

PTC INDIA LIMITED

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

(Figures in ₹ Lakhs, unless otherwise indicated)

S. No.	Particulars	Quarter ended			Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		(Un-audited)	Audited (Refer Note No. 7)	(Un-audited)	Audited
1	Revenue from operations				
a	Revenue from operations	3,86,850	2,57,277	4,56,981	15,13,903
b	Other operating revenue (Refer Note No. 3 & 4)	14,802	25,835	5,142	49,236
	Total revenue from operations (Refer Note No.5)	4,01,652	2,83,112	4,62,123	15,63,139
2	Other Income	241	222	82	623
3	Total Income (1+2)	4,01,893	2,83,334	4,62,205	15,63,762
4	Expenses				
a	Purchases	3,77,621	2,50,624	4,47,171	14,78,491
b	Operating expenses (Refer Note No. 3 & 4)	10,534	4,852	1,607	11,037
c	Employee benefit expenses	1,337	1,231	1,328	5,207
d	Finance costs	1,060	1,256	548	3,733
e	Depreciation and amortization expenses	89	107	75	374
f	Other expenses	1,285	4,187	1,118	7,782
	Total expenses	3,91,926	2,62,257	4,51,847	15,06,624
5	Profit before exceptional items and tax (3-4)	9,967	21,077	10,358	57,138
6	Exceptional items - income/(expense)	-	-	-	-
7	Profit Before Tax (5+6)	9,967	21,077	10,358	57,138
8	Tax expenses				
a	Current tax	4,210	6,081	2,747	15,300
b	Deferred tax expenditure/ (income)	(1,639)	(593)	(76)	(643)
9	Net Profit for the period (7-8)	7,396	15,589	7,687	42,481
10	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	(i) Remeasurements of post- employment benefit obligations- income/(expense)	38	(26)	1	(39)
	-Income tax relating to remeasurements of post- employment benefit	(10)	7	-	10
	(ii) Changes in fair value of FVOCI equity instrument - income/(expense)	-	1,026	-	1,026
	Other comprehensive income / (expense), net of tax	28	1,007	1	997
11	Total comprehensive income for the period (9+10)	7,424	16,596	7,688	43,478
12	Paid-up equity share capital (Face value of ₹ 10 per share)	29,601	29,601	29,601	29,601
13	Other equity (excluding revaluation reserves) (As per audited balance sheet)				3,61,890
14	Earnings per share (Not annualized) (₹)				
a	Basic	2.50	5.27	2.60	14.35
b	Diluted	2.50	5.27	2.60	14.35

Million Units of electricity Sold

17,669

17,329

22,911

87,515

See accompanying notes to the financial results

Notes:

- 1 The standalone 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 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 financial results in its meeting held on the same day i.e. December 7, 2022. The financial results have been limited reviewed by the Statutory Auditors of the Company on which they have issued a disclaimer of conclusion.
- 3 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 company's claims from its customers.
- 4 a. The company 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 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 company has accounted for the amount of surcharge income of ₹ 13236 Lakhs by considering the time value of Equated Monthly Instalments. Correspondingly, the 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 4(a) above.

- 5 Total revenue from operation of the company includes sale of electricity and service (consultancy).
- 6 The company is in the business of power and all other activities revolve around it, as such there is no separate reportable segment in respect of standalone results.
- 7 Figures of the quarter ended March 31, 2022 are balancing figures between audited figures in respect of the full FY 2021-22 and the published year to date figures upto the third quarter of FY 2021-22.
- 8 On January 19, 2022, three Independent Directors of PTC India Financial Services Limited (PFS), a subsidiary of the Company, resigned mentioning lapses in corporate governance and compliance. Since then, RBI, SEBI and ROC have reached out to PFS with their queries regarding the allegations made by the its then 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.

PFS, basis directions of the audit committee in its meeting held on April 26, 2022, appointed an independent firm (the forensic auditor) to undertake a forensic audit in relation to the allegations raised by the former independent directors.

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 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, have been presented by PFS' management to its Board of Directors in their meeting held on November 7, 2022 and November 13, 2022 and has been uploaded on the website of stock exchanges.

The Statutory Auditors of PFS have given qualified conclusion on the unaudited financial results of PFS for the quarter ended June 30, 2022 vide their report dated December 03, 2022 raising concerns regarding the extent of forensic audit procedures and conclusion thereon, and remediation of the additional concerns raised in the forensic audit report and accordingly, are unable to obtain sufficient and appropriate audit evidence to determine the extent of adjustments, if any, that may be required to the standalone financial results of PFS for the quarter ended June 30, 2022.

Further, the predecessor Statutory Auditors of PFS had also given qualified opinion on the abovementioned matter in their audit report on the financial results of PFS for the quarter and year ended March 31, 2022 vide their report dated November 16, 2022.

- 9 The 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 Company etc.
- The Board of the 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 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.
- 10 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.
- 11 Due to the resignation of four independent directors of the company, the composition of Board of the 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.
- 12 The figures for the previous periods / year are re-classified / re-grouped / restated, wherever necessary.

Place: New Delhi
Date: December 7, 2022

(Dr. Rajib Kumar Mishra)
Whole-time Director