

PTC INDIA LIMITED

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(Figures in ₹ Lakhs, unless otherwise indicated)

S. No.	Particulars	Consolidated					
		Quarter ended			Nine months ended		Year ended
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	Audited
1	Revenue from operations						
a	Revenue from operations (Refer Note No. 4)	3,24,237	5,33,309	3,67,538	13,45,386	14,16,869	17,79,609
b	Other operating revenue (Refer Note No. 5 & 6)	8,121	13,974	11,813	30,105	26,023	54,941
	Total revenue from operations	3,32,358	5,47,283	3,79,351	13,75,491	14,42,892	18,34,550
2	Other Income	1,482	151	149	1,782	1,875	2,816
3	Total Income (1+2)	3,33,840	5,47,434	3,79,500	13,77,273	14,44,767	18,37,366
4	Expenses						
a	Purchases	2,91,148	4,89,548	3,27,184	12,27,867	12,80,393	16,05,286
b	Impairment of financial instrument	8,342	1,722	4,092	11,894	12,256	22,947
c	Operating expenses (Refer Note No. 5 & 6)	1,732	4,954	3,684	9,245	7,071	22,250
d	Employee benefit expenses	1,902	1,932	1,772	5,671	4,769	6,540
e	Finance costs	18,034	18,645	22,494	56,961	70,605	92,135
f	Depreciation and amortization expenses	2,549	2,529	2,503	7,577	7,490	10,001
g	Other expenses	1,674	1,953	1,951	5,159	5,597	8,278
	Total expenses	3,25,381	5,21,283	3,63,680	13,24,374	13,88,181	17,67,437
5	Profit before exceptional items and tax (3-4)	8,459	26,151	15,820	52,899	56,586	69,929
6	Exceptional items Income/(Expense)	-	-	-	-	-	(2,065)
7	Profit Before Share of Profit/(Loss) of Associates and Tax (5+6)	8,459	26,151	15,820	52,899	56,586	67,864
8	Share of Profit / (Loss) of Associates	(17)	(1)	14	(13)	(19)	(8)
9	Profit Before Tax (7+8)	8,442	26,150	15,834	52,886	56,567	67,856
10	Tax expenses						
a	Current tax	5,022	5,878	4,407	15,566	12,851	17,616
b	Deferred tax expenditure/ (income)	(2,871)	724	12	(2,136)	2,931	4,478
11	Net Profit for the period (9-10)	6,291	19,548	11,415	39,456	40,785	45,762
12	Other comprehensive income						
a	Items that will not be reclassified to profit or loss						
	(i) Remeasurements of post-employment benefit obligations	12	(20)	29	(7)	45	73
	Income tax relating to remeasurements of post-employment benefit	(5)	5	(7)	-	(12)	(18)
	(ii) Changes in fair value of FVOCI equity instrument	-	(296)	-	1,221	-	(646)
	Income tax relating of FVOCI to equity investment	-	(66)	-	(331)	-	118
b	Items that will be reclassified to profit or loss						
	Change in cash flow hedge reserve	34	4	91	54	(108)	(75)
	Income tax relating to cash flow hedge reserve	(9)	(1)	(32)	(14)	38	(37)
	Other comprehensive income, net of tax (a+b)	32	(374)	81	923	(37)	(585)
13	Total comprehensive income for the period (11+12)	6,323	19,174	11,496	40,379	40,748	45,177
14	Profit is attributable to:						
	Owners of the parent	6,049	17,711	10,685	35,780	38,010	44,866
	Non-controlling interests	242	1,837	730	3,676	2,775	896
15	Other comprehensive income is attributable to:						
	Owners of the parent	20	(247)	59	596	(14)	(355)
	Non-controlling interests	12	(127)	22	327	(23)	(230)
16	Total comprehensive income is attributable to:						
	Owners of the parent	6,069	17,464	10,744	36,376	37,996	44,511
	Non-controlling interests	254	1,710	752	4,003	2,752	666
17	Paid-up equity share capital (Face value of ₹ 10 per share)	29,601	29,601	29,601	29,601	29,601	29,601
18	Other equity (excluding revaluation reserves) (As per audited balance sheet)						4,12,400
19	Earnings per share (Not annualized) (₹)						
a	Basic	2.04	5.98	3.61	12.09	12.84	15.16
b	Diluted	2.04	5.98	3.61	12.09	12.84	15.16
	Million Units of electricity Sold	19,548	27,999	18,683	70,620	64,166	80,536
	See accompanying notes to the financial results						

Consolidated segment wise information

(Figures in ₹ Lakhs)

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	Audited
1	Segment Revenue						
	Power	3,09,746	5,23,505	3,52,983	13,04,158	13,59,233	17,24,710
	Financing business	22,703	23,819	26,421	71,465	84,258	1,11,243
	Unallocated	1,391	110	96	1,650	1,276	1,413
	Total	3,33,840	5,47,434	3,79,500	13,77,273	14,44,767	18,37,366
2	Segment Result						
	Power	7,653	19,820	13,219	40,322	46,075	62,281
	Financing business	(205)	6,848	3,080	12,533	10,901	8,899
	Unallocated	994	(518)	(465)	31	(409)	(3,324)
	Profit before tax	8,442	26,150	15,834	52,886	56,567	67,856
3 (a)	Segment Assets						
	Power	9,77,576	10,92,796	10,10,188	9,77,576	10,10,188	8,56,985
	Financing business	9,66,796	9,13,367	10,51,037	9,66,796	10,51,037	11,05,811
	Unallocated	50,024	73,961	90,551	50,024	90,551	1,03,994
	Total	19,94,396	20,80,124	21,51,776	19,94,396	21,51,776	20,66,790
(b)	Segment Liabilities						
	Power	6,91,461	7,99,898	7,31,603	6,91,461	7,31,603	6,09,173
	Financing business	7,66,608	7,30,140	9,08,333	7,66,608	9,08,333	9,39,124
	Unallocated	1,548	15,849	275	1,548	275	2,331
	Total	14,59,617	15,45,887	16,40,211	14,59,617	16,40,211	15,50,628

Notes:

- 1 The consolidated financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).
- 2 The above consolidated financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on May 31, 2022 and the Statutory Auditors of the Company has given a disclaimer of conclusion in their review report.
- 3 Segments:-The Group is in the business of power and Financing business.
- 4 Revenue from operation of the Group includes sale of electricity and interest income from loan financing/debenture.
- 5 In accordance with the accounting policy, the surcharge recoverable on late/ non-payment of dues by customers is recognized when no significant uncertainty as to measurability or collectability exist. Correspondingly surcharge liabilities on late/ non-payments to the suppliers, in view of the matching concept, is not being recognized in the accounts. The estimated liability in this regard, however is lower than the Group's claims from its customers.
- 6 The Group has recognized surcharge income of ₹ 5568 Lakhs during the quarter (for the corresponding quarter ended December 31, 2020, ₹ 9113 Lakhs) from Customers on amounts overdue on sale of power which has been included in "Other Operating Revenue". Correspondingly, surcharge expense of ₹ 324 Lakhs during the quarter (for the corresponding quarter ended December 31, 2020, ₹ 2607 Lakhs) paid / payable to Suppliers has been included in "Operating expenses".
- 7 i) The subsidiary and associate companies considered in the Consolidated Financial Results are as follows

Particulars	Ownership (%)	
	As on 31.12.2021	As on 31.03.2021
a) Subsidiary Companies		
1. PTC Energy Limited	100.00	100.00
2. PTC India Financial Services Limited (Refer Note No.9)	64.99	64.99
b) Associate Companies		
1. Hindustan Power Exchange Limited (formerly known as Pranurja Solutions Ltd)	22.62	22.62

All the above Companies are incorporated in India.

- ii) The financial statements of four associate companies are not available with the Group viz; R.S. India Wind Energy Private Limited, Varam Bio Energy Private Limited, Krishna Godavari Power Utilities Limited and R.S. India Global Energy Limited. However, the Group had fully impaired the value of investments in these associates in earlier periods. Hence, there is no impact of the results of these Associates on the consolidated financial results.

8 Impact of covid-19

i) Power

a) Power Trading

The Parent Company i.e. PTC India Limited (PTC) is engaged principally in the business of trading of electricity, which is an essential service as emphasized by the Ministry of Power, Government of India.

The Parent Company has considered all possible factors of the Covid-19 pandemic (including its ongoing wave) and their impact relating to its business environment. Based on current estimates, the Parent Company expects that the carrying amount of its assets will not deteriorate, and will be recoverable in full. However, the assessment of the pandemic's impact is a continuing process, given the uncertainties associated with its nature, occurrences and duration.

The longer term outcomes and impact of the Covid-19 pandemic on the Parent Company's business in subsequent periods is also dependent on overall economic conditions as they evolve. The Management will continue to monitor any material changes to future economic conditions and the impacts thereof on the Parent Company, if any.

b) Wind Power Generation

The subsidiary company i.e. PTC Energy limited (PEL) is engaged in generation of wind energy (renewable energy) and Ministry of New & Renewable Energy (MNRE) had clarified the "Must Run" Status to Renewable Energy Project.

PEL has considered all possible factors of the Covid-19 pandemic and their impact relating to its business environment. Based on current estimates, PEL expects that the carrying amount of its assets will not deteriorate, and will be recoverable in full. However, the assessment of the pandemic's impact is a continuing process, given the uncertainties associated with its nature, occurrences and duration. The longer term outcomes and impact of the Covid-19 pandemic on the PEL's business in subsequent periods is also dependent on overall economic conditions as they evolve. The Management will continue to monitor any material changes to future economic conditions and the impacts thereof on PEL, if any.

ii) Financing Business

The subsidiary company i.e. PTC India Financial Services Limited (PFS) is a NBFC Company.

COVID-19, a global pandemic has affected the world economy including India leading to significant decline in economic activity and volatility in the financial markets. Government announced various relief packages to support all segment. During the quarter and nine months ended December 31, 2021, India experienced a "second wave" of COVID-19, including a significant surge of COVID-19 cases following the discovery of mutant coronavirus variants in the country. PFS does not foresee any significant concern in case of borrowers where projects have been commissioned/ completed and have "Must Run" status. However, it would be difficult to assess the impact on borrower's ability to service the debt where projects are under construction considering construction activities halted due to lockdown restriction. However respective Govt. Authorities have issued the circulars for allowing extension in SCOD. The overall growth of PFS's business during the quarter and nine months has been impacted due to various factors including lockdown situation in country as activities related to clearances, land acquisition for new/under construction projects specifically in renewable and road sectors.

PFS has maintained sufficient liquidity in form of High Quality Liquid Assets (HQLA) and undrawn lines of credit to meet its financial obligation in near future.

In assessing the recoverability of loans and advances, PFS has considered internal and external sources of information (i.e. valuation report and asset value as per latest available financials with appropriate haircut as per ECL policy). PFS expects to recover the net carrying value of these assets, basis assessment of facts and ECL methodology which factors in future economic conditions as well. However, the eventual outcome of impact of COVID -19 may be different from those estimated as on the date of approval of these financial results and PFS will continue to monitor any material changes to the future economic conditions.

- 9 (i) In the adjourned PFS's audit committee meeting held on May 26, 2022, the Audit Committee of PFS reviewed PFS's results of the quarter and nine months ended on December 31, 2021 prepared by its management but did not adopt or recommend the results for PFS Board's approval and submitted the same to Board of PFS for its further consideration. Subsequently, the results are approved by the Board of Directors of PFS in its meeting held on May 26, 2022. These results have been subjected to review by the statutory auditors of PFS on which they have issued disclaimer of conclusion.
- (ii) RBI vide circular dated November 12, 2021 – "Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances – Clarifications" has clarified certain aspects of the extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across the lending institutions. PFS has taken steps to comply with the norms / changes for regulatory reporting, as applicable. Such clarification has no significant impact on the financial results of PFS for the quarter and nine month period ended December 31, 2021 as PFS continues to prepare the financial results in accordance with the applicable Ind AS guidelines and the RBI circular dated March 13, 2020 – "Implementation of Indian Accounting Standards".
- (iii) As per Regulation 54(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 ('Listing Regulations'), all secured non convertible debentures ("NCDs") issued by PFS are secured by way of an exclusive charge on its identified receivables to the extent of at least 100% of outstanding secured NCDs and pursuant to the terms of respective information memorandum.
- (iv) PFS has received a letter dated September 24, 2021 u/s 206(4) of the Companies Act, 2013 from Office of Registrar of Companies, Ministry of Corporate Affairs initiating inquiry and seeking specified information/ documents, primarily related to the period upto 2018-19. PFS has submitted the reply, with requisite information/ documents, in response to the letter on October 22, 2021.
- (v) Other comprehensive income for nine months period ended December 31, 2021 includes profit (net of tax) amounting to ₹ 890 lakhs by selling 21,904,762 nos. of equity shares of M/s Patel Engineering Limited by PFS which were acquired as a part of one time settlement of its loan of M/s Dirang Energy Pvt. Ltd.
- (vi) On January 19, 2022, three independent directors of PFS resigned mentioning lapses in governance and compliance. Since then RBI, SEBI and ROC (the "Regulators") have reached out to PFS with their queries regarding the allegations made by the then its independent directors and directed it to submit its response against such allegations. SEBI also directed PFS to submit its Action Taken Report (ATR), together with its response against such allegations. On January 24, 2022, SEBI also directed Parent Company ("PTC India Limited") to examine the allegations and come-up with its conclusion. On January 27, 2022, the Parent Company informed SEBI that its Board of Directors has re-constituted a Risk Management Committee (RMC) to examine the allegations and submit its report to the Parent Company's Board. On January 27, 2022, February 8, 2022 and March 16, 2022, PFS submitted its response/ ATR with the RBI, SEBI and ROC respectively. On February 11, 2022, RBI also sent its team at PFS's premises to conduct scrutiny on the matters alleged in the resignation letters. While the RBI's team completed its scrutiny at PFS's premises on February 14, 2022, PFS has satisfactorily responded to all queries and requests for information but has not received any formal communication from RBI in this regard. SEBI vide its email dated March 2, 2022, not acceded PFS's request for conducting Board Meeting without an independent director. Subsequent to this, with recommendation of the Parent Company, PFS appointed four independent directors through circular resolution. These directors are also independent directors on the Board of the Parent Company. Prior to the appointment of the independent directors, Chairman of Parent Company vide email dated March 25, 2022, informed RBI and SEBI the proposed nomination of its four independent directors to the board of PFS, and post appointment, disclosures on such appointments have been made to the stock exchanges. On April 19, 2022 an email written by Chairman, Parent Company to SEBI makes specific reference to earlier email dated March 25, 2022, the Chairman sent another email to SEBI about the appointment of independent directors and SEBI in its email dated April 19, 2022 has acknowledged the same. PFS has also made necessary communication to Stock Exchanges regarding appointment of directors and holding of board meetings. Basis directions received from the audit committee of PFS in its meeting held on April 8, 2022, considering the nature of issues raised by ex-Independent directors against PFS, an independent firm has been appointed by PFS to undertake forensic audit in relation to the issues raised. The forensic audit scope, which includes but not limited to review of PFS's response/ Action taken Report (ATR) submitted to the Regulators pursuant to the queries arising from this matter or other wise, expects to identify additional instances, if any, relating to such issues and its consequential impact on the financial reporting and internal financial controls over financial reporting of PFS. RMC of the Parent Company submitted its conclusion report to the Parent Company's Board on May 23, 2022 and the Parent Company's Board needs to review and submit its conclusion to SEBI. Further, RMC's report is not made available to PFS, including its audit committee and the Board of Directors, as it is under review by the Parent Company's Board. PFS has received an email communication from SEBI on May 13, 2022, wherein SEBI has advised it not to change the structure and composition of its Board, till the completion of forensic audit by the independent firm and submission of RMC's report by the Parent Company. While PFS is confident about the financial results approved by its Board in its meeting held on May 26, 2022, this detailed examination will enable the management to further substantiate and establish its position as already articulated in PFS's response and ATR submitted to the Regulators.
- 10 The figures for the previous periods / year are re-classified / re-grouped, wherever necessary.