

NOTES:

- In the adjourned audit committee meeting held on May 26, 2022, the Audit Committee reviewed the results of the quarter and nine months ended on December 31, 2021 prepared by the management but did not adopt or recommend the results for Board's approval and submitted the same to the Board for its further consideration. Subsequently, the results are approved by the Board of Directors in its meeting held on May 26, 2022. These results have been subjected to review by the statutory auditors.
- These financial statements have been prepared in accordance with the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Regulations') and recognition and measurements principles laid down in Indian Accounting Standard 34 " Interim Financial Reporting" ("Ind- AS 34") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India.
- The Company's main business is to provide finance for energy value chain through investment and lending into such projects. All other activities revolve around the main business. The Company does not have any geographic segments. As such, there are no separate reportable segments as per IND AS 108 on operating segments.
- The Company does not have subsidiary but two associates viz; R.S. India Wind Energy Private Limited and Varam Bio Energy Private Limited. The consolidated financial results have been prepared by the Company in accordance with the requirements of Ind-AS 28 "Investments in Associates and Joint ventures" prescribed under section 133 of the Companies Act, 2013. The parent 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.
- 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. The Company has taken steps to comply with the norms / changes for regulatory reporting, as applicable. Such clarification has no significant impact on the financial results for the quarter and nine month period ended December 31, 2021 as the Company 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".
- 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. Company do 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 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.

The Company 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, the Company 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). The Company 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 the Company will continue to monitor any material changes to the future economic conditions.

- Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 in terms of RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

Particulars	During the quarter ended December 31, 2021
Details of loans not in default that are transferred or acquired	-
Details of Stressed loans transferred or acquired	-

- 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 the Company 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.
- The Company 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. The Company has submitted the reply, with requisite information/ documents, in response to the letter on October 22, 2021.
- Other comprehensive income includes profit (net of tax) amounting to Rs. 889.59 lakhs by selling 21,904,762 nos. of equity shares of M/s Patel Engineering Limited which were acquired as a part of one time settlement of loan of M/s Dirang Energy Pvt. Ltd.
- On January 19, 2022, three independent directors of the Company resigned mentioning lapses in governance and compliance. Since then RBI, SEBI and ROC (the "Regulators") have reached out to the Company with their queries regarding the allegations made by the then independent directors and directed the Company to submit its response against such allegations. SEBI also directed the Company to submit its Action Taken Report (ATR), together with Company's response against such allegations. On January 24, 2022, SEBI also directed PTC India Limited (the "Holding Company" of the Company) to examine the allegations and come-up with its conclusion. On January 27, 2022, the Holding Company informed SEBI that its Board of Directors (the "Holding Company's Board") has re-constituted its Risk Management Committee (RMC) to examine the allegations and submit its report to the Holding Company's Board. On January 27, 2022, February 8, 2022 and March 16, 2022, the Company submitted its response/ ATR with the RBI, SEBI and ROC respectively. On February 11, 2022, RBI also sent its team at the Company premises to conduct scrutiny on the matters alleged in the resignation letters. While the RBI's team completed its scrutiny at Company's premises on February 14, 2022, the Company have 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 the Company's request for conducting Board Meeting without an independent director. Subsequent to this with recommendation of the Holding Company, the Company appointed four independent directors through circular resolution. These directors are also independent directors on the Board of the Holding Company. Prior to the appointment of the independent directors, Chairman of PTC India Limited vide email dated March 25, 2022, informed RBI and SEBI the proposed nomination of four independent directors of PTC India Limited to the board of the Company, and post appointment, disclosures on such appointments have been made to the stock exchanges. On April 19, 2022 an email written by Chairman, PTC India Limited 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. The Company has also made necessary communication to Stock Exchanges regarding appointment of directors and holding of board meetings. Basis directions received from the audit committee in its meeting held on April 8, 2022, considering the nature of issues raised by ex-Independent directors against the Company, the Company has appointed an independent firm to undertake forensic audit in relation to the issues raised. The forensic audit scope, which includes but not limited to review of Company'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 the Company. RMC of the Holding Company submitted its conclusion report to the Holding Company's Board on May 23, 2022 and the Holding Company's Board needs to review and submit its conclusion to SEBI. Further, RMC's report is not made available to the Company, including its audit committee and the Board of Directors, as its under review by the Holding Company's Board. The Company has received an email communication from SEBI on May 13, 2022, wherein SEBI has advised the Company 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 Holding Company. While the Company is confident about the financial results approved by the 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 the Company's response and ATR submitted to the Regulators.
- The figures for the quarter ended December 31, 2021 and December 31, 2020 are the balancing figures between reviewed figures in respect of the nine months ended December 31, 2021 and December 31, 2020 and the reviewed figures for the half year ended September 30, 2021 and September 30, 2020 respectively.
- Information as required by Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, is attached as Annexure 1.
- Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

For and on behalf of the Board of Directors

Place: New Delhi
May 26, 2022

Dr. Pawan Singh
Managing Director and CEO

PTC INDIA FINANCIAL SERVICES LIMITED

Statement of unaudited financial results for the quarter and nine months ended December 31, 2021

Annexure 1

S. No.	Particulars	Ratio
A	Debt-equity ratio ¹	3.36
B	Debt service coverage ratio ²	Not Applicable
C	Interest service coverage ratio ²	Not Applicable
D	Debenture redemption reserve ³	Nil
E	Net worth (₹ in lakhs) ⁴	223,822.56
F	Net profit after tax (₹ in lakhs)	
	(i) For the quarter ended	693.40
	(ii) For the nine months ended	10,500.45
G	Earnings per share (in ₹)	
	(i) Basic : Quarter ended	0.11
	(ii) Basic : Nine months ended	1.63
	(iii) Diluted: Quarter ended	0.11
	(iv) Diluted: Nine months ended	1.63
H	Current ratio ⁷	Not Applicable
I	Long term debt to working capital ⁷	Not Applicable
J	Bad debts to account receivable ratio ⁷	Not Applicable
K	Current liability ratio ⁷	Not Applicable
L	Total debts to total assets ⁵	75.84%
M	Debtors turnover ⁷	Not Applicable
N	Inventory turnover ⁷	Not Applicable
O	Operating margin (%) ¹¹	
	(i) For quarter ended	-1.25%
	(ii) For nine months ended	17.63%
P	Net profit margin (%) ⁶	
	(i) For quarter ended	2.88%
	(ii) For nine months ended	14.24%
Q	Sector specific equivalent ratios, as applicable	
	(i) Capital adequacy ratio ⁸	22.50%
	(ii) Gross stage 3 ratio ⁹	14.15%
	(iii) Net stage 3 ratio ¹⁰	7.63%
Notes -		
1	Debt - equity ratio = (Debt securities + Borrowings - other than debt securities + Subordinated liabilities) / Networth.	
2	Debt service coverage ratio and interest service coverage ratio is not applicable to Banks or NBFC / Housing Finance Companies registered with RBI as per Regulation 52(4) of SEBI Listing Obligations and Disclosure Requirements Regulation 2015.	
3	Capital redemption Reserve / Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.	
4	Net worth = Equity share capital + Other equity	
5	Total debts to total assets = (Debt securities + Borrowings - other than debt securities + Subordinated liabilities) / Total Assets	
6	Net profit margin = Net profit after tax / total income	
7	The Company is a Non-Banking Financial Company registered under Reserve Bank of India Act, 1934, hence these ratios are generally not applicable.	
8	Capital to risk-weighted assets is calculated as per the RBI guidelines.	
9	Gross stage 3 ratio* = Gross stage 3 loans exposure at Default (EAD) / Gross total loans EAD	
10	Net Stage 3 ratio* = (Gross stage 3 loans EAD - Impairment loss allowance for Stage 3) / (Gross total loans EAD - Impairment loss allowance for Stage 3)	
11	Operating margin = (Profit before tax - Other income) / Total revenue from operations	
	* Refer note 13 of financial result.	