

PTC INDIA LIMITED

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STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024

(Figures in ₹ Lakhs, unless otherwise indicated)

S. No.	Particulars	Consolidated				
		Quarter ended			Year ended	
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		Audited (Refer Note No.15)	(Un-audited)	Audited (Refer Note No.15)	Audited	Audited
I	Continuing Operations					
1	Revenue from operations					
a	Revenue from operations (Refer Note No. 4)	3,37,174	3,36,690	3,45,309	16,43,937	15,24,671
b	Other operating revenue (Refer Note No. 5 & 6)	13,565	6,111	12,022	32,385	42,713
	Total revenue from operations	3,50,739	3,42,801	3,57,331	16,76,322	15,67,384
2	Other Income	263	795	1,579	4,214	2,396
3	Total Income (1+2)	3,51,002	3,43,596	3,58,910	16,80,536	15,69,780
4	Expenses					
a	Purchases	3,13,286	3,09,641	3,19,954	15,35,238	14,18,920
b	Impairment of financial instruments	5,260	844	3,848	8,757	8,069
c	Operating expenses (Refer Note No. 5 & 6)	799	2,035	1,299	4,577	13,462
d	Employee benefit expenses	2,071	2,217	2,011	8,800	8,016
e	Finance costs	10,036	10,439	10,560	42,355	46,673
f	Depreciation and amortization expenses	268	257	270	1,001	994
g	Other expenses (Refer Note No. 14)	4,195	3,092	2,417	12,719	8,109
	Total expenses	3,35,915	3,28,525	3,40,359	16,13,447	15,04,243
5	Profit before exceptional items and tax (3-4)	15,087	15,071	18,551	67,089	65,537
6	Exceptional items Income/(Expense) (Refer Note No.13)	(2,048)	-	-	(2,048)	-
7	Profit Before Share of Profit/(Loss) of Associates and Tax (5+6)	13,039	15,071	18,551	65,041	65,537
8	Share of Profit / (Loss) of Associates	114	2	(2)	338	(227)
9	Profit Before Tax (7+8)	13,153	15,073	18,549	65,379	65,310
10	Tax expenses					
a	Current tax	5,460	2,247	4,126	17,556	19,345
b	Deferred tax expenditure/ (income)	(1,924)	1,673	457	(532)	(2,519)
11	Net Profit for the period (9-10)	9,617	11,153	13,966	48,355	48,484
II	Discontinued Operations (Refer Note No.10)					
12	Profit/ (loss) from discontinued operations before tax	(726)	(1,987)	(1,444)	6,398	2,727
13	Tax expense of discontinued operations	(220)	(538)	(412)	1,437	496
14	Profit/ (loss) from discontinued operations (12-13)	(506)	(1,449)	(1,032)	4,961	2,231
15	Profit I (loss) for the period/ year (11+14)	9,111	9,704	12,934	53,316	50,715
16	Other comprehensive income					
a	Items that will not be reclassified to profit or loss					
	(i) Remeasurements of post-employment benefit obligations	44	7	101	(20)	54
	Deferred tax relating to remeasurements of post- employment benefit	(11)	(2)	(26)	5	(14)
	(ii) Changes in fair value of FVTOCI equity instrument (Refer Note No.11)	(5,459)	(6,749)	1,909	(12,208)	1,909
b	Items that will be reclassified to profit or loss					
	Change in cash flow hedge reserve	(37)	(49)	(3)	(143)	39
	Income tax relating to cash flow hedge reserve	9	13	1	36	(10)
	Other comprehensive income, net of tax (a+b)	(5,454)	(6,780)	1,982	(12,330)	1,978
17	Total comprehensive income for the period (15+16)	3,657	2,924	14,916	40,986	52,693
18	Profit from continuing operations for the period attributable to					
	Owners of the parent	9,132	9,390	12,691	42,727	42,329
	Non-controlling interests	485	1,763	1,275	5,628	6,155
19	Profit from discontinued operations for the period attributable to					
	Owners of the parent	(506)	(1,449)	(1,032)	4,961	2,231
	Non-controlling interests	-	-	-	-	-
20	Other comprehensive income is attributable to:					
	Owners of the parent	(5,451)	(6,766)	1,979	(12,301)	1,964
	Non-controlling interests	(3)	(14)	3	(29)	14
21	Total comprehensive income is attributable to:					
	Owners of the parent	3,175	1,175	13,638	35,387	46,524
	Non-controlling interests	482	1,749	1,278	5,599	6,169
22	Paid-up equity share capital (Face value of ₹ 10 per share)	29,601	29,601	29,601	29,601	29,601
23	Other equity (excluding revaluation reserves) (As per audited balance sheet)				4,84,591	4,72,273
24	Earnings per share (for continuing operation) (Not annualized) (₹)					
a	Basic	3.08	3.17	4.29	14.43	14.30
b	Diluted	3.08	3.17	4.29	14.43	14.30
25	Earnings per equity share (for discontinued operation) (Not annualized) (₹)					
a	Basic	(0.17)	(0.49)	(0.35)	1.68	0.75
b	Diluted	(0.17)	(0.49)	(0.35)	1.68	0.75
26	Earnings per equity share (for continuing & discontinued operation) (Not annualized) (₹)					
a	Basic	2.91	2.68	3.94	16.11	15.05
b	Diluted	2.91	2.68	3.94	16.11	15.05
	Million Units of electricity Sold	15,015	21,579	15,598	75,444	71,120
	See accompanying notes to the financial results					

(Figures in ₹ Lakhs)

S. No.	Particulars	Year ended	
		31.03.2024	31.03.2023
		Audited	Audited
I.	ASSETS		
1	Non-current assets		
	Property, Plant and Equipment	1,973	1,58,876
	Goodwill	3	3
	Right-of-use asset	2,299	2,757
	Other intangible assets	42	73
	Intangible assets under development	20	15
	Financial Assets		
	Investments in associates	1,279	941
	Other investments (Refer Note No. 11)	22,110	31,238
	Loans	3,78,072	5,69,139
	Other financial assets	754	1,118
	Deferred tax assets (net)	8,268	3,122
	Income tax assets (net)	7,360	6,461
	Other non-current assets	28	1,138
	Total non-current assets	4,22,208	7,74,881
2	Current assets		
	Financial Assets		
	Investments	5,010	419
	Trade receivables	5,75,595	5,67,674
	Cash and cash equivalents	86,002	97,052
	Bank balances other than Cash and cash equivalents	1,33,320	97,156
	Loans	31	25
	Other financial assets	97,294	1,14,974
	Other current assets	6,073	10,779
		9,03,325	8,88,079
	Assets classified as held for sale (Refer Note No. 10)	1,86,762	-
	Total current assets	10,90,087	8,88,079
	Total Assets	15,12,295	16,62,960
II.	EQUITY AND LIABILITIES		
1	Equity		
	Equity Share capital	29,601	29,601
	Other Equity	4,84,591	4,72,273
	Total equity attributable to owners of the parent	5,14,192	5,01,874
	Non-controlling interests	88,838	85,477
	Total equity	6,03,030	5,87,351
2	Non-current liabilities		
	Financial Liabilities		
	Borrowings	2,80,405	4,83,313
	Lease Liabilities	1,733	1,951
	Other financial liabilities	174	848
	Provisions	2,171	2,785
	Total non-current liabilities	2,84,483	4,88,897
3	Current liabilities		
	Financial Liabilities		
	Borrowings	1,50,089	1,68,748
	Lease liabilities	483	588
	Trade payables		
	- total outstanding dues of micro enterprises and small enterprises	8	45
	- total outstanding dues of creditors other than micro enterprises and small enterprises	3,53,070	4,01,204
	Other financial liabilities	8,817	9,409
	Other current liabilities	5,035	6,549
	Provisions	117	169
	Liabilities directly associated with assets classified as held for sale (Refer Note No. 10)	1,07,163	-
	Total current liabilities	6,24,782	5,86,712
	Total Equity and Liabilities	15,12,295	16,62,960

Consolidated segment wise information

(Figures in ₹ Lakhs)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		Audited (Refer Note No.15)	(Un-audited)	Audited (Refer Note No.15)	Audited	Audited
1	Segment Revenue					
	Power	3,33,327	3,22,569	3,38,240	16,01,157	14,89,260
	Financing business	17,460	20,251	19,204	76,742	78,303
	Unallocated	215	776	1,466	2,637	2,217
	Total	3,51,002	3,43,596	3,58,910	16,80,536	15,69,780
2	Segment Result					
	Power	11,363	8,057	13,695	42,916	42,861
	Financing business	1,877	6,862	4,065	21,774	22,969
	Unallocated	(87)	154	789	689	(520)
	Profit before tax	13,153	15,073	18,549	65,379	65,310
3 (a)	Segment Assets					
	Power	8,16,702	8,13,989	8,32,536	8,16,702	8,32,536
	Financing business	6,35,010	6,58,821	7,46,744	6,35,010	7,46,744
	Unallocated	60,583	62,570	83,680	60,583	83,680
	Total	15,12,295	15,35,380	16,62,960	15,12,295	16,62,960
(b)	Segment Liabilities					
	Power	5,02,469	5,04,438	5,54,625	5,02,469	5,54,625
	Financing business	3,95,417	4,19,751	5,15,754	3,95,417	5,15,754
	Unallocated	11,379	5,075	5,230	11,379	5,230
	Total	9,09,265	9,29,264	10,75,609	9,09,265	10,75,609

Particulars	Year ended	
	31.03.2024	31.03.2023
	Audited	Audited
Cash flows from operative activities		
Net profit before tax	65,379	65,310
Adjustments for:		
Depreciation and amortization expense	1,001	994
Bad debts/ advances written off	1,647	67
Provision already held	(1,622)	-
Liabilities no longer required written back	(6)	(120)
Share in loss / (profit) of associate	(338)	227
(Profit)/Loss on sale of fixed assets	2	(5)
Provision for litigation	857	-
Impairment on financial instruments	8,757	8,069
Impairment allowance for doubtful debts / advances	2,723	807
Equity investment in an associate company-written off	3,755	-
Impairment provision already held	(3,755)	-
Finance costs	42,355	46,673
Impairment provision on amount paid as deposit ((Refer Note No. 13)	2,048	-
Ind AS adjustments	(1,097)	(1,074)
Interest income	(1,940)	(1,274)
Profit on sale of investment (net)	(697)	(942)
	1,19,069	1,18,732
Adjustments for movement in:		
Loan financing	1,92,522	1,13,738
Trade receivables	(36,750)	1,32,774
Provisions, current and non-current financial liabilities and current and non-current liabilities	(46,494)	(31,834)
Loans, current and non-current financial assets, non-current and current assets	47	(1,190)
Cash generated from/(used in) operating activities	2,28,394	3,32,220
Direct taxes paid (net)	(18,869)	(15,209)
Net cash from / (used in) operating activities - continuing operations (A)	2,09,525	3,17,011
Net cash from / (used in) operating activities - discontinued operations (a)	35,529	40,499
Net cash from / (used in) operating activities - continuing and discontinued operations	2,45,054	3,57,510
Cash flows investing activities		
Interest received	2,421	764
Purchase of property, plant and equipment and intangible assets	(282)	(165)
Sale of property, plant and equipment	15	47
Purchase of intangible assets under development	(4)	(15)
Sale/(Purchase) of investments (net)	(1,988)	46,754
Decrease/ (Increase) in bank balances other than cash & cash equivalents	(50,691)	(23,272)
Net cash from / (used in) investing activities - continuing operations (B)	(50,529)	24,113
Net cash from / (used in) investing activities - discontinued operations (b)	100	(7,342)
Net cash from / (used in) operating activities - continuing and discontinued operations	(50,429)	16,771
Cash flows from financing activities		
Proceeds / (repayment) from/ of borrowings (Net)	(99,000)	(3,00,226)
Lease liabilities paid	(541)	(498)
Finance cost paid	(42,200)	(45,263)
Proceeds from debt securities (net)	(21)	(4,523)
Dividend paid	(25,337)	(17,168)
Net cash from / (used in) financing activities - continuing operations (C)	(1,67,099)	(3,67,678)
Net cash from / (used in) financing activities - discontinued operations (c)	(37,127)	(34,223)
Net cash from / (used in) financing activities - continuing and discontinued operations	(2,04,226)	(4,01,901)
Net increase/(decrease) in cash and cash equivalents - continuing operations (A+B+C)	(8,103)	(26,554)
Net increase/(decrease) in cash and cash equivalents -discontinued operations (a+b+c)	(1,497)	(1,066)
Cash and cash equivalents (opening balance)	97,052	1,24,672
Less: Cash and cash equivalents of discontinued operations as at March 31, 2024	(1,450)	-
Cash and cash equivalents (closing balance)	86,002	97,052

Notes:

- 1 The consolidated financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, (The Regulations).
- 2 The above consolidated financial results were reviewed by the Audit Committee, with the management, in its meeting dated June 6, 2024 before submission to the Board for approval and the Board of Directors has approved the consolidated financial results in its meeting held on June 7, 2024. These consolidated financial results have been audited by the Statutory Auditors of the Parent Company i.e. PTC India Limited and they have given a qualified opinion in their auditors' report.
- 3 Segments:-The Group is in the business of power and financing business.
- 4 Revenue from operations of the Group includes sale of electricity and interest income from loan financing/debenture.
- 5 In accordance with the accounting policy, the surcharge income / recoverable on late/ non-payment of dues by customers is recognized when no significant uncertainty as to measurability or collectability exist. Related surcharge expense/ liabilities on late/ non-payments to the suppliers is also being recognized accordingly.
- 6 From continuing operation, the Group has recognized surcharge income of ₹ 9,872 Lakhs during the quarter ended March 31, 2024 (₹ 8,526 Lakhs for the quarter ended March 31, 2023) and ₹ 21,775 Lakhs for the year ended March 31, 2024 (₹ 30,633 Lakhs for the year ended March 31, 2023) from the customers on amounts overdue against sale of power which has been included in "Other operating revenue". Correspondingly, surcharge expense of ₹ 579 Lakhs paid / payable to the suppliers during the quarter ended March 31, 2024 (₹ 1,023 Lakhs for the quarter ended March 31, 2023) and ₹ 3,886 Lakhs for the year ended March 31, 2024 (₹ 12,612 Lakhs for the year ended March 31, 2023) has been included in "Operating expenses".
- 7 i) The subsidiary and associate companies considered in the Consolidated Financial Results are as follows

Particulars	Ownership (%)	
	As on 31.03.2024	As on 31.03.2023
a) Subsidiary Companies		
1. PTC Energy Limited ("PEL"), classified a discontinued operation	100.00	100.00
2. PTC India Financial Services Limited ("PFSL")	64.99	64.99
b) Associate Companies		
1. Hindustan Power Exchange Limited (formerly known as Pranurja Solutions Ltd)	22.62	22.62

All the above Companies are incorporated in India.

- ii) The financial statements of three associate companies are not available with the Group viz; R.S. India Wind Energy Private Limited, Varam Bio Energy Private Limited (VBPL) and R.S. India Global Energy Limited. Further, VBPL is presently under liquidation. However, the Group had fully impaired the value of investments in these associates in earlier periods and does not expect further obligation over and above the cost of investments. Hence, there is no impact of the results of these Associates on the consolidated financial results.
- 8 (i) On January 19, 2022, three independent directors of PTC India Financial Services Limited (PFSL), a subsidiary of the Company, had resigned mentioning certain lapses in corporate governance and compliances in PFSL as stated in respective letters of these directors. Accordingly, to address the same, PFSL had carried out forensic audit from an Independent CA firm in previous year and had also engaged a professional firm to independently review the issues stated in the forensic audit report with the PFSL management's responses submitted (including to assess financial implications and any indication towards suspected fraud) on forensic audit report (FAR). The said FAR with the management responses had been presented by PFSL management to its Audit Committee as well as to the Board. The PFSL Board observed that the forensic auditor did not identify any event having material impact on the financials of PFSL and had not identified any instance of fraud and/or diversion of funds by PFSL. Further, on December 2, 2022, two independent directors of PFSL had resigned mentioning certain matters which inter alia includes, the issues raised by the erstwhile independent directors of PFSL, as stated above, which have been rebutted fully by PFSL and it has submitted its reply with the Stock Exchanges and Reserve Bank of India in reference to the communication in this regard. During the year, as noted in the meeting of Board of Directors of PFSL held on December 29, 2023 and in the meeting of Independent Directors of PFSL held on March 11, 2024, (a) there were corporate governance issues related with conducting few meetings with shorter notice and delay in signing and finalization of the few minutes of Audit Committee Meetings and Board Meetings of PFSL, and (b) quality, quantity and timelines of flow of information between PFSL and its Board members was ineffective and inadequate to perform duties, and needs improvement for compliances of the Board and various sub-committees of PFSL. The Board of PFSL in its meeting dated May 20, 2024 took note of the action taken by the management of PFSL for further improvement. Further, as directed by the Reserve Bank of India (RBI) vide its letter dated June 16, 2023, the Board of PFSL in its meeting held on June 20, 2023, had resolved that till the appointment of new MD & CEO in place of Dr. Pawan Singh (who had been advised to proceed on leave with immediate effect till his superannuation) is made, newly appointed Director (Finance) & CFO of PFSL will take over the functions and responsibilities of the MD & CEO, with immediate effect. The term of Dr. Pawan Singh as MD & CEO of PFSL has completed with the close of business hours on October 02, 2023 and PFSL is in the process of appointing its MD & CEO.
- ii) The Board of Directors of PFSL has identified some gaps in internal controls in PFSL, which need improvement. PFSL is in the process of further strengthening its internal control system wherever gaps have been identified w.r.t. system driven interest/penal interest charging as per approved rates, timely creation of security on the loans given to borrowers, timely invoking of corporate guarantee provided by the borrowers, updation of Standard Operating Procedures (SOPs), etc.
- iii) In the last quarter of FY 2022-23, PFSL and its Key Management Persons (KMPs) had received four show cause notices (SCNs) issued by the Registrar of Companies, NCT of Delhi & Haryana (ROC) for non-compliances of the provisions of Section 149(8), 177(4)(v) & (vii) and 178 of the Companies Act, 2013. PFSL had submitted its replies on March 14 & 17, 2023 and April 24, 2023 denying the non-compliances mentioned in the above stated SCNs. Subsequently, ROC vide its three Adjudication Orders dated June 27, 2023, has imposed penalty(s) of ₹ 6.40 lakhs on PFSL against which PFSL has filed appeals with the Regional Director, Ministry of Corporate Affairs and for remaining one SCN, PFSL has filed application for compounding, which are pending. The management of PFSL believes that there will be no material financial impact of the above matters on the state of affairs of PFSL.

- iv) Securities and Exchange Board of India (SEBI) through Show Cause Notice (SCN) dated May 08, 2023 to then Managing Director and Chief Executive Officer (MD & CEO) and Non-Executive Chairman (NEC) of PFSL, pointed out certain matters of Corporate Governance issues, as raised by the then Independent Directors (as detailed in 7 (i) above), under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) read with Section 15HB of the SEBI Act, 1992 read with SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995. In this regard, the Audit Committee (AC) and Board of Directors (BOD) of PFSL have noted and taken on record in their respective meetings held on May 18, 2023 that the above stated SCNs which were issued by SEBI to the then MD & CEO and NEC are in their individual name/ capacity (addressed to) and there will be no financial implications/ impact due to these SCNs on the state of affairs of PFSL.

In line with Articles of Association of PFSL, the Board of Directors of PFSL, in its meeting held on May 18, 2023, decided to indemnify the Directors/ KMPs of PFSL against any and all liability (including financial liability) which may be imposed upon them on account of statutory/ regulatory action initiated for conduct and actions of such Directors/ KMPs during the course of their discharge of their roles and responsibilities, in the service of PFSL. During the year, PFSL had incurred expenses towards legal help provided to;

(a) then MD&CEO of PFSL, for bills including bills of lawyers/advisors' fees amounting to ₹ 38.76 lakhs including GST, incurred in respect to advisory taken by the then MD & CEO of PFSL in the matter of SCNs issued by SEBI/ RBI.

(b) NEC of PFSL, for bills including bills of lawyers/advisors' fees amounting to ₹ 10.94 lakhs including GST incurred in respect to advisory taken by the NEC of PFSL in the matter of SCN issued by SEBI.

In the month of December 2023, the management of PFSL put up a proposal to its Board for providing legal help and also authorizing MD & CEO of PFSL to provide legal help to said officials upto an expenditure of ₹ 25 lakhs per annum for aggrieved Directors of PFSL. While discussing the issue, PFSL Board desired to take a legal opinion from a law firm on whether the legal expenditure on such cases can be paid particularly when the concerned officials have stated that such notices have been received by them in their individual capacity. PFSL Board vide its meeting dated May 18, 2023 had allowed the legal help to the concerned officials during discharge of their role and responsibility in the service of PFSL. The legal counsel opined that in terms of Articles of Association of PFSL, such payment/ reimbursement can be released once charges are negated. Accordingly, it was informed by the management of PFSL to its Board that such amount is to be treated as recoverable from the concerned officials. PFSL Board took note of the management submissions. Accordingly, an amount of ₹ 38.76 lakhs and ₹ 10.94 lakhs have been shown as recoverable from the respective concerned officials as on March 31, 2024. Subsequent to year end, NEC of PFSL has refunded the entire amount of ₹ 10.94 lakhs pertaining to his account.

- v) During the year, PFSL paid ₹ 4.40 lakhs to three Independent Directors (IDs) being a part of selection committee for conducting the interview of shortlisted candidates for senior level of PFSL.

Subsequent to the year end, PFSL realized that so stated 'Honorarium' cannot be paid to its IDs without complying with the provisions of law. Hence, the amount so paid has been reversed in the books of PFSL and shown as recoverable from its IDs as on March 31, 2024. When the issue was brought to the notice of IDs of PFSL, the amount so paid was refunded back immediately by IDs. As per the opinion obtained by PFSL, its IDs refunded the amount within the timeline defined under section 197(9) of the Companies Act 2013. Based on the opinion of the expert, provisions of Section 197 (9) has been complied with and PFSL agrees with the views given by the expert.

- vi) PFSL had received a communication from Registrar of Companies (ROC) on March 28, 2018, pursuant to complaints received from identified third parties, alleging mismanagement in its operations. PFSL had submitted its reply dated April 18, 2018, after discussion with its Audit Committee and denied all allegations and regarded them as frivolous attempt made by such identified third parties. PFSL received another letter dated September 24, 2021 u/s 206(4) of the Companies Act, 2013 from the Office of Registrar of Companies, Ministry of Corporate Affairs initiating inquiry and seeking specified information/documents, primarily related to the period up to FY 2018-19. PFSL has submitted the reply, with requisite information/documents, in response to the letter on October 22, 2021.

Further, in respect of the above stated matter, subsequent to the year ended March 31,2024, PFSL has received Order dated May 10, 2024 Under Section 206(4) of The Companies Act, 2013 from ROC, Delhi NCT & Haryana (ROC) and its four Directors and Company Secretary were addressed in the said order. As per the Order, based on PFSL's replies submitted on October 22, 2021 and along with various other information, which is available with their office, the inquiry officer/ inspector has found out various discrepancies, objections, and prima facie contraventions of the various provisions of the Companies Act 2013, in reference to which the ROC has asked for information/ comment/ explanation/documents from PFSL to take the inquiry to a logical conclusion. PFSL is in the process of submitting the desired information to the ROC and PFSL management believes that there will be no material financial impact on the state of affairs of PFSL on final conclusion of the above stated matter by the ROC.

- vii) Pursuant to joining of Director Finance & CFO, from June 14, 2023 to October 2, 2023, PFSL was having 07 Directors out of which 03 Directors were Independent Directors. As per the provisions of Section 159 of the Companies Act, 2013 and Regulation 17(1)(b) of SEBI LODR, PFSL should have half of its directors as Independent Directors. Subsequently, on then MD & CEO of PFSL going on leave till superannuation as per RBI directives w.e.f. June 20, 2023, the functional Board of PFSL was comprising of 06 Directors. Also, the RBI vide its email dated June 28, 2023, had clarified that under no circumstances, then MD & CEO of PFSL shall visit the office of PFSL or be involved in any operations related to PFSL, from the date of issue of its letter and then MD & CEO of PFSL completed his term on October 2, 2023. Regarding the above composition, the same was mentioned in the quarterly Corporate Governance Report of PFSL submitted to the Stock Exchanges. The NSE Ltd. took note of the same as satisfactory vide its email dated August 03 2023.

- viii) As at March 31, 2024, for loans under stage I and stage II, PFSL management has determined the value of secured portion on the basis of best available information including book value of assets/projects as per latest available balance sheet of the borrowers, technical and cost certificates provided by the experts and valuation of underlying assets performed by external professionals appointed either by PFSL or consortium of lenders. For loan under stage III, PFSL management has determined the value of secured portion on the basis of best available information, including valuation of underlying assets by external consultant/resolution professional (RP) for loan assets under IBC proceedings, sustainable debt under resolution plan, claim amount in case of litigation and proposed resolution for loan under resolution through Insolvency and Bankruptcy Code (IBC) or settlement. The conclusive assessment of the impact in the subsequent period, related to expected credit loss allowance of loan assets, is dependent upon the circumstances as they evolve, including final settlement of resolution of projects/assets of borrowers under IBC.

- ix) As at March 31, 2024, PFSL has assessed its financial position, including expected realization of assets and payment of liabilities including borrowings, and believes that sufficient funds will be available to pay-off the liabilities through availability of High Quality Liquid Assets (HQLA) and undrawn lines of credit to meet its financial obligations in atleast 12 months from the reporting date.

- x) 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 PFSL 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.
- 9 (i) The Parent Company had received resignation letters from its three independent directors w.e.f. December 05, 2022 and one independent director w.e.f. December 06, 2022 wherein they had raised issues related to corporate governance and compliance, divergent views of Board members and non-implementation of recommendations in respect of Risk Management Committee (RMC) report of the Parent Company, calling meetings at short notice and few other matters as detailed in their respective resignation letters filed by the Parent Company with the stock exchanges.

The Board of the Parent Company has noted these resignation letters and the management's replies thereon in its meetings dated 6th December and 7th December 2022. Further, the Parent Company has rebutted these claims and has submitted the clarifications on the issues raised by these independent directors to the stock exchanges on 8th December 2022.

- (ii) The Parent Company has received email dated 22nd June, 2023 and 10th July, 2023 from SEBI asking data/information from the Parent Company regarding certain matters, mainly related with the process of the appointment of its Chairman & Managing Director (CMD) and matters mentioned in Note 9(i) of the Statement. The Board constituted a Sub-Committee of the directors on June 30, 2023 to look into the matters relating to the communication received from SEBI on June 22, 2023 and related aspects and to suggest further course of action.

In respect of SEBI's email dated June 22, 2023, the Parent Company had submitted an interim reply to SEBI on June 27, 2023. Thereafter, the Board, in its meeting dated August 12, 2023, had approved the final response to be submitted to SEBI which has been submitted by the Parent Company to SEBI on November 9, 2023.

Further, in respect of SEBI's email dated July 10, 2023, the Parent Company has submitted interim reply to SEBI on July 14, 2023. Thereafter, the Board, in its meeting dated January 17, 2024, had approved the final response to be submitted to SEBI, which was submitted to SEBI on January 24, 2024.

There is no further communication from SEBI in this regard.

- 10 The Shareholders of the Parent Company, at their meeting held on March 28, 2024, have approved the disinvestment by way of sale, transfer or otherwise dispose off, its entire shareholding in the wholly owned subsidiary viz. PTC Energy Limited (PEL) to Oil and Natural Gas Corporation (ONGC) or its associate companies, not being a related party, subject to regulatory approvals and such other consents, approvals, permissions, fulfilment of conditions precedent to the transaction and sanctions as may be necessary at a value of ₹ 92,500 lakhs (Enterprise Value of ₹ 2,02,100 lakhs, i.e. sum of outstanding debt and equity value), subject to adjustments in the abovementioned bid value on the date of closure of transaction as per the bid format.

The Management of the Parent Company has assessed the conditions prescribed by Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" for classification of investment as "assets held for sale". Accordingly, PEL has been classified as a discontinued operation in the Consolidated Financial Results.

- 11 The Parent Company has investment in the equity shares (~5.62 %) of Sikkim Urja Limited (Formerly known as Teesta Urja Limited) (SUL). SUL owns a Hydro Electric Project of 1,200 MW capacity in the state of Sikkim.

On October 4, 2023, flash flood in Sikkim arising out of a cloud burst, which was declared as a disaster by Government of Sikkim under the Disaster Management Act 2005 vide Notification No. 399/ LR&DMD/GoS dated October 4, 2023, caused extensive damage to the abovementioned project.

Based on the available information and best estimation of the management, the Parent Company has measured the fair value of its investment in SUL amounting to ₹ 9,903 Lakhs as on March 31, 2024. Accordingly, the carrying value of its investment in SUL, in the Consolidated Financial Results of the Parent Company has reduced to ₹ 9,903 Lakhs as on March 31, 2024 from ₹ 22,110 Lakhs as on March 31, 2023 and the resultant impact of ₹12,208 Lakhs has been accounted for in Other Comprehensive Income during the year ended March 31, 2024 (₹ 5,459 Lakhs during the quarter ended March 31, 2024 and ₹6,749 Lakhs during the quarter ended December 31, 2023).

Since the present situation is dynamic in nature, valuation shall be reviewed on quarterly basis as more definitive information is available with the Parent Company from time to time.

- 12 The Board has recommended the dividend @ 78% (₹ 7.80 per equity share) on 29,60,08,321 fully paid-up equity share of ₹ 10 each.

- 13 The Parent Company had filed an appeal with the Hon'ble Supreme Court in 2014 against the Hon'ble APTEL's Order dated April 4, 2013, which required the Parent Company to pay the compensation (along with simple interest @ 6% p.a.) to the power supplier due to the non-offtake of power by the Parent Company as per the "Take or Pay" clause of the arrangement. As per the Court's directions, the Parent Company deposited ₹ 2085 Lakhs (50% of the compensation) with the supplier in April 2013. The Hon'ble Supreme Court, vide order dated October 27, 2014 admitted the case and directed the parties to maintain status quo. As per the legal opinion obtained, the Parent Company has a good case. Considering there is no movement in the matter and the last hearing in the Hon'ble Supreme Court had taken place in April 2016, as an abundant caution, during the quarter/year ended March 31 2024, the Parent Company has created a provision of ₹ 2,048 Lakhs against the amount deposited with the supplier and disclosed the same as an exceptional item in the financial results of the Parent Company.

- 14 Other expenses for the quarter ended March 31, 2024 include impairment provision against doubtful debts for ₹ 1048 Lakhs (₹ 370 Lakhs for the quarter ended March 31, 2023) and Provision against litigation for ₹ 857 Lakhs (₹ NIL for the quarter ended March 31, 2023).
- 15 Figures of last quarter are balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
- 16 The composition of Board of the Parent Company was not in accordance with the requirement of SEBI (LODR), 2015 in terms of minimum number of independent directors from April 01, 2023 to April 12, 2023 and January 18, 2024 to May 5, 2024. The Parent Company has appointed required independent director on May 6, 2024 and its Board Composition is in compliance with SEBI (LODR), 2015 w.e.f. May 06, 2024.
- 17 Based on a review of legal expenses incurred by the Parent Company, the Audit Committee in its meeting dated June 06, 2024 has recommended that an expert agency shall examine the services provided by an advocate in respect of which the Parent Company had incurred expenses of ₹ 55.17 Lakhs (excluding GST) and ascertain as to whether these services were provided for the purposes of the Parent Company.
The expert agency shall submit its report to the Audit Committee by June 17, 2024.
- 18 The figures for the previous periods / year are re-classified / re-grouped, wherever necessary.

Place: New Delhi

Date: June 7, 2024

(Dr. Rajib Kumar Mishra)
Chairman & Managing Director