

Press Release

New Delhi, 30th August 2018

Financial Performance for the quarter ended 30th June 2018

Management Commentary:

Commenting on the performance for Q1 FY2019, Dr. Ashok Haldia - Managing Director & CEO said: "The focus of the company during the quarter continues to be on consolidation and quality of the portfolio. The loan portfolio of the Company has grown by about 22% to Rs 13,361 Crore. The Business model of the Company remains robust with net interest income of Rs 90.43 crore which is 30% of the interest income. To augment the portfolio, the Company is strategically moving towards higher yield structured products.

A significant portion of the stressed assets, primarily in the legacy part of the portfolio are in final stages of resolution - expected to be resolved in FY 2019 by various modes including change in promotor, sale to ARCs or One-Time Settlement (OTS). The investments related to renewables and other infrastructure do not have any significant levels of stress.

Result Highlights

The Board of Directors of PTC India Financial Services Ltd ("PFS"), at its meeting held today, approved the unaudited financial results for quarter ended 30th June 2018 (Q1FY19).

In accordance with the Ministry of Corporate Affairs (MCA) notification of 2nd January 2015, PFS on a standalone basis, is required to prepare IND AS based financial statements from accounting periods beginning from April 1, 2018 onwards with comparatives for the periods ending March 31, 2018 and thereafter. Results of Q1FY19 are therefore prepared and reported in compliance with IND AS requirements. Additionally, for the same quarter of previous year (Q1FY18), figures have been recast to fit IND AS requirements. Some key changes due to adoption of IND AS for PFS are:

1. Expected Credit Losses (ECL) – As per IND AS 109, loan assets are required to be classified under stage 1, stage 2 and stage 3. Stage 1 comprises of performing assets, Stage 2 comprises of loan assets showing signs of stress and there is an increase in credit risk since inception and Stage 3 comprises of non performing assets. Previously, assets were classified as standard or substandard based on performance/ conduct of loan account and provisions made as per the RBI prudential norms.
2. Amortization of fees – Loan origination fees (Assets & Borrowings) such as processing fee/ management fee were recognized on upfront basis in previous GAAP whereas in IND AS, such fee is required to be amortized over the tenure of loan at effective interest rate model.
3. Derivative Instruments- Derivative instruments have been recognized and measured through profit or loss. The mark to market gain/ (loss) has been recognized in the Statement of Profit and Loss.

PTC India Financial Services Limited (CIN: L65999DL2006PLC153373)

(A subsidiary of PTC India Limited)

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Board: +91 11 26737300 Fax: +91 11 26737373, Website: www.ptcfinancial.com, E-mail: info@ptcfinancial.com

Q1FY2019 vs. Q1FY2018

- The total outstanding loan assets grew by 22% to Rs 13,361 crore as at 30th June 2018. In addition, non-fund based commitment for amounts to be disbursed in coming quarters aggregates to Rs 1,003 crores as at 30th June 2018
- Total revenue for Q1 FY2019 stood at Rs 325.19 crore compared to Rs. 300.13 crore during Q1 FY2018 recording an increase of 8.3%
- Revenue from operations for Q1 FY2019 stood at Rs 313.83 crore compared to Rs 299.55 crore in Q1 FY2018, recording an increase of about 5%.
- Profit before Tax (PBT) for Q1 FY2019 stood at Rs 84.07 crore compared to Rs 110.55 crore during Q1 FY2018.
- Net Interest Margin (NIM) and Spread stood at 2.85% and 1.16% respectively for Q1 FY2019. Yield on loan assets stood at 9.34% in Q1 FY2019, whereas Cost of borrowed funds stood at 8.18% during Q1 FY2019. Adjusted for the impact of stressed loan assets, Yield and Spread for Q1 FY2019 stood at 10.65% and 2.46% respectively compared to Yield and Spread of 10.98% and 2.75% during Q1 FY2018 respectively. The NIM stood on the same basis at 4.16% .

As at June 30, 2018

- The value of loan assets classified under stage 3 as at 30th June 2018 stood at Gross Rs 1,026 crore and Net Rs 496 crore after adjusting for expected credit loss. In addition, expected credit loss to the extent of 55% has been provided on the loan assets under OSDR amounting to Rs 670 crore. For other accounts the amount of expected credit loss has been fully accounted for as well and has been adjusted with opening reserve.
- The cumulative effective debt sanction amounted to Rs 22,320 crore
- The debt sanction during the quarter aggregated to Rs 1,712 crore comprising mainly of Rs 1,512 crore to renewable projects and Rs 200 crore to other infrastructure sectors such as roads etc. The debt sanction during the corresponding period was Rs 643 crore.
- The gross debt disbursements aggregated to Rs 1,188 crore during the quarter ended 30th June 2018 compared to Rs 947 crore during the quarter ended 30th June 2017.

About PFS

PFS is a non-banking finance company promoted by PTC India Limited. PFS has been granted the status of an Infrastructure Finance Company (“IFC”) by the Reserve Bank of India. The Company offers an array of financial products to infrastructure companies in the entire energy value chain and other infrastructure industries. PFS also provides fee based services viz loan syndication and underwriting etc.

For more updates and information on the Company, please log on to www.ptcfinancial.com

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