed. It is only the question of their demand, once they feel that the demand has come, they will come back to us and we will be in a position to complete the process.

Moderator: Thank you. The next question is from the line of Abhishek Puri from Axis Capital. Please go ahead.

Abhishek Puri: Sir, couple of things. One from the previous question that was asked the medium term PPA we have heard from some of the market news that the PSA has been done for a part of it. Is that

so and how much would be the quantum? There could be any and when can we expect the scheduling to happen?

Dr. Rajib Mishra: Abhishek, as I just answered the previous question that we got responses. We have not converted into PPA or PSA right now, but couple of the states have given their firm commitments. So that need to be converted into PPA and PSA. Once we will do that we will come back and I will inform all the investors.

Abhishek Puri: Okay, the firm commitments also cannot be shared right now?

Dr. Rajib Mishra: It is difficult because there are contraction things, which are related to the nodal agency, which they have conducted a bid process so part information may not be helpful at this point of time and may be avoided for the contractual reasons.

Abhishek Puri: Okay fair enough. We will wait for the updates may be in the coming quarters. Secondly, my apology that if the debtors and creditor numbers if you can give that would be helpful?

Management: The debtors debt at June was around Rs. 9,000 crores and the creditors was Rs. 7,200 crores.

Abhishek Puri: Okay and lastly my question on **(Inaudible 48:51)**. I am just trying to understand that is it an investment or is it a business proposition for PTC given that the Power Market Regulations have condition that as a trader member you cannot hold more than 5% and if you are not a trader member then you cannot move your electricity on to the exchanges and hence for them to grow without your support will be difficult. So I am just trying to understand the thoughts of this behind that?

Deepak Amitabh: The issue is as I told you Abhishek sometime back that it is first we will keep crossing the bridge as it comes, so at present we will be working with the CERC next month and then we will be sitting together and taking call what we should do, what we should not do. It is too early to make a comment here.

Abhishek Puri: Okay. We will take that offline.

Moderator: Thank you. The next question is from the line of Arun L from MAH Capital. Please go ahead.

Arun L: Yes, this is in continuation with the discussion on the sale for the financial services company. What I understand is the deadline of July 31st was for expression of interest. Going forward what will be the process? How many companies are you looking at short listing? What is the time for diligence and then what is the time for completion of the process by what time can we expect that to happen?

Deepak Amitabh: As I said to you sometime back that the merchant bankers they are working on that whatever expression of interest, NDAs have been there. I am sure they must be issuing process letters

etcetera. Those things will keep going on and only when all those things are completed, they will come back to us and then we all, there is a board or board authorized group of directors they will sit through and take a call depending upon what type of responses have come and how do we go forward. But in the meantime just to explain from PTC as a prompter we have already got the due diligence done.

This COVID period which was there we used that to get the due diligence financial and legal due diligence we have got it done from the reputed people who are accepted to the investors in the world. So whenever those guys who will be selected to enter into the final due diligence etcetera, they should not be taking so much time than just go in to a company where there is nothing preparedness only raw data is there. So raw data converted to stacks, everything is already prepared there, so we believe that is what I said, by the end of the next quarter, we should be in a position to answer most of your queries.

Arun L: But at a very broad level, do we say that we will complete the process, if it is possible for you to answer, we look at six months for money in the bank or would it be like a 12-month process as well from here? I understand what you are saying, but then still while the bankers would be advising you, still there is a timeline that we all work with. The timeline might change because things are little dynamic, but what is the internal timeline that you guys are working with as of now?

Deepak Amitabh: We believe that is what I said by the end of when I said by the end of the next quarter, we should be able to improve the position what is going to be there and after that obviously then the you know the legal suppose we select a guy also it takes couple of months to do the money into the bank. So it is too early to jump to that state, but we believe that this time we are going very gradually step by step and hopefully by the end of this financial year, we should be in a position to be looking at things, if it is happening at the right direction.

Moderator: Thank you. The next question is from Devansh Nigotia from SIMPL. Please go ahead.

Devansh Nigotia: Just a follow up question. Sir, now the bilateral contract be traded on the exchange, so if one has to compare it with the bilateral contract that are already trading on the platform, sir how do you see things going forward? Which is one and second is what are the charges that are there on the platform right now? Are there any charges or not?

Management: I will answer you. You must be asking this question based on the media report that now the bilateral contracts will be tradable in the exchange. I think the process is still on and still the matter is at the Supreme Court. Both the parties at the SEBI and the CERC have to withdraw it from the Supreme Court. Once that is withdrawn, I think then there will be some standard operating procedure for getting it converted in the business process.

How these transactions for future and derivative, which will be converted into this tradable PPAs, it will be drawn and it may take some time before you can see the real trading of the bilateral contracts tradable on the exchanges and which exchanges that again will be something which will be decided.

Now at this point of time, we can only say that it is not being done, it is being contemplated and once it will be completed will come into actual operation, we will let you know and how we are going to operate in that areas we will share with you.

Devansh Nigotia: And sir, are there any transaction charges on these platform based on it is operated by government?

Management: No, I told you that the standard operating procedure for these transactions will be made once it is decided that who will be the regulator for it and as we all know at this point of time for all this commodity trading of future and derivative will be at some other exchanges, may be governed by SEBI. There all the procedures will be defined and then we will be in a position to answer your query which you are making at this point of time.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference back to the management team for closing comments.

Deepak Amitabh: Thank you very much. I really profusely thank all of you who on a Janmashtami Day holiday, in Delhi this is the holiday, you all have come to the office to take the call. So it has been a journey the last quarter journey was really, really tough and it is because of the team work and the best thing which I saw in the last quarter was complete unity among all the stakeholders of the power sector.

Whether it was Government of India Ministry of Power, whether it was the regulators, whether it is the State Discoms, whether it was IPPs, transmission companies, everyone handholding each other. That in the most difficult times everyone handheld each other showed us the patience that things will improve and that has started now showing the results. As my CFO was saying the money has started coming into the system.

Obviously it is going to be long this thing and whether it is 31st March the government was also making this thing that there is a discussion that it can go up to 30th June also. So all those things are going to be closely watched by all of us and take proactive stands so that our volumes, our profitability keeps increasing. Thank you very much.

Moderator: Thank you very much. On behalf of PTC India, that concludes the conference. Thank you for joining us. Ladies and gentlemen, you may now disconnect your lines.