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Sir/ Madam,

Sub: Transcript for Q3 and 9M FY '22 Earnings Conference call

Please find attached the transcript of the Conference call for Q3 and 9M FY 22 results held on 30th May, 2022.

Yours faithfully,

For PTC India Financial Services Limited

Sd/-
(Authorized Signatory)

Enclosed: as above

PTC India Financial Services Ltd. (CIN: L65999DL2006PLC153373)

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“PTC India Financial Services Limited
Q3 and 9M FY '22 Earnings Conference call”

May 30, 2022

MANAGEMENT:

- DR. PAWAN SINGH - MD & CEO, PTC INDIA FINANCIAL SERVICES LIMITED**
- MR. VIJAY SINGH BISHT - EXECUTIVE VICE PRESIDENT, HEAD DEBT CELL, PTC INDIA FINANCIAL SERVICES LIMITED**
- MR. SANJAY RUSTAGI - SENIOR VICE PRESIDENT AND HEAD FINANCE, PTC INDIA FINANCIAL SERVICES LIMITED**
- MR. SITESH SINHA - SENIOR VICE PRESIDENT AND HEAD CREDIT, PTC INDIA FINANCIAL SERVICES LIMITED**
- MR. ABHINAV GOYAL - VICE PRESIDENT, PTC INDIA FINANCIAL SERVICES LIMITED**
- MR. AMOL BAXI , VICE PRESIDENT AND HEAD MONITORING, PTC INDIA FINANCIAL SERVICES LIMITED**
- MR. SHREY SHIKHAR , ASSISTANT VICE PRESIDENT- MONITORING, PTC INDIA FINANCIAL SERVICES LIMITED**
- MR. ANKUR BANSAL, HEADING BUSINESS DEVELOPMENT, ASSISTANT VICE PRESIDENT, PTC INDIA FINANCIAL SERVICES LIMITED**
- MR. MOHIT SETH - ASSISTANT VICE PRESIDENT FROM LEGAL TEAM, ASSISTANT VICE PRESIDENT, PTC INDIA FINANCIAL SERVICES LIMITED**



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Moderator: Ladies and gentlemen, good day and welcome to Q3 and 9M FY '22 Earnings Conference call for PTC India Financial Services Limited hosted by S-Ancial Technologies. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” 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, PTC India Financial Services Limited. Thank you and over to you, sir.

Abhinav Goyal: Good afternoon to all. So first, we apologize our investors for delay in results, which was due to unprecedented circumstances, which may be aware to you all. So today we are having Dr. Pawan Singh, our MD & CEO and a team of our senior officials, namely Mr. Vijay Singh Bisht, who is Executive Vice President, Head Stress Cell, Mr. Sanjay Rustagi, who is Senior Vice President and Head Finance, Mr. Sitesh Sinha, Senior Vice President and Head Credit, Mr. Shrey Shikhar, who is Assistant Vice President - Monitoring, Mr. Ankur Bansal, who is heading Business Development an Assistant Vice President, and Shri. Mohit Seth, Assistant Vice President from Legal Team.

So now I request our MD & CEO to kindly guide us for the results. Over to you MD sir.

Pawan Singh: So thank you very much. And, sorry for the delay, both in terms of today's the technical glitch, which we had and also the delaying the presentation of result because of some things beyond control of management and company. It do happens in the life of some organization that sometimes conflicts do happen. Probably that becomes a changing point for the organization that is the way we look at it.

And, at least we are happy today that we are back to you with our December results to start with and shortly we will be coming with the March results also, once this is over.

So quickly coming back to the performance of the company up to December and nine months. So, I would like to say that for the quarter certain highlights, I would like to put. One is that the total income was INR 241 crore and interest expense was INR 136 crore, and the company had a net interest income of roughly close to INR 88.56 crore. We made less profit compared to the preceding quarter and also comparison to the same quarter in the previous year. And



that was not because of anything else, but primarily arising out of the, because there have been no further slippages, but because of very conservative provisioning which we did in the current year, as we go through me and my team will explain the detail why we did it and what is the potential of that particular. There is one asset where we did a sizeable to it.

So against impairment on financial instrument that is opening, which we did INR 17.02 crore in the preceding quarter, we did a provisioning of INR 83.61 crore. So if I take net of provisioning, and if I have to compare the numbers, the numbers would have been, in fact reflective of these previous quarter, which went preceding quarter, which went by and substantially better than earlier quarters.

So as far as the operational performance is concerned, minus the impairment and provision, we have in this quarter we continued to do well. And if I have to compare with the corresponding quarter on several operating parameters. So my cost of funds came down from 8.39 to 7.54. And spread was of course flat, 2.86-2.80. So we maintained the spread and the NIM has gone up from 3.84 to 4.02, and of course the debt equity ratio is fairly improved, it is 3.36, which gives us additional room for expansion. And we have brought down our gross NPA from INR 896 crore to INR 821 crore in the current quarter. And comparison to net NPA has come down from INR 456 crore on the corresponding quarter of the last year to INR 253 crore and today our net NPA stands at 2.74.

Some of the assets, which of course are known to all of us have got dissolved in the fourth quarter, specially the NRRS so that amount should go from by both gross NPA or net NPA, so roughly about INR 125 crore will go out of my net NPA. That should mean that my net NPA would be almost half of what it is today, because roughly about INR 200 crore close to INR 250 crore is my net NPA and how much is the realization Mr. Bisht exact number?

Vijay Singh Bisht: INR 127 crore.

Pawan Singh: INR 127 crore being the realization. So almost 50% of this will go out of the net NPA and correspondingly the amount, which is stand in the gross NPA, the total outstanding loan, which is about INR 206 crore that will go out of my gross NPA, so similar improvement will be seen on the gross NPA.

Also, it is very important to note that from this part of the quarter, which went by, somewhere in the middle. So, we will start getting the yield income from this particular loan from realization part . We did



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one loan account we deal in detail, which is ILFS, where we made conservative additional provisioning, but that is also on a very advanced stage of resolution and already final giving to NCLT has been submitted and ILFS has filed a petition with NCLT with couples of hearings has happened and final hearing has happened now, for converting it from amber to green. What does it mean? It means that debt servicing will start further like this for the lender. Also since they have already close to INR 1,500 crore lying in the TRA and we said, Government of India measures to scale up, support to power plants. So additional liquidity inclusion, PPA support, imported coal pass is also being provided. So we are quite hopeful that cash flow from ILFS should start, which is already lying there, and 10% will come to us upfront, will start happening very shortly, maybe you know hopefully this quarter that should happen.

So this is where we are and we are happy to report at least on the stress asset front our, all our efforts, which we have been putting we have been able to surface detail of how we have resolved. So we are now almost coming to close. There have been no slippages in recent past especially in none of our accounts sanctioned in last four years have turned into NPA. So that is the plus point, which we have got.

And we continue to focus on becoming a green sustainable infrastructure finance company, and thermal asset portfolio gradually, is coming down of the total loan book. New areas, new forums in green infrastructure , there is a large pipeline and opportunities. We did first electrical mobility project, which was inaugurated by Prime Minister last year in UP, where we did funding to 350 buses, and lot of EV mobility, especially two wheeler is happening and the manufacturing as well as on the aggregation, that is a huge credit demand, which is coming.

Waste to energy waste management is another area which is coming up in a big way, and e-mobility is going to have a hockey stick kind of a growth and not only the product / project that vehicle which we are going to finance to the aggregator, but also the value chain, the manufacturing support system, all that also has couple of project pipelines. In fact, today it is as much as our renewal pipeline, which is our main stay. I am getting proposal from the e-mobility side. So, we are looking forward to a great upside in this area in business. And our board has started operations and we have a pipeline of over INR 2,500 crore under sanctioned at various stages. So this is the overall view and picture, which I have given and I'll ask Sanjay to add on financial figures, which I have already said they can add on that. And we will be happy and my entire team is there from business



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development, from monitoring, from credit, from legal side, operation side, and will be happy to answer any of queries. So thank you.

Sanjay Rustagi:

Hi, good afternoon to everyone I'm just giving the financial highlight for the quarter ended December 2021. First, I'm just comparing the numbers of Q322 versus Q321. It means the current quarter versus same quarter of the proceeding year. The total income for Q322 stood that INR 241.09 crore as compared to INR 269.39 crore in Q321. Profit before tax & Profit after Tax for the Q322 stood at INR 9.50 crore and INR 6.93 crore as compared to INR 32.90 crore and INR 20.85 crore respectively.

The yield on the earning portfolios stood at 10.34% in Q322. Debt equity ratio is at a very comfortable level at 3.36% and it has improved from 4.09% the same quarter last financial year. The net interest margin of earning portfolio has improved to 4.02% as compared to 3.84%. The spread of earning portfolio for Q3FY22 stood at 2.80% as compared to 2.86%. It is almost the same there is a lot of improvement in the cost of borrowing, and it has been reduced to 7.54% as compared to 8.39%. And if we compare the financial number of Q3FY22 versus previous quarter that is September ended 21, the net interest income stood at INR 88.56 crore as compared to INR 89.30 crore. The Profit before tax PBT stood at INR 9.50 as compared to INR 69.96 crore, profit after taxes INR 6.93 crore as compared to INR 52.47 crore. The cost to income ratio has been improved to 11.23% as compared to 12.16% in the previous quarter.

And if we summarize the nine months ended this financial year versus nine month of last year financial year, the net interest income for nine months stood at INR 257.47 crore as compared to INR 256.44 crore. The total income for nine months stood at INR 737.38 crore as compared to INR 864 crore. The profit before tax for nine months is INR 140 crore as compared to INR 123.96 crore. The profit after tax has been improved to INR 105 crore for nine months as compared to INR 79.27 crore. The yield on the earning portfolio stood at 10.62% and the net interest margin is 3.99% as compared to 3.53%. The business disbursement in the nine months stood at INR 3,508 crore. The portfolio as on 31st December, 2021 is INR 9,836 crore and capital adequacy ratio is 22.50%. These are the financial highlights for the period ended December 21'. I'm handing over the mike to MD sir.

Pawan Singh:

So I asked Mr. Ankur Bansal, who is Head of Business group to give you very short snapshot on the business growth and how are we positioned on the business side.



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Ankur Bansal:

Thank you, sir. As Sir had already highlighted so we have a pipeline upwards of INR 2,500 crore. In fact, the pipeline approximately would be around INR 3,500 crore to INR 4,000 crore as on date. And we have been focusing on diversified sectors, like roads, ports, airport, logistics, manufacturing of electric vehicles, electric mobility, water, waste management, ethanol manufacturing, etc. So, our focus is both on the conventional infrastructure sectors, along with the sunrise and sustainable financing sectors also.

Apart from that, like PFS has always been known to be very nimble in its approach. So accordingly, we are focusing on lot of companies in the sunrise sector, and we are also supporting upcoming companies in sectors like EV, water and waste management, which needs the growth capital to grow in future.

So like, and we also believe to be having the first mover advantage in new sectors so that we are able to make good yields in these sectors and which also gives us good visibility and a first mover kind of tag in these upcoming sectors. Apart from that, apart from diversified sectors, we were always focused on diversified products also.

So apart from traditional project financing, we also focused lot on structured funding, bridge loans, short term working capital loans, and revolving construction finance kind of loans, which gives us visibility in terms of diversification of the products, as well as it also helps us to improve the yield on our portfolio, which MD sir has just highlighted, it is around 4% margin which we are earning on our yield portfolio. And then we are also looking at some marquee deals like recently Adani has been given this Ganga Expressway project, which is the longest expressway in India in the state of UP, so we are also evaluating that project and we are looking for funding in that road stretch.

So going forward like I like said, it is highlighted that our focus would be on diversification in our sectors, as well as diversification in our products, which we have been doing in the past and being a nimble organization, we would support companies in these growth and sunrise sectors, so that as these companies grow, we will have more funding opportunities in these companies.

And on EV sector specifically we have a pipeline of around INR 900 crore and in EV sector apart from funding companies having concession agreements with the state government, We are funding the entire value chain of EV in terms of supporting companies in manufacturing electric vehicles into supporting companies which do



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leasing works for EVs for various FMCG companies etc. So, we are funding the entire value chain of EV sector. And this is giving us a very good visibility on this sector going forward.

So that's -- I'll hand over the mic to MD sir, for any addition.

Pawan Singh:

Thank you. Now I request to Mr. V S Bisht, to give a little bit snapshot on the work he has done on the stress asset resolution. So very short I'll request him to be as brief as possible so that we have more time for question and answers.

Vijay Singh Bisht:

Thank you, sir. Our company was going through an issue which was not in our control, but still we were active in the resolution of stress accounts. And we have been fairly successful as MD sir has already pointed out. We have already resolved an asset, which would be getting reflected the Q4 result, where we are out of INR 206 crore of the principle amount we have already got INR 127 crore, the total resolution amount was INR 134 crore, which is as per the book value. So that has been resolved in Q4, so the positiveness will flow in the Q4 result.

Secondly, in the case of NSL, which was in the news in the recent past, we have got positive verdict in favor of PFS. If you could remember that in this account resolution process under NCLT was going and where we have appealed against the decision of NCLT in NCLAT. And when that also what went against PFS and then we have appealed in the Supreme Court. We have gone to the Supreme Court and after a long time, the case in Supreme Court was last argued in the month of December of 2021. And after a five months the honorable Supreme Court has come out with a landmark decision, which is going to help other lenders also wherein the PFS stand was positively viewed, and now going forward, PFS would get a seat in CoC.

Impact of this decision is that, that we have got a lots of collateral securities in this loan account, like check bouncing case of INR 125 crore plus promoters guarantee plus personal guarantee of the promoters, now will go all out against this loan account wherein we will be very aggressive in taking back our loan. So it is a very positive development and going forward, we assume that this case would get resolved in our favour. The third account which was -- where there was some development was ILFS group loan account, which was beyond the control of the group, it was due to promoter's problem. Otherwise the plant was operational from 2015 and 2016, and recently there has been power demand supply issues in the power



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front. This plant was on the stop mode in the last three, four more months due to the high cost of imported coal. But after the recent development due to the power shortage Government of India has pitched in wherein they have taken tough decision in the month of May. That is the variable cost has to be passed through and PFS has also disbursed around INR 350 crore under liquidity infusion scheme, plus TANGEDCO who had a overdue of around of INR 2,000 crore, they have also agreed to pay around INR 75 crore every week till up to INR 1,500 crore. So in five months TANGEDCO would be liquidating around INR 1,500 crore. This is apart from around INR 1,500 crore, which is lying in the TRA, which is subject to once NCLAT gives a green signal on the conversion of the category from amber to green, that amount would flow to the entire lender.

And the first unit of the plant has already started working, and it has started the supplying power to TANGEDCO at a pass-through rate.

So these are the development and there have been small developments in other accounts also, like in case of Athena Chhattisgarh whereas Vedanta has bid at a cost, which is more than the liquidation cost. So we will be getting more than what is there in the book value. So it is again, a positive development which will come in the subsequent quarter. And I think in case of stress account, as of now, we are in a very good position, which was there 3-4 years back where it was around, INR 2,000 crore of stress account, now it has come down to around INR 600 crore and INR 700 crore taken into account of NRSS. Thank now back to Dr. Pawan Singh.

Pawan Singh: Before we just shift to Q&A, just on the liquidity position, I request Abhinav just be very brief and give you a snapshot of liquidity.

Abhinav Goyal: Yes. So very good afternoon. So the company is having ample liquidity in terms of available credit line. It's more than INR 1,000 crore and we are maintaining adequate HQLA of more than INR 600 crore. So, that money is not only sufficient for meeting our immediate business development and planning, but also to meet any liability, any contingent liability, and any unforeseen liability in near future.

Now, as we got to new lines, we are into discussion, although bankers are insisting for having yearly financial, but yes, we are in discussion and they agreed to move it further to certain level. And in between the requisite formalities, other formalities I mean to say, will also be get completed. And we are not visualizing any challenge in terms of liquidity, as of now for the company. Over to you sir.



- Pawan Singh:** Yes. And Sitesh would you like to say something over the credit appraisal and just very short, very briefly.
- Sitesh Sinha** Yes. For Q3 our sanction and disbursement has exceeded for last three years. We have done the remarkable number in terms of sanction and disbursement. Sanction standalone in Q3 was INR 1,851 crore and disbursement was also INR 1,821 crore. And taking together all this Q3, our sanction number was INR 41,450 crore and gross disbursement was INR 3,507 crore. As Ankur Bansal has also explained, and Dr. Pawan Singh has also explained that most of the exposure in this Q3 and this FY21-22 till Q3, was mainly into renewable and especially new sector, we are finally after talking, we have disbursed in that electric vehicle project that Mr. Modi has inaugurated in UP. And for road project we have sanction INR 930 crore and in the sanction side, we have also explored a new sector, which is very marquee projects in airport sector, which is a Goa International Airport, we have sanctioned it, and very soon it'll convert into disbursement also which is being developed by GMR. So these are the all work what we have done till Q3 sanction.
- Pawan Singh:** Yes. Thank you. So now we'll go ahead with the Q&A and we'll be happy to answer any of your question.
- Moderator:** Thank you very much. The first question from the line of Harshata Gupta an individual investor. Please go ahead.
- Harshata Gupta:** What I wanted to check was, is the company looking to diversify into new business segment. Also, when will the company be back to normal business operations?
- Pawan Singh:** Yes, so, you know I'll just give a brief answer. And then I will ask Ankur Bansal to give a detail answer to this. So we are already back to normal business. So we are taking credit cases to our board for sanction. We are doing appraisal, we are doing business development and as far as the pipeline goes, Mr. Ankur Bansal will give you details as to what are the pipelines.
- Ankur Bansal:** Yes. Ma'am we have a pipeline of more than INR 3,500 crore as ondate and this is into diversified sectors as I have already highlighted into sectors like airports, roads, ports, logistics, renewable energy, water, waste management, electric mobility, and also into upcoming sector like ethanol manufacturing. So apart from diversification we already have this pipeline in place. And we have been doing this diversification since last 2-3 years. Along with that apart from diversification of the sectors, we also have a very nimble approach towards various clients./ So we are doing innovative financing



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structures also like the regular project funding and along with that we do structured funding at the Holdco level, revolving construction finance, which has proven very helpful for fast growing companies in these sustainable financing sectors. We do bridge funding, also last mile capital funding. So apart from the diversification in sector we have been providing an entire gamut of services to our various clients. And this basically helps the company to maintain good margins on its portfolio because these structured loans and the innovative financing structures give good yields to the company and also good visibility. Apart from that we like as I already told that PSF has always believed in having a first mover advantage in all these sectors, so we are also supporting the upcoming companies, which may be small in scale and size as of now in these sunrise sectors like electric vehicles, water, waste management, because we see a lot of traction in these sectors. A lot of investors like SBI Neev fund, SBI Ventures and Nomura etc. are funding these sectors. So, this gives these companies give a lot of growth opportunities. So, as we go along the entire value chain with these companies, we also plan to have more funding in these sectors. That's from my side.

Harshata Gupta: Right, One more question. So what is the impact that ILFS has on the financial performance of the company and why was the fraud not reported earlier, and why now?

Pawan Singh: Yes. In the Q322, we made a provision of INR 29.51 crore pertaining to ILFS Tamil Nadu in this quarter.

Pawan Singh: Your earlier question, I think still needs to be answered because you said why. Because fraud got declared only in February 14th. So that is how it happened in this one. So earlier there was no fraud, which was declared, but also, let me tell you, though fraud has been declared, but it is an act of the previous promoter of management. Now, the promoter change of Management has recognized by the RBI also, and restricting has been approved by the RBI. Even the NCLT in principle has approved the restricting plan. Only some modifications in the restricting plan have got to be reapproved by the NCLT. So as far as the new management is concerned, this is basically government backed management has taken over ILFS and the restructuring of the same as been approved by the RBI.

Moderator: Thank you. We take the next question from the line of John Matthew, an individual investor. Please go ahead, sir.



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John Matthew: Hi. So, what was the change in terms and conditions of, Patel Daraah and how that project is performing and what is the impact of change in condition on the financials of the company?

Sitesh Sinha: As far as the status of the Patel Daraah that is the road project of NHAI HAM in the Rajasthan. The company has done the construction about 90%, and they have been recently awarded pre-COD (PCOD) certificate from NHAI. That means company is now eligible to receive the annuity payment since July 2022 onwards. So as far as there is no change in the financials of the company, the conduct in our books of account is a standard account, as well as the project has been commissioned as per the timeline given by the NHAI. So, there was altogether delay for more than six months, but nearly on account of COVID-19, so this is the status of account. Number two, related to the change in the disbursement condition, so what we have analyzed and observed there is no change in the pre-disbursement condition. The allegation of the earlier IDs was that we have shifted the particular requirement from pre-disbursement to other conditions. So that was observed. It has been verified by our legal team, external legal team, and third party also. It is captured in the loan agreement as pre-disbursement condition, and that particular condition was compiled before our execution of facility agreement.

John Matthew: Okay. As you mentioned, allegations of ID we have gone through all the allegations of ID and these all were operational issues. So what was the experience of IDs in banking sector and what is the actual issue due to which IDs resigned, if you could highlight on that?

Pawan Singh: See issues is already there in public domain, and it's a historical issue now, so happened in January. So it's in public domain and some of the points, which you highlighted now and in fact, in the previous portion, one of the issues were also raised, we have answered it, and as rightly said, these are operational issues, which have been settled.

John Matthew: So has the IDs pointed out the issue of corporate governance earlier any time before their resignation? If yes, then how many times?

Pawan Singh: No, they've never pointed out. And in fact, in October itself, they have in August, they have said the corporate governance is good in this company, and in October, one of the points raise by them was information flow and that they have given excellent rating. In fact, in month of November, one of the ID tenure was coming to end who also applied for extension.

John Matthew: Okay. I have one last question. There are media needs of some KPMG report about appointment of Director Finance. So what was



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the report about, and that it says, and what was the experience and qualification of Shri. Ratnesh selected as a Director Finance.

Pawan Singh:

See, you know, I think whatever you have read in media is available in media must have done it's work and put it in the public domain. So as far as we are concerned, since this is confidential, it'll be difficult for us to share. But the fact is that, you know, Mr. Ratnesh's selection, there were smokes around that. And that is why his selection could not take place. And normally we follow transparent process through advertisement. And the selection of director should be through an open transparent process of advertisement with proper determination of NBFC banking background and with proper qualification.

Moderator:

Thank you. We take the next question from the line of Sunil, an Individual Investor. Please go with your question.

Sunil:

Yes. Hi, good evening, everyone. This is Sunil as I have observed portfolio of the company is on declining trend, and we understand that the company's not doing any business for quite a few months, if I'm not wrong, maybe from January 2022. Someone just mentioned from the management team that the company has adequate liquidity. So my questions are, two questions are there why the company is not doing the business despite adequate liquidity. And second, what are the growth plans for FY23 Thank you.

Sitesh Sinha:

Yes. See our September '21, our book size was INR 9,299 crore close to INR 9300 crore. In December 21, we have increased our book size to INR 9800 crore, so there was no declining in the previous quarters. So, that's why the Q3 was the incremental, we have done the growth in the Q3 as you have rightly said, post Q3, very few business, we have not done business in Q4, so that situation we have sanctioned, we have not done any.

Pawan Singh:

So fourth quarter was something which because of this special situation, which got created, we could not do business. Now we are back to business again, and our board is taking up proposals. So we'll make up for whatever one quarter we have lost. I wish because the way we were going about it, we would have this would've been the because as Mr. Sitesh was telling, on the loan sanction for the nine months, 21-22 against INR 2069, we did INR 4,150 and against disbursement INR 1,316, we did INR 3,508. So this is the highest possible growth we could have ever achieved. 100% in sanctions and 166% in disbursement. We were in a very different mode and so fourth quarter would have had a similar spectacular kind of



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performance but that is offset by the good work which we have done quite a bit, by the good work which we did in the preceding three quarters. Now we are back to business. So we'll make up for this one quarter, very shortly, maybe in a quarter or two.

Moderator: Thank you. We take the next question from the line of Saumil Mehta from Mehta Advisors. Please go ahead.

Saumil Mehta: Yes. Could you share some light on why SEBI has put a bar on appointment of new independent directors without a forensic audit?

Pawan Singh: Yes, so it has not put a bar. So, I think we should read the language the way it is written, and it says that you can appoint the directors only after the forensic studies completed. And not only that, they also asked for a report from the holding company because holding company also is preparing a report on this and to my information because the holding company matter, it would not be proper for me to comment on that, but whatever relative information I have, if that should also happen quickly. So they have said that you can do it only after these two things are available.

Saumil Mehta: Okay. Sure. Could you tell me is an overall impact of this issue of resignation of these independent directors on the financial performance of our company.

Pawan Singh: See we were just mentioning that the way we did nine months, one quarter, we could have done, you know, we it could have done because last quarter is the best quarter for our company and especially the last quarter is where we do the maximum. So the way we are going ahead, we would have done it would've been a magnificent year for us. Nine months of course was magnificent, but this could have been even more magnificent, but that we lost out. Other than that, yes, we continue to, as I said, we would continue to make up for what part of it got offset by the nine months you know, performance you did and whatever we lost, we will try to make up in maybe in a quarter or two.

Saumil Mehta: Okay. So my next question is based on those line only so due to all of these impacts, bankers of our company put any bar on our credit lines, like how many credit lines are available at this point.

Pawan Singh: Abhinav has very clarified on the liquidity. I again, requested to amplify.

Abhinav Goyal: Yes. So banker have also taken the cognizance of this situation and they have asked certain information, which we have provided. So



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time and again, they're asking and at times they may require to take some internal approval but as and when the fund being required by us, they're supporting us and they have released the fund to work. In addition to that we are having more than INR 600 crore which I just mentioned to meet any contingencies. So in terms of liquidity we are quite comfortable and have INR 600 crore in addition to the normal cash inflow, which we used to receive on monthly basis. And again, we are having a credit lines on more INR 1000 crore, which is available, so bankers are quite supportive. They support us as and when require, although, as of now we have repaid back just three days back, on 27th May we have repaid INR 150 crore to one of the banker because we are facing excess liquidity. So, that way we are quite comfortable. Thank you very much.

Saumil Mehta: Okay, sure. And lastly, one more final query the credit agency have put the rating of our company on watch. On what basis the rating agency has taken this position.

Abhinav Goyal: Yes. So this is a kind of unprecedented situation in a corporate world. We were also not knowing the situation , they were also not knowing the situation. So, they have put the rating on watch, so as you know, they will continue to watch the situation and subsequent development. The good part is that none of our credit rating agency has asked that they are considering adversely our rating or they are deteriorating it and, they used to ask our liquidity position on maybe every month or two, which we used to provide. And I believe that they are quite comfortable with this.

Pawan Singh: Actually, you know, I'll just add to what Abhinav has said just to, you know, one is, of course the liquidity position is very good. And also like for example, the overall business scenario, the stress asset resolution. So as I said, that the net NPA is going to come down to a little over 1% in the next year. So my stress asset resolution is, and then he talked about NSL case where already we have an offer of INR 90 crore, so with the Supreme court order in hand, we hope to, you know do better than what we have got at hand. And we hope that this also should get very quickly. We have already flagged this issue before the new board. And we are quite hopeful that a quick decision on this will possible and recovery on the count of this. So then, as far as the operating margins, etc. are concerned, we continue to do well, all those things are taken care of. Nothing, adversial has come from any regulatory body. And you know all these things give us quite a bit of optimism and hope. And as I said, that huge pipeline is waiting for us. So, we are not only going to do businesses as normal, but we are going to do business better than what we are. And of course, it goes



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without standing that we are my parent has, who are 65% back holding has a very strong backing on us. And the parents has a very strong support from Maharatna companies of India and with a strong backing. And backed by counterparty on the backside is also the government behind that. So all that support is available to us. And so I feel that's good enough for us to move forward and get over this glitch which has happened.

Moderator: Thank you. We take the next question from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.

Sarvesh Gupta: Yes. So what is the status of the forensic audit right now apart from the stage three NPAs, which you gave the information about, what is the likely provisions that we may end up making because of the findings of the forensic audit as per your best knowledge as of now?

Sanjay Rustagi: Forensic auditor has been appointed and as you are aware, we have already informed to exchange as well. And they are going to start their work very soon. And we are expecting the report in the month of June.

Sarvesh Gupta: Okay. So, basically only after June 2022 results will we come to know what is the additional provisions, if any, which is required to be paid?

Sanjay Rustagi: As a management, whatever available facts are there, we made the provision accordingly. We are not expecting something extraordinary provision which will come.

Pawan Singh: Plus, to add to what Sanjay said, all these things doesn't happen overnight actually. See all these things are contest. It means that see my auditor make a comfort from a third party forensic and that is why we voluntarily agreed to do that. But it doesn't mean that the internal auditor who, we have a reputed firm of internal auditor also and a reputed firm of statutory auditor, it doesn't mean that they don't watch for or they don't look into our accounts and all that. And all these years also the accounts have been seen by them. As I also said, that regulatory body also have done their own verification and we have not heard anything from them. So what CFO is saying that there will be no major impact. And in any case, if you're talking about the three accounts, which they likely talked about, in NSL, we have already told you that there'll be a backed by Supreme court orders, so Supreme court order will prevail over everything. Number two, in case of Pater Darawah, the credit head has already explained that there is no overdue, no issue, there is no change of terms and conditions. So there is no issue and it's up and running NHA project

based on annuity . In case of NSL in any case, it's going to, we are going to get money because 100% provision is already done. And the third case is ILFS where we have as a matter of conservation because I see what happened is that in case of ILFS it is going to turn from amber to green and get servicing start. And though all the Mr. Bisht had explained the status of the power project, how it is improved with the thermal crisis going on in the country, how imported coal has been allowed to be passed through. So despite all that, we have made whatever most conservative provisioning which was possible and we have provided for it. So these are the three accounts which they talked about. So you know, by and large, these issues have been already addressed. So yes, this have been a little unprecedented decision, which has happened. Of course everybody's trying to play safer than what is more than safer. So, and we are playing by it, we are agreeing to everybody's request for whatever you bring into, whatever book or whatever audit or whatever, we are cooperating with everybody, and that is why nothing adversarial has come to us so far.

Moderator: Thank you. We take the next question from the line of Harshata Gupta, an Individual investor. Please, go ahead.

Harshata Gupta: So I wanted to check is that we saw that the management does not have any HR powers. So is that true? If not, then who takes the HR decisions of the company?

Pawan Singh: Yes, so both HR powers now have been restored by new board.

Harshata Gupta: Okay. And why is the position of appointment not published publicly to attract best talents of the industry? Are these directors have internal connection in the company?

Pawan Singh: It would be very difficult for me to comment on that. So I would say that we -- as I said earlier, also we are going, we will follow a transparent process and we'll follow open, transparent, very defined qualifying requirement, very defined eligibility criteria giving adequate notice and will do.

Moderator: As there are no further questions I would now like to hand the conference over to Dr. Pawan Singh for closing comments.

Pawan Singh: Thank you very much that we met today. And I'm so glad that some questions were very open and frank and candid and from our side, we tried to explain that. And also we reiterate that as far as the balance sheet goes, we are in terms of both operating parameters, as well as in the quality of asset, we are far better than what we were. And in terms of pipeline in direction of business, also, we are far more conscious



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now. And that is why all other stress assess which were there and we have been able to stress management team has been able to bring it down and all that has been the legacy issue. It has not been an issue or present. In present we do clean business, we do sustainable business. We do business with the clean governance companies. We do business with the clean promoters, and we continue to do that. And that is good pipeline, good thing has happened that there's lot of policy clarity now on infrastructure, which also helps in the quality of loan assets. We like to appreciate government and regulators for having, made so much of evolution. And so far so quickly in last few years, it makes for us much easier to do business or do the lending activity and especially our commitment to Prime Minister's commitment of climate change and we are also committed to make ourselves as a green infrastructure, sustainable infrastructure finance company, and the kind of pipeline which is now available in this area, we will continue to grow and what we showed in nine months, probably in next nine months, also, we'll try to beat that record and that will be our endeavor. Thank you very much.

Moderator:

Thank you. On behalf of S-Ancial Technologies we concludes this conference. Thank you for joining us and you may now disconnect your lines.

Note: This document has been edited to improve readability.