



PTC India Financial Services Limited (PFS) continues on growth path

1. PFS continues to be on the growth path in the challenging environment and create new opportunities for itself in the financing domain. The Company has forayed into lead institution business and is also contemplating providing consultancy services in the entire energy value chain. The Company is focused on increasing the fee based and consultancy services income. The Company recorded total revenue of ₹174 crores during nine months ended 31st December 2011 compared to ₹79 crores in the corresponding previous period. Profit before tax amounts to ₹119 crores and ₹44 for the nine months ended 31st December 2011 and 31st December 2010 respectively.
2. The effective debt sanctioned by the Company till date during FY12 aggregates to ₹3,326 crores compared to ₹1,622 crores sanctioned during the entire FY11. The outstanding loan book has increased to ₹1,069 crores as at the end of Q3FY12 as compared to ₹680 crores as at the end of FY11.
3. There are nil NPAs as at 31st December 2011, and return on assets (ROA) for nine months ended 31st December 2011 is 5%, on the expanded capital base post IPO proceeds of ₹352.70 crores on the last day of the preceding financial year. ROA for nine months ended 31st December 2010 was 2.67%.
4. The Net Interest Margin (NIM) stands at 6.74% for nine months ended 31st December 2011 compared to 6.42% for FY11 and the cost of funds has reduced to 10.19% for the nine months ended 31st December 2011 compared to 10.47% for FY11. Net Interest Income considered for NIM and Spread does not include interest income of ₹16.28 crores on treasury float on temporary surplus funds, included in other income of ₹16.81 crores for nine months ended 31st December 2011. The Company has secured ECB funding of USD 76 million out of which USD 26 million has been drawn. Subsequent drawl of ECB funds may further reduce our cost of funds substantially.
5. As intimated earlier, the process of divesting part stake in Indian Energy Exchange Limited is underway and the Company is awaiting the FIPB approval for the same. It may be mentioned that during FY11, PFS divested 4.88% stake in IEX at ₹115.41 per share which was subscribed by PFS at face value of ₹10 per share.



6. The growth in business of PFS is despite the stricter due diligence process followed for appraising the projects under prevailing risk environment for the power projects. With the increase in lending base, the Company expects to maintain the growth momentum from renewable projects, particularly wind and solar, and from short term / mezzanine funding. The Company is also contemplating diversifying in other promising areas as well, in energy value chain like ports, coal washeries, coal mining and energy equipment manufacturing, to reduce the concentration risk in portfolio and already has proposals in pipeline involving these sectors. The Company is replacing its high cost funds with much lower cost funds. The spread and margin is likely to improve considerably.

About PFS

PFS is an Indian non-banking finance company institution promoted by PTC India Limited. Company offers an integrated suite of financial services with a focus on infrastructure development, including providing debt (short term and long term) financing and making principal investments in, private sector Indian companies in the entire energy value chain, including power generation, equipment supply and fuel source projects. PFS also provides fee based syndication and other services as well as carbon credit financing against Certified Emissions Reduction (CER). It has also received the Infrastructure Finance Company ("IFC") status in FY11.

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