

We Bring

**Lifeline To Clean Sustainable
Infrastructure**

Earnings Presentation I Q2FY21

Table Of Contents

03 Company at a glance

05 Our Mission & Vision

06 Business Overview

09 Corporate Governance-Board of Directors

10 Forward Guidance

12 Risk Management System

13 Our Clientele & Lenders

15 Operational Review

20 Financials

28 Shareholder Information



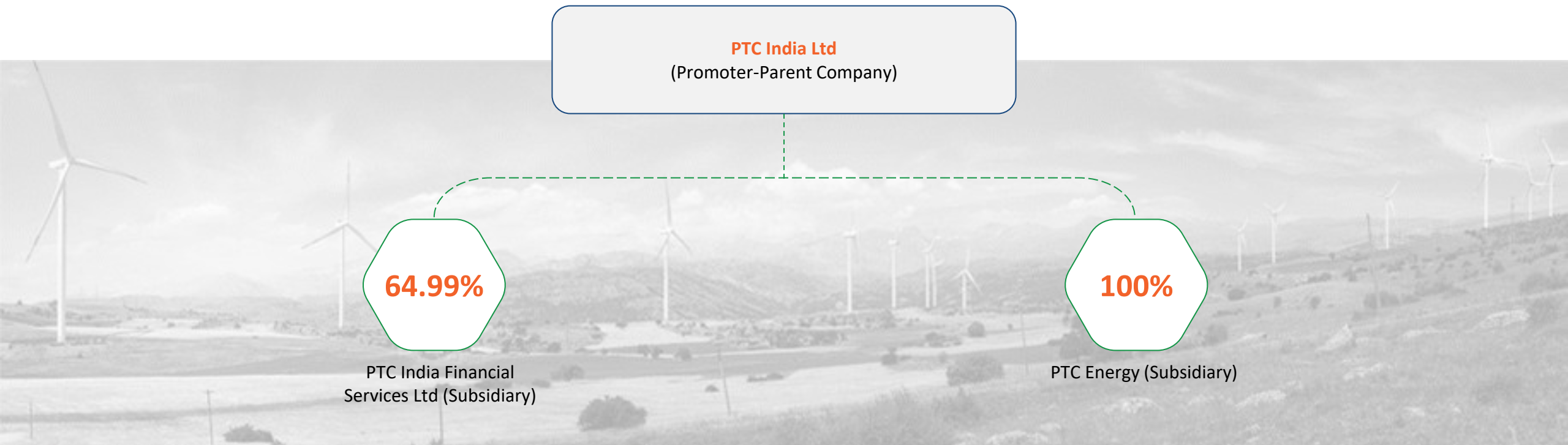
Company at a glance

Company Name	PTC India Financial Services Limited ('PFS')
Industry	Financial Industry / NBFC – Infrastructure Finance Company
Activity	Investment and Financing to Power and other Infra Projects
Registered office	7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi 110066
Type of Organization	Public Limited Company (Listed on BSE & NSE)
Date of Incorporation	September 08, 2006
Promoter/Parent Company	PTC India Limited (formerly known as “Power Trading Corporation of India”)
CIN	L65999DL2006PLC153373
Authorized Capital	Rs. 2,000 crore
Paid up Capital	Rs. 642.28 crore
Website	www.ptcfinancial.com

What rating agencies say

Facilities	CRISIL	ICRA	CARE
NCD / Bonds	CRISIL A+ / Stable	ICRA A+ /Stable	CARE A+ /Stable
Long Term Loan	CRISIL A+ / Stable	ICRA A+ /Stable	CARE A+ /Stable
Short Term Loan	-	ICRA A1+	CARE A1+
Commercial Paper	CRISIL A1+	ICRA A1+	-

- PTC India Ltd (formerly known as *Power Trading Corporation of India Limited*) is the main promoter and parent company which owns 64.99% in PTC India Financial Services Limited.



“To partner and forge strong relationships with credible stakeholders to provide complete financial solutions- equity, debt and other financial services for all links in sustainable infrastructure value chain and other related infrastructure sectors”



Mission



Vision

“To be the most preferred financial partner in sustainable infrastructure value chain”



- PFS is positioned to cater the financial requirement of the companies of sustainable infrastructure value chain and other related infrastructure in the form of debt, equity or any other credit arrangement as a one stop shop. PFS offers structured finance, hybrid instruments, advisory services and other relevant supports to its clients to mitigate risks and effectively implement the project and generate higher returns



- PFS has successfully funded around 153 projects from Renewable and Infra sectors since its inception in FY 2007. It is highly valued by the project developers and is considered as a preferred financial partner

PFS offers various investment and financing products/solutions to Infrastructure and Power projects, the details are illustrated in the graphic below:

Debt Financing

PFS provides debt finance in the form of Long Term Loan, Short Term Loan as well as Bridge Financing to the projects in the entire energy value chain i.e. from power generation projects to transmission and distribution projects, fuel sources and to the related infrastructure. There are various factors considered for the debt assistance to any particular project/borrowing company viz. market conditions, regulatory requirements, risk and reward from the projects etc.

Fee Based Services

PFS team assists companies in structuring and raising debt and mezzanine capital tailored to their needs. Leveraging on its long term relationships with Banks and Financial Institutions and its experience in executing structured and vanilla debt transactions, PFS handholds companies in structuring and raising capital, which is optimal in terms of cost and structure. With an in house core team of professionals with sectoral as well cross-functional knowledge, PFS helps its clients to become competitive, effective and successful.



Advisory Services

PFS provides advisory services to the various infrastructure, renewable energy, energy efficiency projects and other projects for helping in efficient installation of these projects. The Advisory services are focused in the areas of finance and in the areas which lie at the intersection of finance and the energy sector.

The details of the key functions of the company are given below:





Shri Deepak Amitabh, Chairman

He is an former Indian Revenue Services (IRS) Officer. He also serves as Chairman and Managing Director of PTC India Limited. He has more than 35 years of experience in the field of auditing, financing and revenue mobilization.



Dr. Pawan Singh, MD & CEO

He is former Civil Officer and served as Director (Finance) of Delhi Power Company Ltd, Delhi Transco Ltd, Genco etc.. He was involved with power reforms in Delhi and served in various infrastructure sector organizations like Power grid, Indian Railways, Tata Steel and Ex. Director Finance for around 6.5 years of PFS. He has been on board of various companies/ institution including IIFCL (AMC),. presently also on Board of PTC Energy, MDI, Chairperson of Audit Committee



Shri Naveen Kumar, Whole Time Director

He has worked in power sector majors including BHEL, NTPC and PFC and has overall experience of about 39 years covering various areas including infrastructure projects formulation, technical and financial appraisal, monitoring and financing / consortium lending of power projects. He also possesses rich experience in area of erection, commissioning, O&M of power projects and setting up of UMPPs.



Mrs. Praveen Tripathi, Independent Director

She is from IA&AS of 1973 Batch (retired) and has worked at various senior positions in Govt. of India. She has served as member - Competition Appellate Tribunal, Member - Airport Economic Regulatory Authority Appellate Tribunal and as Deputy Comptroller & Auditor General of India



Shri Thomas Mathew T, Independent Director

He served as Managing Director and Interim Chairman of Life Insurance Corporation of India. He has also served as Managing Director and CEO of Reinsurance Group of America (RGA) for India Bangladesh and Sri Lanka. And also served on the board of leading companies like Tata Power, Voltas, Mahindra & Mahindra, Corporation Bank, IFCI Limited, MDI, Gurgaon, National Insurance Academy, Pune, Metropolitan Stock Exchange of India and L&T Capital Markets. Currently he is on board of Larsen & Turbo Limited, L&T Finance Holdings, L&T Infra Debt Fund. L&T Infrastructure Finance Limited, Canara HSBC OBC Life Insurance Company Limited, LIC (International) Bahrain, L&T Capital Markets, Dubai.



Shri Santosh B. Nayar, Independent Director

He has rich working experience of around 40 years in project finance and banking, including international & investment banking, and life insurance industry. He was the Chairman of India Infrastructure Finance Company Limited (IIFCL), a wholly-owned Government of India Enterprise with an asset size of USD 6.5 Bn.



Shri Kamlesh Shivji Vikamsey, Independent Director

He is chartered accountant and a Senior Partner of Khimji Kunverji & Co, Chartered Accountants since 1982. He has more than thirty five years of experience in Accounting and Finance, Taxation, Corporate and Advisory services. He is Chairperson of the External Audit Committee (EAC) of International Monetary Fund (IMF), Washington D.C., United States of America; Deputy Chairperson of the Audit Advisory Committee of United Nations Children's Fund (UNICEF), New York, United States of America; and Member of the Independent Management Advisory Committee (IMAC) of International Telecommunication Union (ITU), Geneva, Switzerland.



Shri Rakesh Kacker, Nominee Director

He is a nominee director of PTC India Limited on the Board of the company and has earlier worked as Secretary to the Government of India and hold various posts at senior level in the Government. He has rich experience of India Power sector.



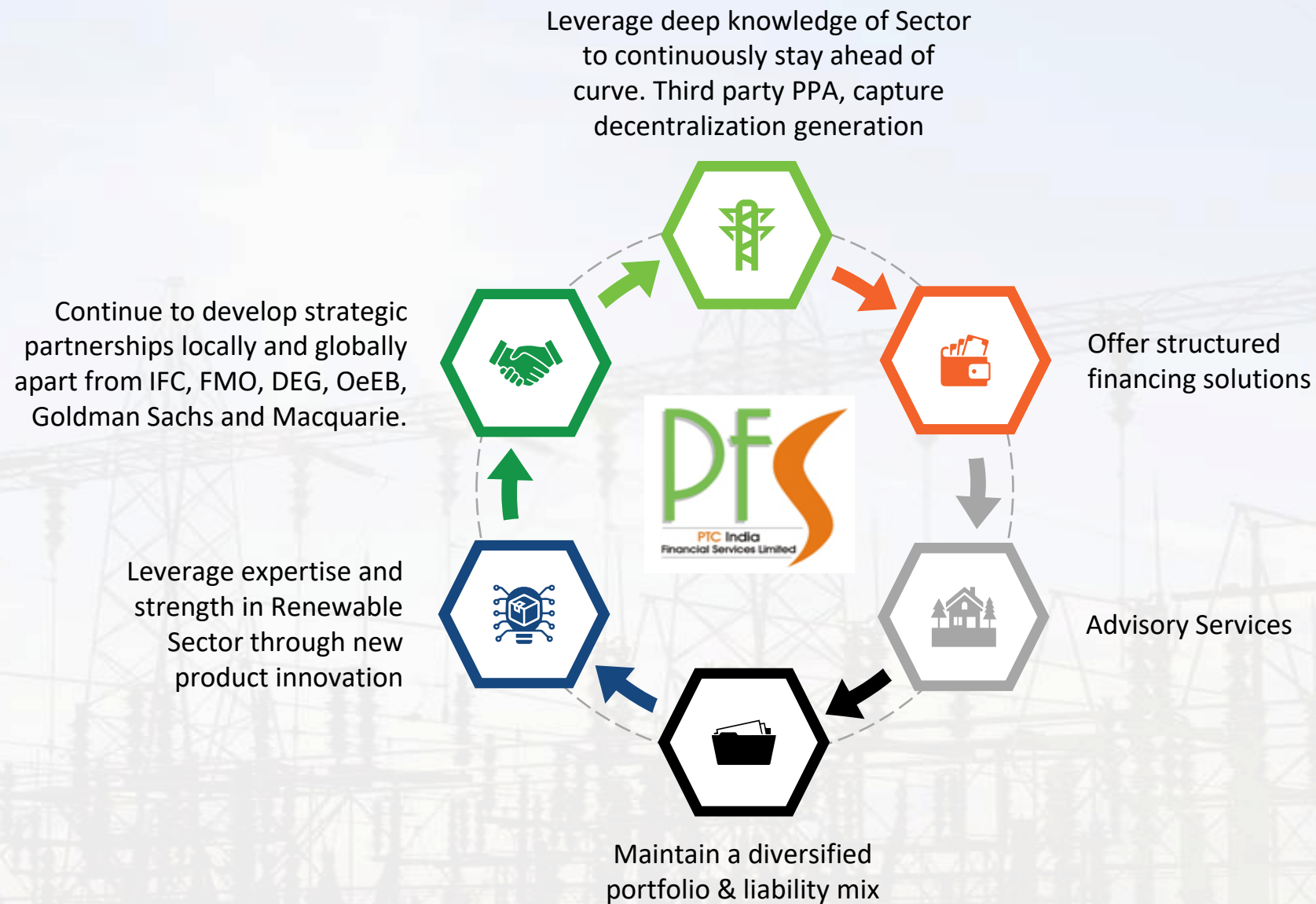
DR AJIT KUMAR, Nominee Director

He is Nominee Director of PTC India Ltd. on the Board of the Company. He has joined PTC India Limited as Director (Commercial & Operations) on 2nd April, 2015. Prior to joining PTC, he worked in NTPC for 35 years.



Rajiv Malhotra, Nominee Director

He is Nominee Director of PTC India Ltd. on the Board of the Company.. He is Executive Director & Group CRO, PTC India Ltd. His previous assignments include COO, Athena Energy Ventures and was part of the team that successfully completed PTC's IPO in 2004. .



The Company has emphasised on moving from consolidation to growth and expansion by enhancing its product offerings and focusing on quality portfolio. Our returns over the last few quarters underline our resolve to improve liquidity, improve value for the stakeholders, focus on achieving sustainable growth and contribute towards a better environment by supporting on renewable energy. These measures are aligned towards our vision of becoming a sustainable infrastructure finance organisation.

Our lenders, both domestic and international, have been very supportive due to which the Company's credit standing has enhanced drastically. To ensure the financial stability of the Company, we are now lending in the more resilient sectors like transmission, Road HAM, Waste Management, Urban sanitisation, E-Mobility, Water distribution and much more. This will help in highlighting our robust business model which is safeguarded from the economic headwinds.



Credit Risk Management

- Implementation of Internal Credit Grading mechanism which captures sector specific risk related parameters during the entire loan-life cycle (i.e. pre-construction and post construction)
- Implementation of Early Warning System which has been integrated with internal credit grading mechanism to identify and closely monitor early warning signals to prevent slippages of performing loan accounts into NPA
- Formulation of Corrective Action Plan for Loan accounts identified under EWS framework, and subsequently reviewing/monitoring on quarterly basis
- Annual review of the entire portfolio through internal credit grading mechanism, wherein review of the security package, compliance of financial covenants is ascertained and assessed



Market Risk Management

- Implemented the mechanism of Risk Based Pricing which has been integrated with internal credit grading mechanism

Our Marquee Clients



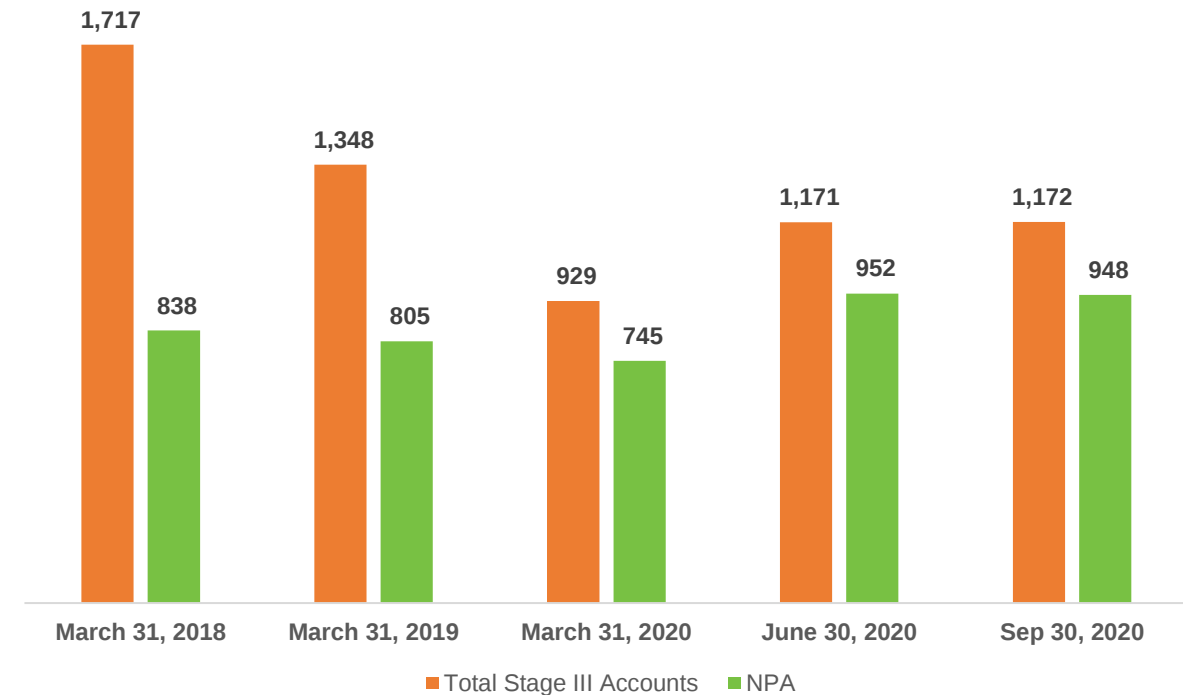
Our Key Lenders (International and Domestic)

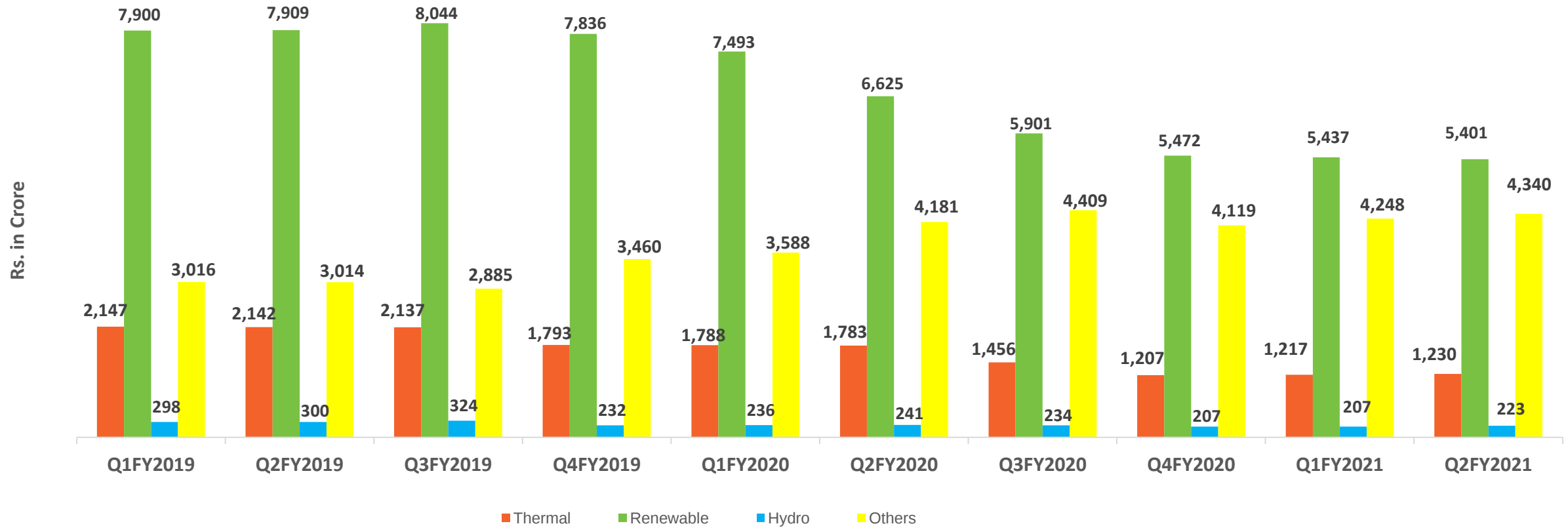
Established relationship with Leading Development Financial Institutions (DFIs) and Banks in form of treasury of around Rs. 12,000 crore (around \$ 1,700 million)



- Long Term Liability to Short Term Liability is at a comfortable level of 91%:9% with adequate liquidity in the system
- Reducing trend of cost of funds with improvement in yields of earning portfolio
- In discussion with additional credit lines of Rs. 1,000 crore
- Relationship enhanced with existing bankers and establishing with new lenders, domestic as well as international
- Capital Adequacy at comfortable level with majority in form of Tier I capital
- Improvement in leverage position with simultaneously improvement in portfolio quality
- Majority of projects has been commissioned and hence nominal construction risk for projects
- Stress / NPA accounts are on declining trend and focus is on improving operational performance
- Company has shifted its pricing methodology from Reference Rate to Base Rate for higher yields in its business model

Stress Account Update





Total	13,361	13,366	13,390	13,321	13,105	12,830	12,000	11,005	11,109	11,194
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Portfolio Shift – Credit Portfolio %

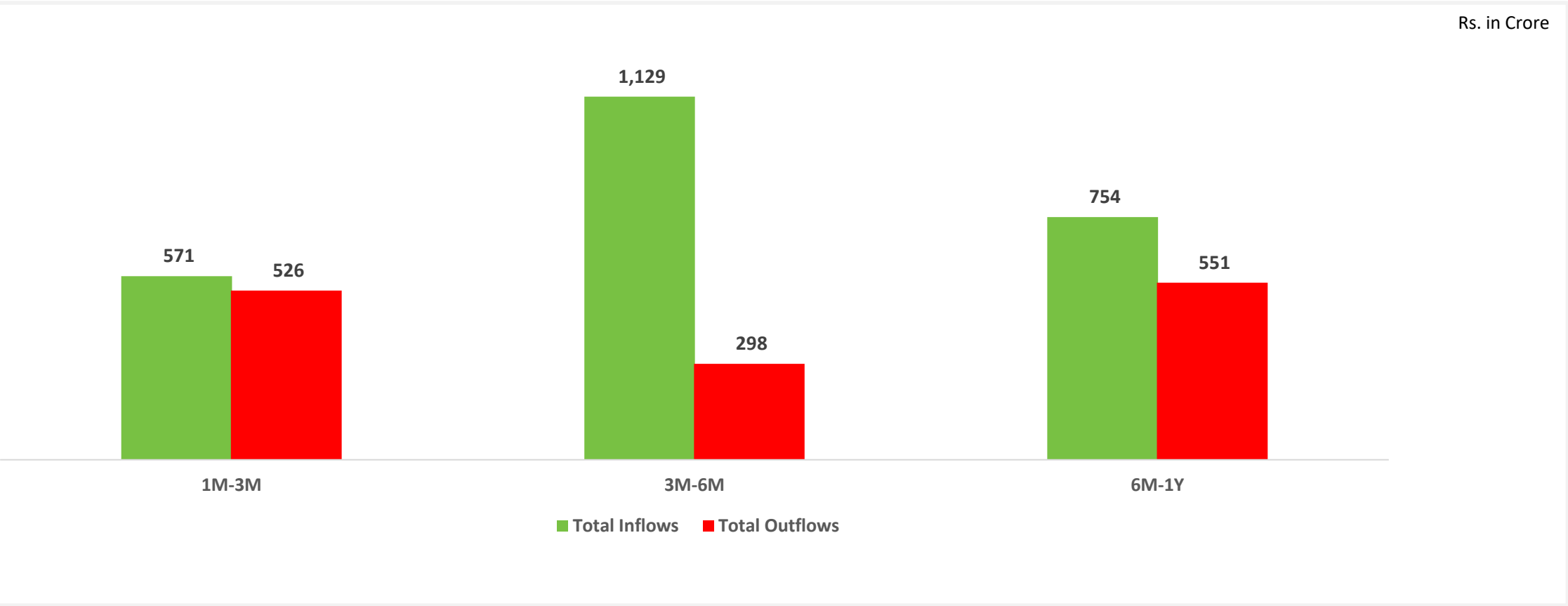


Thermal Renewable Hydro Others



Additional comforts above cash flow indicated in chart below :

- Undrawn credit lines of around Rs. 1,300 crore and renewal / review of credit lines of Rs. 500 crore is at advanced stage
- High Quality Liquid Assets (HQLA) of Rs. 265 crore in form of bank fixed deposits
- Fresh Credit lines of around Rs. 1,000 crore is under consideration with various lenders



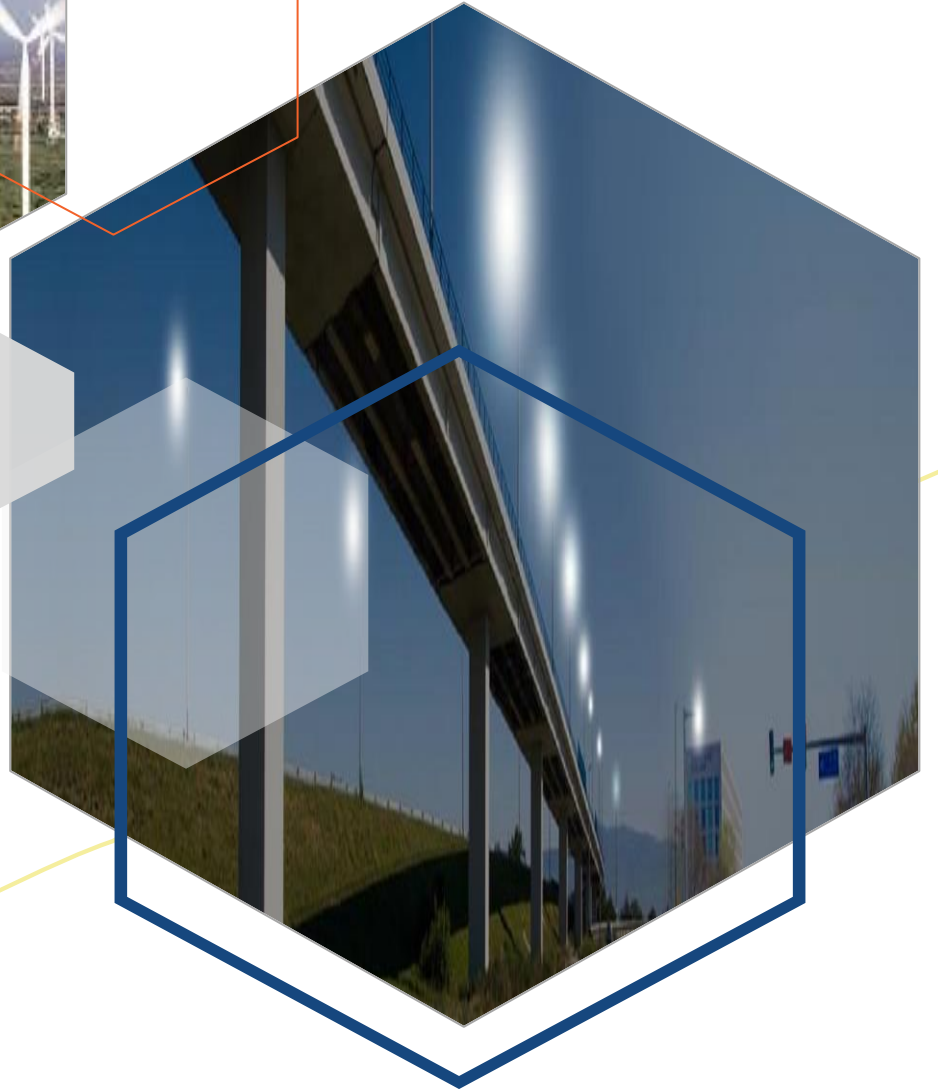
Debt equity ratio has been improved to 4.30

Capital adequacy is comfortable at 24.06%

Stress / NPA accounts of Rs. 685 crore has been resolved in the previous year and balance are at advanced stage of resolutions. Further resolutions are expected in the current year

Loans of Rs. 630 crore has been sanctioned in the current quarter. Large pipe line of clean energy and sustainable infrastructure projects to support growth

Financials



Key Balance Sheet Indicators

Qtr ended 30 th September, 2020	Qtr ended 30 th June, 2020	Qtr ended 30 th September, 2019	Q-o-Q %	Particulars	Half Year Ended 30 th September, 2020	Half Year Ended 30 th September, 2019
350	-	443	350.0%	Loan Sanctioned (Rs. Crs)	350	1,161
334	100	1,123	234.0%	Loan Disbursed (Rs. Crs)	434	1,580
11,638	11,561	13,216	0.7%	Outstanding Credit	11,638	13,211
11,194	11,109	12,830	0.8%	Loan Assets (Rs. Crs)	11,194	12,830
444	452	381	(1.8%)	Non fund based (Rs. Crs)	444	381
24.06	23.75	20.65	1.3%	Capital Adequacy Ratio (%)	24.06	20.65

Key Operational Indicators

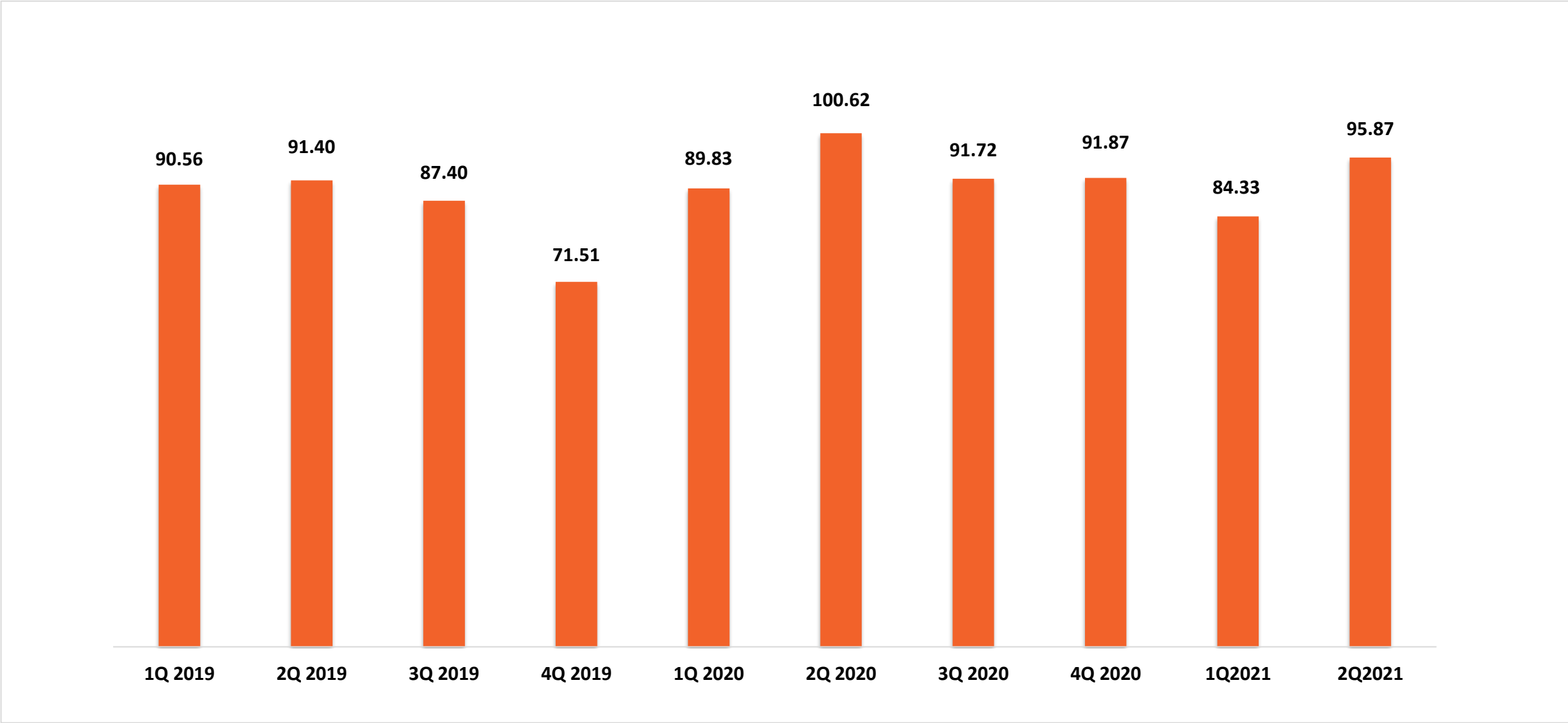
Qtr ended 30 th September, 2020	Qtr ended 30 th June, 2020	Qtr ended 30 th September, 2019	Q-o-Q %	Particulars	Half Year Ended 30 th September, 2020	Half Year Ended 30 th September, 2019
95.87	84.33	100.62	13.7%	Net Interest Income (Rs. Crs)	180.20	190.45
10.38	10.40	10.60	-	Yield on Earning Loan (%)	10.39	10.44
8.53	8.75	9.09	2.5%	Cost of borrowed funds (%)	8.64	9.11
1.85	1.65	1.51	12.1%	Interest Spread (%)	1.75	1.33
3.38	3.06	3.13	10.5%	Net Interest Margin (%)	3.22	2.90
0.50	0.41	0.69	22.0%	Earnings Per Share (Rs.)	0.91	0.93
11.51	9.50	8.47	21.2%	Cost to Income Ratio (%)	10.54	9.09
4.30	4.36	5.06	1.4%	Debt Equity Ratio (%)	4.30	5.06
5.96	4.99	8.65	19.4%	Return on Networth (%)	5.50	5.88
1.10	0.91	1.37	20.9%	Return on Assets (%)	1.01	0.93

Results Overview (Rs. In crore)

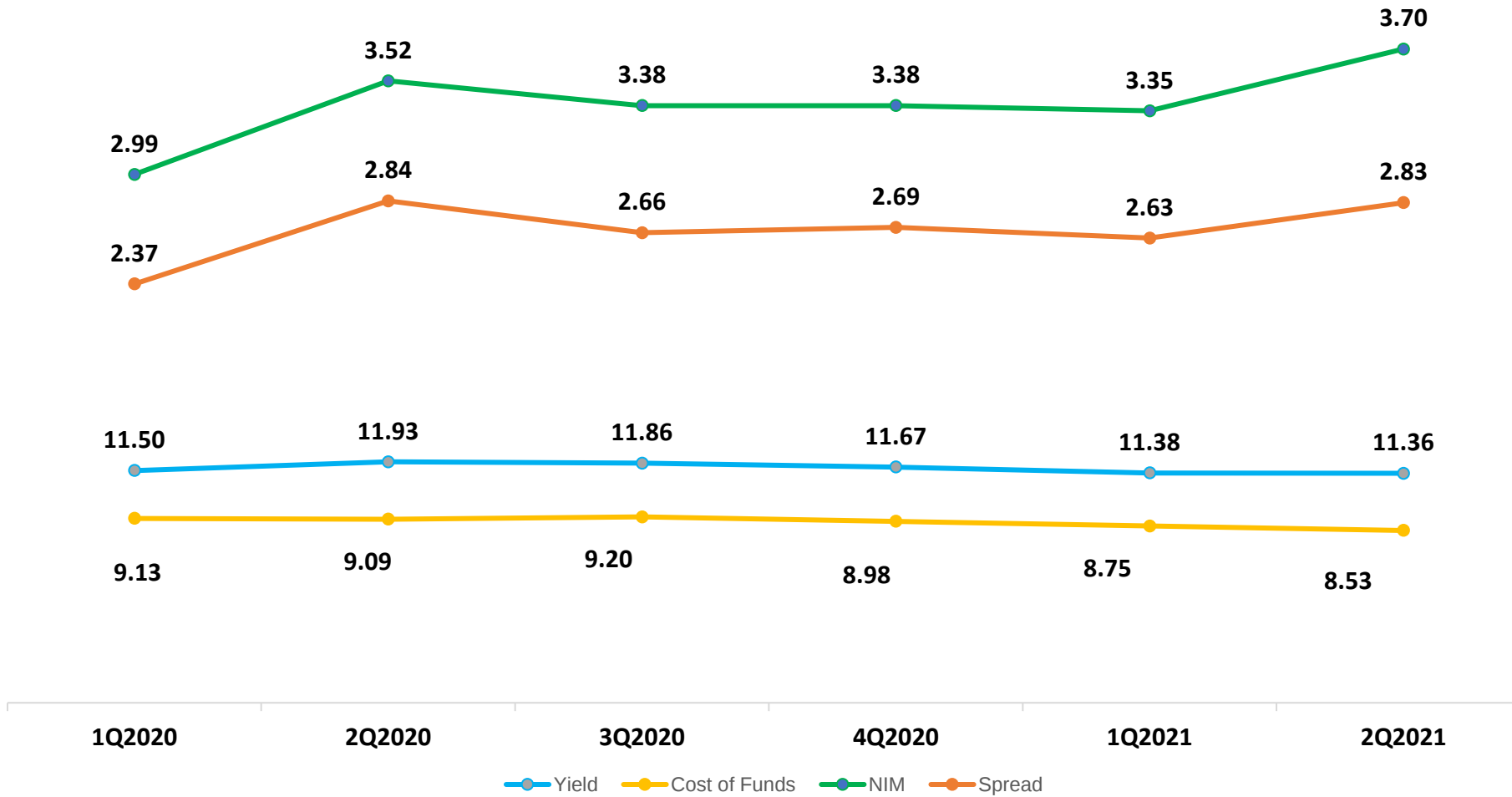
Qtr ended 30 th September, 2020	Qtr ended 30 th June, 2020	Qtr ended 30 th September, 2019	Q-o-Q %	Particulars (Rs. Crore)	Half Year Ended 30 th September, 2020	Half Year Ended 30 th September, 2019	Y-o-Y %
291.89	290.37	340.63	0.5%	Interest Income	582.26	685.54	-15.1%
297.98	298.11	354.11	(0.04%)	Total Income	596.09	705.42	-15.5%
196.02	206.04	240.01	4.9%	Interest and financial charges	402.06	495.38	-18.8%
41.07	40.58	36.05	1.2%	Provision and contingencies	81.65	98.76	-17.3%
12.43	8.90	9.93	39.7%	Other operating expenses	21.33	19.74	8.1%
249.51	255.52	286.0	2.3%	Total expenses	505.04	613.87	-17.7%
48.46	42.60	68.11	13.8%	Profit before tax	91.06	91.55	-0.5%
16.61	16.03	23.87	3.6%	Tax expense (including deferred tax)	32.64	31.66	3.1%
31.85	26.56	44.24	19.9%	Profit after tax	58.42	59.88	-2.4%



Net Interest Income (Rs. in crore)



NIMs / Spread driven by consistent improvement on operational parameters



* Numbers are based on Earning Portfolio

Provisioning on NPA as on 30th September, 2020

Loan Account (Rs. crore)	Gross Loan	Provision	Impairment Reserve	Increment Provision
Athena Chhattisgarh Power Limited	189.51	111.33	11.84	9.50
Dirang Energy Private Limited	71.05	54.14	6.81	-
Himagiri Hydro Energy Pvt Ltd	5.00	1.50	-	-
ICOMM Tele Ltd	2.65	0.03	1.32	-
Kohinoor Power Pvt Limited	50.00	49.21	0.79	1.91
Konaseema Gas Power Limited	100.00	76.73	23.27	1.38
KSK Mineral Resources Private Limited	43.10	18.40	-	-
Meenakshi Energy Private Limited	150.00	36.68	21.46	6.68
NRSS XXXVI Transmission Limited	206.92	48.14	-	17.10
NSL Nagapatnam Power & Infratech Private Limited	125.00	37.50	-	-
Varam Bio-energy Pvt Ltd	4.29	4.29	-	-
Total NPA	947.52	437.94	65.49	36.57

PFS has sponsored a project called Crop Residue Management (CRM) to control stubble burning in Ludhiana and Patiala. Awareness creation is also done.



Distribution of "सेहत की टोकरी" - COVID protection kits in underprivileged areas of Delhi NCR



Meeting with the farmer's and field visit



Stock Information (As on 30 th September, 2020)		
	Market Cap	1,156.11 Cr
	Stock Price	18.00
	52 Week (High/Low)	20.70/6.78
	NSE/BSE Symbol	PFS/533344
	No of shares outstanding	64.22 Cr
	Average Daily Volume (3 months)	13,91,657

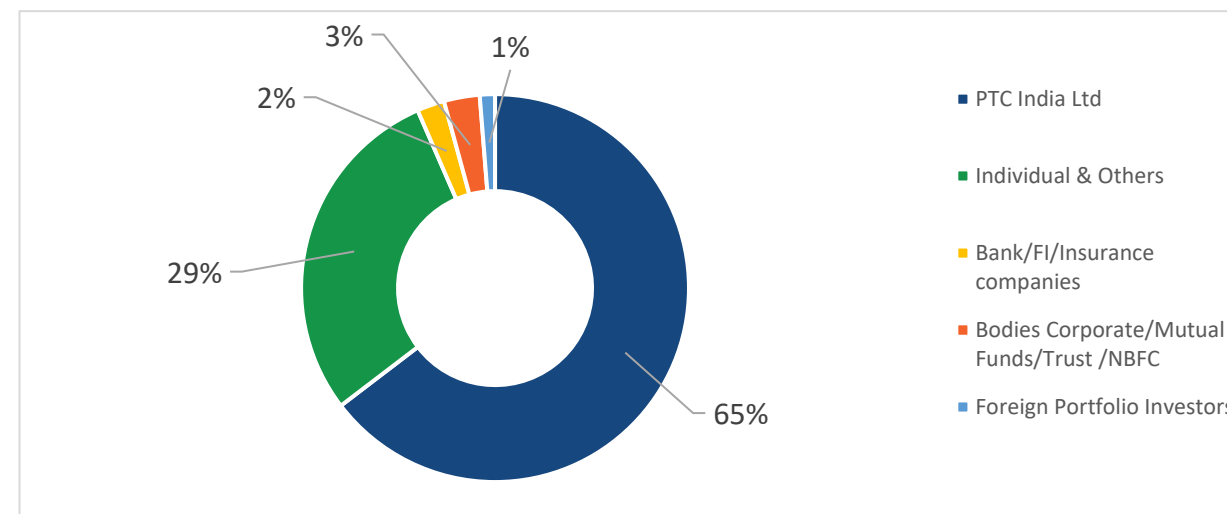
Top 5 Institutional Shareholders (As on 30 th September, 2020)	% of holding
PTC India Limited	64.99
Life Insurance Corporation of India	2.13
Quant Mutual Fund - Quant Active Fund	0.29
Dimensional Emerging Markets Value Fund	0.28
Kapital Foreningen, Asiatisk	0.24

Stock Chart as on 27th Oct, 2020



Source : Thomson Reuters

Shareholding Pattern as at 30th September, 2020



Rounded off to nearest multiple



Thank You

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