

PTC INDIA LIMITED

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

(Figures in ₹ Lakhs, unless otherwise indicated)

S. No.	Particulars	Consolidated			
		Quarter ended			Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		(Un-audited)	Audited (Refer Note No. 9)	(Un-audited)	Audited
1	Revenue from operations				
a	Revenue from operations (Refer Note No. 4)	4,13,724	2,82,539	4,87,840	16,27,925
b	Other operating revenue (Refer Note No. 5 & 6)	17,075	27,609	8,010	57,714
	Total revenue from operations	4,30,799	3,10,148	4,95,850	16,85,639
2	Other Income	275	556	149	2,338
3	Total Income (1+2)	4,31,074	3,10,704	4,95,999	16,87,977
4	Expenses				
a	Purchases	3,77,621	2,50,624	4,47,171	14,78,491
b	Impairment of financial instrument	1,220	4,892	1,830	16,786
c	Operating expenses (Refer Note No. 5 & 6)	11,620	6,057	2,559	15,302
d	Employee benefit expenses	1,907	1,800	1,837	7,471
e	Finance costs	16,145	18,186	20,282	75,147
f	Depreciation and amortization expenses	2,528	2,555	2,499	10,132
g	Other expenses	1,764	4,943	1,532	10,102
	Total expenses	4,12,805	2,89,057	4,77,710	16,13,431
5	Profit before exceptional items and tax (3-4)	18,269	21,647	18,289	74,546
6	Exceptional items Income/(Expense)	-	-	-	-
7	Profit Before Share of Profit/(Loss) of Associates and Tax (5+6)	18,269	21,647	18,289	74,546
8	Share of Profit / (Loss) of Associates	(85)	(57)	5	(70)
9	Profit Before Tax (7+8)	18,184	21,590	18,294	74,476
10	Tax expenses				
a	Current tax	6,066	(262)	4,666	15,304
b	Deferred tax expenditure/ (income)	(1,392)	6,141	11	4,005
11	Net Profit for the period (9-10)	13,510	15,711	13,617	55,167
12	Other comprehensive income				
a	Items that will not be reclassified to profit or loss				
	(i) Remeasurements of post-employment benefit obligations	75	21	1	14
	Income tax relating to remeasurements of post- employment benefit	(19)	(3)	-	(3)
	(ii) Changes in fair value of FVTOCI equity instrument	-	1,026	1,517	2,247
	Income tax relating of FVTOCI to equity investment	-	(94)	(265)	(307)
	Deferred tax relating to FVTOCI to equity investment	-	-	-	(118)
b	Items that will be reclassified to profit or loss				
	Change in cash flow hedge reserve	18	75	16	129
	Income tax relating to cash flow hedge reserve	(5)	(18)	(4)	(32)
	Other comprehensive income, net of tax (a+b)	69	1,007	1,265	1,930
13	Total comprehensive income for the period (11+12)	13,579	16,718	14,882	57,097
14	Profit is attributable to:				
	Owners of the parent	11,740	14,836	12,020	50,616
	Non-controlling interests	1,770	875	1,597	4,551
15	Other comprehensive income is attributable to:				
	Owners of the parent	54	1,007	823	1,603
	Non-controlling interests	15	-	442	327
16	Total comprehensive income is attributable to:				
	Owners of the parent	11,794	15,843	12,843	52,219
	Non-controlling interests	1,785	875	2,039	4,878
17	Paid-up equity share capital (Face value of ₹ 10 per share)	29,601	29,601	29,601	29,601
18	Other equity (excluding revaluation reserves) (As per audited balance sheet)				4,42,746
19	Earnings per share (Not annualized) (₹)				
a	Basic	3.97	5.01	4.06	17.10
b	Diluted	3.97	5.01	4.06	17.10
	Million Units of electricity Sold	17,831	17,404	23,073	88,024
	See accompanying notes to the financial results				

Consolidated segment wise information

(Figures in ₹ Lakhs)

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		(Un-audited)	Audited (Refer Note No. 9)	(Un-audited)	Audited
1	Segment Revenue				
	Power	4,10,313	2,87,554	4,70,907	15,91,712
	Financing business	20,508	22,678	24,943	94,143
	Unallocated	253	472	149	2,122
	Total	4,31,074	3,10,704	4,95,999	16,87,977
2	Segment Result				
	Power	11,697	18,907	12,849	59,229
	Financing business	6,800	3,099	5,890	15,632
	Unallocated	(313)	(416)	(445)	(385)
	Profit before tax	18,184	21,590	18,294	74,476
3 (a)	Segment Assets				
	Power	10,42,273	9,90,426	10,40,850	9,90,426
	Financing business	7,94,236	9,24,286	10,47,319	9,24,286
	Unallocated	65,198	73,483	63,523	73,483
	Total	19,01,707	19,88,195	21,51,692	19,88,195
(b)	Segment Liabilities				
	Power	7,50,843	7,10,733	7,44,551	7,10,733
	Financing business	5,80,767	7,16,526	8,74,259	7,16,526
	Unallocated	4,740	9,373	1,738	9,373
	Total	13,36,350	14,36,632	16,20,548	14,36,632

Notes:

- 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).
- The above consolidated financial results were reviewed by the Audit Committee, with the management, in its meeting dated December 7, 2022 before submission to the Board for approval and the Board of Directors has approved the consolidated financial results in its meeting held on the same day i.e. December 7, 2022. and the Statutory Auditors of the Company have given a disclaimer of conclusion in their limited review report.
- Segments:-The Group is in the business of power and financing business.
- Revenue from operation of the Group includes sale of electricity and interest income from loan financing/debenture.
- 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 a. The Group has recognized surcharge income of ₹ 13920 Lakhs during the quarter (for the corresponding quarter ended June 30, 2021, ₹ 4238 Lakhs) from customers on amounts overdue on sale of power which has been included in "Other Operating Revenue". Correspondingly surcharge expense of ₹ 10396 Lakhs during the quarter (for the corresponding quarter ended June 30, 2021, ₹ 1419 Lakhs) paid / payable to suppliers has been included in "Operating expenses".

b. Ministry of Power (MoP) vide Gazette Notification dated 3rd June, 2022, notified "The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022" (LPS Rules or the Rules). These rules provide a mechanism for settlement of outstanding dues of Generating Companies, Inter-State Transmission Licensees and Electricity Trading Licensees. The Rules provide for clubbing of all outstanding dues as on 3rd June, 2022 related to Principal, Late Payment Surcharge etc. into a consolidated amount which can be paid in interest free Equated Monthly Instalments (EMI).

Further, these rules provide that non-payment of current dues by DISCOMs, within one month after the due date of payment or two and half months after the presentation of power bill, whichever is later, shall attract regulation of power as laid down in the Rules.

Some of the customers of the parent company have opted the scheme having total outstanding of ₹ 264423 Lakhs (including surcharge) as on 3rd June, 2022 which is payable in Equated Monthly Instalments without any further interest.

During the quarter ended June 30, 2022, the parent company has accounted for the amount of surcharge income of ₹ 13236 Lakhs by considering the time value of Equated Monthly Instalments. Correspondingly, the parent company has also booked surcharge expense of ₹ 10392 Lakhs. These surcharge income and surcharge expenses are included in total surcharge income and surcharge expense for quarter ended June 30, 2022 as mentioned at Para 6(a) above.

- 7 i) The subsidiary and associate companies considered in the Consolidated Financial Results are as follows

Particulars	Ownership (%)	
	As on 30.06.2022	As on 30.06.2021
a) Subsidiary Companies		
1. PTC Energy Limited ("PEL")	100.00	100.00
2. PTC India Financial Services Limited ("PFS")	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, Group's share of net profit/loss after tax and total comprehensive income/loss of its associates has been considered as ₹ Nil in these consolidated financial results.
- 8 (i) (a) On January 19, 2022, three independent directors of PFS resigned mentioning lapses in corporate 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 independent directors and directed PFS 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. Basis the forensic audit report which was received by PFS on 4th Nov, 2022 and other inputs from professional services firm retained by PFS Management, it has been decided that PFS management shall take necessary corrective actions and submit its ATR, if required, to the satisfaction of SEBI.

On February 11, 2022, RBI sent its team at PFS's office to conduct scrutiny on the matters alleged in the resignation letters of ex-independent directors. While the RBI's team completed its scrutiny at PFS's office on February 14, 2022 and PFS has satisfactorily responded to all queries and requests for information but has not received any further communication from RBI in this regard.

On November 4, 2022, the Forensic auditor appointed by PFS, submitted its forensic audit report. PFS engaged a reputed professional services firm to independently review PFS management's response and independent review of documents supporting such response and commenting on such observations, including financial implications and any indication towards suspected fraud. PFS management's responses and remarks of professional services firm, together with report of forensic auditor, had been presented by PFS management to its Board in their meeting held on November 7, 2022 and November 13, 2022.

(b) SEBI vide its email dated March 2, 2022, rejected the ATR submitted by PFS and not acceded its 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 the Parent Company vide email dated March 25, 2022, informed RBI and SEBI about the proposed nomination of four independent directors of the Parent Company to PFS board, and post appointment, disclosures on such appointments have been made to the stock exchanges. On April 19, 2022, the Chairman of the Parent Company sent another email to SEBI, with specific reference to earlier email dated March 25, 2022, 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. PFS, basis its discussions with SEBI and RBI as also summarized in such emails and advise received from external legal firm, believes that there is no non-compliance with SEBI's directions vide its email dated March 2, 2022. On June 28, 2022, the SEBI also directed PFS for waiving-off with the requirements of regulation 17 (1C) of SEBI LODR guidelines regarding ratification of directors' appointment in shareholders' meeting within 3 months from the date of their appointment by PFS Board

(c) Post resignation of ex-independent directors, PFS has not been able to comply with the various provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to non-constitution of committees and sub-committees of its Board, timely conduct of their meetings and non-filing of annual and quarterly results with respective authorities. PFS intends to file for condonation of delay for non-compliance of such provisions with respective authorities and does not expect any material financial impact, if any, due to fines/ penalties arising from such process.

- (ii) As at June 30, 2022, for loans under stage I and stage II, PFS management has determined the value of secured portion on the basis of best available information including book value of assets/ projects as per latest available balance sheet of the borrowers, technical and cost certificates provided by the experts and valuation of underlying assets performed by external professionals appointed either by PFS or consortium of lenders. For loan under stage III, PFS management has determined the value of secured portion on the basis of best available information, including valuation of underlying assets by external consultant/ resolution professional (RP) for loan assets under IBC proceedings, claim amount in case of litigation and proposed resolution for loan under resolution through Insolvency and Bankruptcy Code (IBC) or settlement. The conclusive assessment of the impact in the subsequent period, related to expected credit loss allowance of loan assets, is dependent upon the circumstances as they evolve, including final settlement of resolution of projects/ assets of borrowers under IBC.
 - (iii) As at June 30, 2022, PFS has assessed its financial position including expected realization of assets and payment of liabilities including borrowings and believes that sufficient funds will be available to pay-off the liabilities through availability of High Quality Liquid Assets (HQLA) and undrawn lines of credit to meet its financial obligations in at least 12 months from the reporting date.
 - (iv) 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 identified receivables to the extent of at least 100% of outstanding secured NCDs and pursuant to the terms of respective information memorandum.
 - (v) PFS had received a communication from ROC on March 28, 2018, pursuant to complaints received from identified third parties, alleging mismanagement in PFS's operations. PFS had submitted a reply dated April 18, 2018, after discussion with the audit committee, and denied all allegations and regarded them as frivolous attempt made by such identified third parties. PFS received another 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 FY 2018-19. PFS has submitted the reply, with requisite information/documents, in response to the letter on October 22, 2021. PFS responded to this notice on October 22, 2021, and no further communication has been received from ROC till date.
- 9 Figures of last quarter are balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
- 10 The Parent Company has received the resignation letters from its three independent directors and one independent director on 05.12.2022 and 06.12.2022 respectively wherein they have raised issues mainly related to corporate governance and compliance in PFS, divergent views of Board members in respect of RMC report of the Parent Company etc.
- The Board of the Parent Company has noted the resignation letters from the independent directors in its meeting dated 06.12.2022 and 07.12. 2022 respectively.
- Further, due to vacancies caused by the above resignations, the Board has reconstituted the Audit Committee in its meeting dated 6th December, 2022.
- The management of the parent company has prepared the replies on the above matter and the Board has taken note of the same in its meeting dated 7th December, 2022.
- 11 Two independent directors of PFS have also given their resignation letters each dated 2nd December, 2022 mentioning lapses in governance and compliance and have raised concerns regarding, inter-alia, the matters raised by the earlier independent directors (who resigned on January 19, 2022), appointment of forensic auditor, observations in the forensic audit report, divergent views of the directors and management on the outcome of forensic audit report etc.
- 12 Due to the resignation of four independent directors of the parent company, the composition of Board of the parent Company is not in accordance with the requirement of the Regulations in terms of minimum number of independent directors. The vacancies caused due to resignation of independent directors will be filled in the stipulated time as prescribed laws.
- 13 The figures for the previous periods / year are re-classified /re-grouped, wherever necessary.

Place: New Delhi
Date: December 7, 2022

(Dr. Rajib Kumar Mishra)
Whole-time Director