



Dated: November 04, 2023

To

Manager Listing Department <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code : 533344	Manager Listing Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra- Kurla Complex, Bandra (East), Mumbai- 400051 Scrip Symbol: PFS
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**Sir/ Madam,**

**Sub: Submission of transcripts of Audio recording of the Conference Call held on Monday, October 30, 2023 at 4:00 PM (IST) on the financial results for Q2FY24**

In continuation to our letter dated October 31, 2023, and pursuant to Regulation 30 and 46(2)(oa) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find the transcripts of Audio recording of the Conference Call held on Monday, October 30, 2023 at 4:00 PM (IST) on the financial results for Q2FY24.

This is also available on the Website of the Company at [www.ptcfinancial.com](http://www.ptcfinancial.com).

This is for your information and record please.

Yours faithfully,

**For PTC India Financial Services Limited**

**Shweta Agrawal**  
**Company Secretary**

**Enclosed: as above**

**PTC India Financial Services Ltd. (CIN: L65999DL2006PLC153373)**

(A subsidiary of PTC India Limited)

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**PTC India Financial Services  
Q2 FY24 Earnings Conference Call**

Event Date / Time : 30/10/2023, 16:00 Hrs.  
Event Duration : 34 mins 17 secs

**CORPORATE PARTICIPANTS:**

**Mr. Abhinav Goyal**  
Vice President

**Mr. Mahendra Lodha**  
MD and CEO (Additional Charge), Director of Finance

**Mr. S. Siva Kumar**  
Executive Director - Credit

**Mr. Kalur Srinivas**  
Executive Director - Project Monitoring, Disbursement and Recovery

**Mr. Sanjay Rustagi**  
Senior Vice President, Head - Finance

**Q&A PARTICIPANTS:**

1. **Rithu Chauhan** : Individual Investor
2. **Vaibhav Gupta** : Bowhead India Fund
3. **Jayanth Raghavan** : Individual Investor
4. **Abhisri Shah** : Individual Investor
5. **Kunal Mehta** : Equirus Wealth
6. **Chanamallu Halagodi** : Individual Investor

## **Moderator**

Ladies and gentlemen, good day and welcome to Analyst and Investor Conference Call to discuss Q2 FY24 Results of PTC India Financial Services Limited. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing \* and then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Abhinav Goyal, Vice President from PTC India Financial Services Limited. Thank you, and over to you Mr. Goyal.

## **Abhinav Goyal**

A very good afternoon to all our activist, shareholder, investor and analyst community at large. We are pleased to announce the results which we did on Friday, and now we are here to discuss the results and way forward. So today, we are having our MD & CEO, Additional Charge, cum Director of Finance, Mr. Mahendra Lodha. And we are also having our two Executive Director, one, Mr. S. Siva Kumar, who is heading our Credit division; and another one is Mr. Kalur Srinivas, who is heading Monitoring division of our organization. We are also having Mr. Sanjay Rustagi, who is Head Finance and the Senior Vice President; and I'm Abhinav this side. So now I request our MD & CEO Additional Charge to kindly elevate the results. Over to you Lodha sir.

## **Mahendra Lodha**

Good afternoon, all our investors, shareholders, and listeners, and all analysts, welcome. So, I will just highlight, we have already published our results for Q2 on Friday 27th October 2023. So, I will just highlight two things of our results. So, for the quarter ended 30th September 2023, we achieved the total income of INR 201.81 crores as against the previous quarter of INR 193.23 crores, as well as that same quarter of the last year of 2022 INR 195 crores. So, profit before tax we achieved during the quarter ended 30 September 2023 of INR 79.99 crore against the previous quarter figure of INR 49.24 crore, as well as the last year of the same quarter of INR 70.27 crore.

And profit after tax we achieved during the quarter ended 30 September 2023, INR 59.77 crore as against the previous quarter figure of INR 36.76 crore as well as the same quarter of the last year INR 52.66 crore. So, even with all these ratios, most of the ratios have been improved, just like yield on earning has improved to 10.89% as against the 10.77% during the previous quarter, and 10.58% of the same quarter in the last financial year. Net interest margin has also improved to 4.46% as compared to 4.33% during the previous quarter and the 4.34% of the same quarter during last year's same quarter September 2022.

Our outstanding credit is INR 7,175 crore as on that 30 September 2023, and capital adequacy ratio has also improved to 38.58% as against the 34.90% during the previous quarter, and 31.74% during the same quarter of the previous financial year. Net interest margin has also improved. So, for the quarter it is 4.46% as against the previous quarter 4.33%, and the last year same quarter 4.34%. So, we have resolved few of the NPAs, so in detail with my colleague Mr. Siva Kumar will later on mentioned. One another thing I would like to highlight, the market cap is around INR 1,750 crore. So, these are the highlights, I will hand over to Mr. Siva Kumar who will discuss in detail about the NPAs which we have resolved or other NPAs which are at the verge of finalization of resolution.

## **S Siva Kumar**

Good afternoon, everyone. I'm Siva Kumar. Going forward, we have around four NPAs in our book, and of which two were resolved just at the beginning of this present quarter, end of the last quarter. And one of them is Meenakshi Energy having INR 150 core of an gross loan book that got result in NCLT IBC route and also the other one is IL&FS Tamil Nadu Power Limited, wherein all the lenders have agreed for restructuring under the ages of RBA circulars and IFCI and PFS also has done the IL&FS Tamil Nadu Power restructuring, by which we are expected to resolve the gross loan book of INR 243 core. So, it will have the restructured line by which **[Inaudible 00:05:55]** year it will get upgraded, but presently we will have around INR 70 as cash revenue, so which we will get it.

And the other two larger accounts also we are in the process of resolving and we expect to resolve. We are in the advance stages of resolving strategy and we hope to resolve those things also by this quarter end or by early next quarter. And as regards to other things also, we are having a pipeline of assets also and also proposals, we are evaluating and we will take a cautious call as we go forward, keeping the quality of our portfolio in mind. Thank you.

## **Abhinav Goyal**

Thank you so much Siva. So, I request our Executive Director, Mr. Kalur Srinivas to have some elaboration on few of the account which we recently recovered and way forward.

## **Kalur Srinivas**

Thanks Abhinav, thanks Sanjay and Siva Kumar. I think the other point to add is in some of the other concerning assets that we had. We were in a position to settle in some of them which especially some of the distressed road assets, where in the last few months a substantial portion of it was resolved and sort of buy such assets, three have been resolved and only two in which the exposure also has been very less, are in the process of culmination as far as the resolution part of it is concerned.

## **Abhinav Goyal**

Thank you so much MD sir, ED sir. So, moderator, may we request you to kindly open the session for question answer.

## **Q&A**

## **Moderator**

Sure, sir. Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press \* and 1 on your telephone keypad and wait for your turn to ask a question. If you would like to withdraw your request, you may do so by pressing \* and 1 again. Ladies and gentlemen, if you have a question, please press \* and 1 on your telephone keypad. We will wait for a moment while the question queue assembles. Ladies and gentlemen, if you have any question, please press \* and 1 on your telephone keypad. Ladies and gentlemen, if you have any question please press \* and 1 on your telephone keypad. First question comes from Rithu Chauhan, an Individual Investor. Please go ahead.

**Rithu Chauhan**

I just had one question. So, I was going through the Investor presentation, in that I saw the State Power Utility contribution has been decreasing over the quarter. To get an understanding what is the reason and what is result outlook.

**Abhinav Goyal**

Sorry, come again, can you repeat your question please?

**Rithu Chauhan**

I was saying that, when I was going through the Investor presentation, I came across this slide under Corporate Loan under respective sector. In that, the State Power Utility contribution has been decreasing over the quarters. So, I just wanted to understand the reason for the same and what would be the future outlook?

**S Siva Kumar**

Given our interest towards the power sector, we have this till towards the State Power Utility, but definitely we are looking at to diversify our portfolio, and to derisk our portfolio from the over exposures. We are looking at having more project loans, and more spread over to the borrowers in various other sectors including roads, water and so on. So, it's a very regular happening and through the repayment and this is what we have, and it is also our effort to diversify our portfolio to various sectors and derisk our portfolio from over exposure to another sectors. So, that's where we are coming from that.

**Rithu Chauhan**

Another follow up question. So which sector do you expect the most growth, which sector do you expect the most loan coming in the, let's say, half year or one year?

**S Siva Kumar**

We are exploring various sectors and especially EV charging and also looking at the sectors such as roads, especially hybrid annuity, and also renewables, where we have good takeoff our counterparty risks for repayment and timely honoring their commitments. So, these are the few sectors which we are looking at, to grow.

**Moderator**

Thank you. Ladies and gentlemen, if you have any question, please press \* and 1 on your telephone keypad. Ladies and gentlemen, if you have any question, please press \* and 1 on your telephone keypad. Next question comes from Vaibhav Gupta from Bowhead India Fund. Please go ahead.

**Vaibhav Gupta**

Sir, we had plans to raise funds to fuel growth. So, any update in that regard, like the growth of the loan book?

**Mahendra Lodha**

So, we are already approaching. We are already in touch with all these bankers and meetings are at an advanced stage, and we are about to succeed in getting the funds, because earlier they were telling to just wait for one more quarter. So, that's why quarterly results we already published, and now we are approaching to all banks.

**Vaibhav Gupta**

And sir, what is the quantum or amount of funds we are looking to raise?

**Mahendra Lodha**

Right now, we are looking is around INR 2,000 crore to INR 2,500 crore. Going forward we will have been approached for this higher amount with different banks.

**Vaibhav Gupta**

Okay. And sir, two of the accounts which have been resolved are Meenakshi and IL&FS, right?

**S Siva Kumar**

Right.

**Vaibhav Gupta**

And what are the amounts we have recovered from each of the projects?

**S Siva Kumar**

In IL&FS, we are expecting funds in a day or two, and expect around INR 70 crores, and as regards Meenakshi, it's around INR 55 crore or 60 crores we will receive.

**Vaibhav Gupta**

So, in IL&FS, is there scope to get any further funds at any later stage?

**S Siva Kumar**

Yes, balance we will receive over a period and majority we will receive in next two years and balance over a period of next 11 or 12 years we will receive.

**Vaibhav Gupta**

11 or 12 months or 11 or 12 years?

**S Siva Kumar**

Yes. It is a restructuring.

**Mahendra Lodha**

It's a 15 year restructuring.

**S Siva Kumar**

Yes, it is 15 year restructuring, and we will receive major part of the funds in the next two or three years, balance we will receive over a period.

**Vaibhav Gupta**

Okay. And what is the full quantum of sale with you?

**S Siva Kumar**

Actually, the principal part is around INR 210 crores and INR 220 crores we will receive.

**Moderator**

Next question comes from Jayanth Raghavan an Individual Investor. Please go ahead.

**Jayanth Raghavan**

So, the first question is, there were certain positions in the management, if I understood, which were not filled. So, over a period of time, I have read that some of the positions have got filled. So, is the management fully recruited now or are there still some positions to be filled?

**Mahendra Lodha**

I think most of the positions have already been filled. So, I will just highlight. Earlier there was not any post of Executive Director. Now, we are heading two Executive Directors, one is Executive Director Credit, and another is Executive Director Monitoring. So, both the Executive Directors have joined. So, in addition to that, the Chief Compliance Officer has also joined, and HIA is there, Head Internal Audit is there, CRO is there, Head HR is there. So, almost all the top-level positions or senior level positions have been filled. So, we are expecting a regular Managing Director and CEO is also in the process of appointing.

**Jayanth Raghavan**

Okay, that is good to know. The second question is, now when I'm analyzing your company's numbers, I am looking at it sequentially more than YoY, because after the restructuring we are doing a fresh start. So, we are seeing a very good improvement compared to the first quarter. And you had just mentioned that in addition to the first quarter, your lenders wanted to wait for one more quarter to decide how much to give in terms of lending. So, what is your expectation going forward for the next two quarters? Will we be able to maintain the run rate of this profitability? Or do you see any challenges in that or whether we can see accelerated the increase in the profitability and the disbursements?

**Mahendra Lodha**

Yes, so parallelly we are working on that fundraising as well as building that new pipeline of good proposals in new emerging sectors. And as far as profitability is concerned, we are expecting to get it increased based on that further funding as well as that further deployment of the funds. So, at this stage, if you see, you're rightly told, if you compare with the results for the quarter ended 31st March 2023 then Q1 of 2024, 30 June 2023, as well as the quarter ending 30 September 2023. So, a lot of improvement is there. So, now currently we are working on this and we are expecting further improvement in results.

**Jayanth Raghavan**

Okay, and last question, what is the book value right now? Do you have the figure?

**Mahendra Lodha**

Yes, right now our book value is around INR 7,150 crore.

**Jayanth Raghavan**

Per share how much it works out to?

**Mahendra Lodha**

Sorry?

**Jayanth Raghavan**

Per share, book value per share, how much is it working out to as of September?

**Abhinav Goyal**

So, we are just informing the figure, in the meantime, if in case you are having any other question you may please go ahead with that.

**Jayanth Raghavan**

No, I'm done. I just want this info. That's it.

**Mahendra Lodha**

Our market cap is INR 1,750 crore, and then stock price has also increased on INR 12 to like, it was higher at INR 31.4 sometimes. I think it's around INR 27, INR 28. Right now it is INR 38.5.

**Jayanth Raghavan**

INR 28.5, the book value?



**Mahendra Lodha**

INR 38.5.

**Jayanth Raghavan**

INR 38.5, the book value?

**Mahendra Lodha**

Yes, so the market cap is much lower than as compared to the net worth what we are having.

**Jayanth Raghavan**

Yes, that's what I wanted to know. And lastly, what is the ROA. Is it available readily?

**Abhinav Goyal**

For the quarter ended 30th September it was 3.13%. It's been improved in comparison to last quarter, where it was 1.92% only.

**Moderator**

Next question comes from Abhisri Shah an Individual Investor. Please go ahead.

**Abhisri Shah**

So, I have two questions. So, I can see that, can you give me some explanation on the same, why has there been zero sanctions during this quarter? And going ahead, what should we expect?

**S Siva Kumar**

We are looking at our fund position, though we have good proposals pipeline of the order of quite good project pipeline of the proposals in the hand, we are looking at our fund position and then going ahead, and that's the reason we've been slightly muted in the sanctions, and I think going forward we will have a better sanction once we have liquidity also in hand.

**Abhisri Shah**

Okay, and one more question. So, how do you see the sector mix going ahead?

**S Siva Kumar**

As I told just a while ago, probably I don't know whether if I can repeat it. As we go, we look at the sunrise sectors which are today looking at better one like EV, EV charging station, those kinds of mechanisms. And also, we are

looking at the largely risk-free returns like mature sectors like renewables, where we have a good counterparty, risks apart from the HAM road projects, and those sectors we are looking at. And we are also exploring to diversify our risks by looking at other sectors also from social infra and other things, so that we will have better risk profile and diversified risk in our portfolio.

**Abhisri Shah**

Okay. So, as I can see in the presentation. So, we are seeing quite a bit improvement in the sustainable infra segments. So, how do you see the segments going ahead?

**S Siva Kumar**

This segment is about to grow and especially with our commitment to have reduce our carbon emissions and more investments coming in this sustainable infra space. I think this sector is bound to grow and there are many opportunities we are evaluating, considering our size and our growth appetite.

**Moderator**

Next question comes from Kunal Mehta from Equirus Wealth. Please go ahead.

**Kunal Mehta**

Thanks for the opportunity, sir. Can you just throw some roadmap on your next three to five years with all the senior management positions in filled up? Can you just tell me road ahead in terms of loan book, sector you just mentioned, but in terms of loan book and growth numbers?

**Kalur Srinivas**

We have working out on our growth pattern. We are looking at the book size to go by from presently around INR 7,500 crores to be around INR 25,000 crores, INR 30,000 crores in next three or four years, and post we've used these time period for opportunity to resolve our bad accounts. So, going forward, we will grow with more caution and with the lessons learned. So, we look forward to grow about by INR 25,000 crore to INR 30,000 crore our assets in next by 2027 with good capital adequacy, and also quality of the portfolio would improve, and we are also having various plans for raising our resource to commensurate with our growth appetite.

**Kunal Mehta**

Thanks. And another question is, most of the provisioning has been done, because this quarter probably the boost to your profitability, obviously lower provisioning of about INR 2.75-3 odd-crores. So, can you probably throw some light on the provisioning number going forward?

**Kalur Srinivas**

Yes, the provisioning for the bad assets which we had, three or four assets, have been fully provided for, have been sufficiently provided, for that two are fully provided. And going forward I don't see any stress in providing

any additional provisions. So, as such now we are entering the cleaning up phase and mostly we will succeed in cleaning, and touchwood we may not be required to provide any further.

### **Kunal Mehta**

Okay. So, any guidance on credit cost then, going ahead?

### **Kalur Srinivas**

Credit costs, as I said, it will not grow from here onwards. So, credit costs will remain same, and we are trying to look at and resolving it. So, going forward, the credit cost, we wanted to reduce it. Then our NPA will be entering into a 1% or 2% NPAs to move forward.

### **Abhinav Goyal**

So, if you go to slide number 26 of our Investor presentation. We are having I think 11, 10 accounts as I stage three loan account including Danu Wind. But out of that, majority has already been fully provided of asset four. Right? Now the four as ED sir has already been mentioned one is IL&FS Tamil Nadu where decent recovery is being expected, maybe INR 70 crore very shortly within a month, and so on. Then another account is Meenakshi Energy Private Limited, it is out of those top three NPS loan accounts, which are having some exposure. So, Meenakshi has already been resolved. Now, the third account is the Vento Power Infra Private Limited, this is a partly commission solar power project, where revenue is coming to the organization.

Now, to the extent the provision been required, since it's belongs to SL group broker the provision has already been provided out. Of course, our team is working with a focus to resolve this account as well, most probably in this financial year only. But at this moment, we should say that whatever be the net of provision that has already been provided off, and now whatever be the residents value, we are getting revenue to that extent. Now the last account which is a Danu Wind Park Private Limited, which is not a NPA account, but it is stage three loan account. So, in that account also again the decent recovery is happening, since this project is good. Only issue with this project was that the State was not honoring its commitment. Now the state already started honoring its commitment.

So last year we have recovered around INR 60 crore, INR 70 crore, and this year also we are having decent recovery from this loan account. So overall, if you look at the portfolio of the company, it is quite impressive and good in terms of credit cost, since we are not expecting anything major to come. Now, if we look at stage one, stage two, stage three. So, stage three, we have already been explained. Now, stage two, we were having seven loan accounts out of which three are already out from our portfolio that belong into Sadbhav group, two are in process of getting resolved.

Now, two accounts, they have no issues with the project assets major, and these two accounts may get upgraded maybe now one year or so to stage one loan account. So, the pipeline of project from stage two to stage three are also getting exhausted. So, that is how we are wonderfully placed at this moment to position ourselves for next level of growth so as to deliver value to our esteem shareholders.

### **Kunal Mehta**

Okay, okay. Thanks a lot Abhinav for this. And one last question is, when you spoke about fundraising, what model is usually or as in entities or banks or whom are you going to tuck in?

**Abhinav Goyal**

I guess you must have known that, there is a lot of hearsay about the company. So that hearsay is not only among the investor community, but with bankers as well and in media as well. And because of that hearsay, bankers have suggested to wait for some time as rightly being mentioned by MD sir. And once the results for one or two quarter will get published then probably they will look for fresh funding.

So, we also thought that let's have a consolidation first and to position ourselves for next level of growth, which we just explained. And now we are approaching our lenders for having a fresh line of credit to the organization. So, that is the only challenge probably in front of us and we are trying to address that also. So, once it will happen then probably the result would be evident in our performance in terms of increase in our portfolio and as well as contribution to the bottom line of the company in terms of more EPS to this.

**Moderator**

Thank you. Ladies and gentlemen, if you have any questions please press \* and 1 on your telephone keypad. Ladies and gentlemen, if you have any questions please press \* and 1 on your telephone keypad.

**Abhinav Goyal**

Any more questions?

**Moderator**

As of now, we don't have any questions sir. Sir, I'm sorry, we have one more question sir.

**Abhinav Goyal**

Yes, please go ahead.

**Moderator**

Yes, sir, sure. Next question comes from Chanamallu, an Individual Investor. Please go ahead.

**Chanamallu Halagodi**

By the end of this financial year how much loan book we can expect?

**Abhinav Goyal**

We'll be trying to keep as much as possible. Definitely try to keep the loan book **[Inaudible 00:31:49]**.

**Chanamallu Halagodi**

Total loan book, what we can expect that by the end of this financial year?

**Abhinav Goyal**

That's what I'm saying minimum of around INR 7,500 crore to INR 8,000 crore.

**Chanamallu Halagodi**

In previous financial year INR 9,000 crore is type of which?

**Abhinav Goyal**

We are trying to make, we have at our end and our book size and book also. So, we haven't found a strategy and definitely maintain the present level trying to improve as well.

**Moderator**

Thank you, sir. Ladies and gentlemen, if you have any questions please press \* and 1 on your telephone keypad. I repeat, ladies and gentlemen, if you have any questions please press \* and 1 on your telephone keypad. There are no further questions. Now, I hand over the floor to management for closing comments.

**Abhinav Goyal**

So, I think we have addressed whatever queries are there from the investor side. So, I would just like to highlight, the whole team is working very hard, and whatever hard work we have done during last few months so now i the time to get those results. So, everyone is trying hard and we're trying to increase the value of the shareholders by announcing that, by improving that performance as well as improving that results. So, thanks a lot, everyone.

**Mahendra Lodha**

Thank you, everyone. Thank you.

**Moderator**

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation, and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a good day.

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- Note:**
1. This document has been edited to improve readability
  2. Blanks in this transcript represent inaudible or incomprehensible words.