



January 23, 2026

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| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 533344 | National Stock Exchange of India Limited 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 Wednesday, January 21, 2026 at 10:00 AM (IST) on the financial results for the quarter and nine months ended December 31, 2025.

With reference to our letter dated January 13, 2026, and pursuant to Regulation 30 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 Wednesday, January 21, 2026 at 10:00 AM (IST) on the financial results for the quarter and nine months ended December 31, 2025.

This is also available on the Website of the Company at www.ptcfinancial.com

This is for your information and record please.

Yours faithfully,

For PTC India Financial Services Limited

R Balaji
Managing Director & Chief Executive Officer

Enclosed: as above

PTC India Financial Services Ltd. (CIN: L65999DL2006PLC153373)

(A subsidiary of PTC India Limited)

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“PTC India Financial Services Limited Q3 FY '26 Investor Conference Call”

January 21, 2026



**MANAGEMENT: MR. R. BALAJI – MANAGING DIRECTOR AND CHIEF
EXECUTIVE OFFICER – PTC INDIA FINANCIAL
SERVICES LIMITED
MR. DILIP SRIVASTAVA – DIRECTOR FINANCE AND
CHIEF FINANCIAL OFFICER – PTC INDIA FINANCIAL
SERVICES LIMITED
MR. SANJEEV KUMAR – DIRECTOR, OPERATIONS –
PTC INDIA FINANCIAL SERVICES LIMITED
MR. KALUR SRINIVAS – PRESIDENT TREASURY – PTC
INDIA FINANCIAL SERVICES LIMITED
MS. PRIYA CHAUDHARY – HEAD INVESTOR
RELATIONS – PTC INDIA FINANCIAL SERVICES
LIMITED**

Moderator: Ladies and gentlemen, good morning, and welcome to the Q3 FY '26 Investor Conference Call hosted by PTC India Financial Services Limited. 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 the operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Ms. Priya Chaudhary from PTC Financial. Thank you, and over to you, Priya.

Priya Chaudhary: Thank you. Good morning, everyone, and welcome to Q3 FY '26 Investor Call for a discussion on third quarter financial results of PTC India Financial Services Limited. I'm Priya Chaudhary, Head, Investor Relations at PFS. Now the last quarter marked a clear inflection point for the organization. With the Board and Board committees reconstituted, together with a strengthened management team, this has translated into sharper execution and a significant improvement in the business momentum.

Some of the key Q3 FY '26 highlights include disbursements at INR609 crores. This is a 13-quarter high for the organization. Q3 FY '26 was higher than H1 FY '26 disbursements at INR464 crores. Additionally, 9 months FY '26 disbursements of INR1,073 crores exceeds the total disbursement in the whole of last financial year at INR916 crores.

Our loan sanctions for this quarter stood at INR1,188 crores. This marks loan sanctions of over INR1,000 crores plus in two consecutive quarters. 100% of the disbursements were to private sector space. The focus continued on granular approach and expansion in the sunrise and emerging sectors.

The focus also continued on the asset quality with no further slippages and this is since financial year 2018, the disbursements that we've done since. While the AUM did moderate due to prepayments, however, our underlying portfolio quality, liquidity position and growth visibility remains strong, and this augurs well for the organization going forward.

I will now introduce the senior management team present in today's call, Mr. R. Balaji, MD and CEO; Mr. Sanjeev Kumar, Director, Operations; Mr. Dilip Srivastava, Director, Finance and CFO; and Mr. Kalur Srinivas, President, Treasury.

With this, I will now like to hand over the call to our MD and CEO, Mr. R. Balaji for his opening remarks and to provide an update on the company.

R. Balaji: Thank you, Priya, and a very good morning to all of you. So last quarter, like what Priya said, marked an inflection point. Our business is showing renewed momentum. Both sanctions and disbursements are good. Sanjeev will talk about it later. But what is more heartening is the fact that we have diversified our engagement and deepened it into all parts of the infrastructure space.

Last quarter, we did business in new segments of infrastructure, which we had either not done earlier, like in oil and gas, related to data centres and a couple of other areas. This, with our

focused approach on getting more customers is showing visible signs of momentum, and we expect this momentum to carry on forward.

Close to 18 months back, we had three or four issues. One was the governance issues, the legacy issues, which we have successfully resolved it. Then we had also addressed the quality front, so the NPAs have come down significantly. And today, our net NPA is only at INR47 crores.

Third one is increasing the business traction. And if you look into it, what we have disbursed in the first 9 months is close to 20% more than what we disbursed in last year, and we expect it to double down on disbursements in the fourth quarter.

The one pressing area for which we'll be working forward in the next few months is garnering more liabilities to ensure that our growth aspirations and the growth momentum is sustained. That's what we would like to do. I'll be taking your questions later.

I'll leave it to Sanjeev to take you through the business summary.

Sanjeev Kumar:

Thank you, Balaji, and good morning, everyone. I'm pleased to share an update on Q3 FY '26 performance, ongoing scale-up initiatives and the way forward. Importantly, our progress and strategic direction remains fully aligned with what has been consistently communicated over the past two Investor Calls.

Q3 FY '26 recorded the highest-ever quarterly disbursement in the last 13 quarters at INR609 crores. Q3 disbursements exceeded cumulative disbursement of the half year FY '26, which was at INR464 crores and cumulative disbursement for 9-month FY 2026 is INR1,073 crores, have already surpassed the total disbursement done in the FY '25, which was INR916 crores. This reflects a clear acceleration in the execution momentum.

As highlighted in earlier calls, our priority has been on rebuilding the foundation, driving growth with prudence, discipline and strategic clarity. While we have earlier guided the disbursements of around INR1,000 crores for Q3 FY '26, the quarter closed at INR609 crores, which is consistent with our calibrated approach to execution readiness and credit discipline.

At the same time, origination momentum remains very strong. We have sanctioned over INR1,000 crores in two consecutive quarters and have built up a robust pipeline at the various stages of approval and sanction aligned with FY '26 disbursements targets.

With the Board and Board committees now fully constituted, we remain well positioned to achieve the INR2,500 crores disbursement targets for FY '26, as we have communicated earlier too. Both sanctions and disbursements are on a clear upward trajectory.

Q3 FY '26 disbursement are at the 13-quarter high and exceeds the half year of FY '26 at a cumulative level, underscores improving execution velocity. We expect this momentum to continue through Q4, supported by a strong and visible pipeline. Our scale-up efforts are being undertaken in a measured and a risk-calibrated manner.

A key focus area has been quality lending with deliberate reduction in average ticket size to build up more diversified, lower volatility portfolio and mitigate concentration risk over time. Consistent with our strategy, we continue to have focus on high quality with good margin proposals, a key highlight that more than 50% of our new sanctions and disbursements are in the 'A' or better rated entities, reinforcing the steady ramp-up in line with our medium-term positioning articulated in previous quarters also.

Sector diversification remains another important pillar of our growth strategy. We are expanding our presence across renewable energy, EVs, CBG and other sunshine sectors like the data centre and its value chain while also targeting sectors, which are not very popular with existing bigger lenders, but have high potential.

CBG, data centre connectivity, oil and natural gases are the area where we have sanctioned loans in this quarter. We are also building momentum in Structured Financing segment. During Q3, we saw a meaningful conversion of SME and FI pipelines also into disbursements.

With the trend expected to continue in Q4, we are strengthening our SME division with specialized skill sets and going forward, plan to co-create structured financing solution by leveraging our data bank of over 400 existing borrowers' relationship. The benefits of this diversification are expected to become increasingly visible in Q1 and Q2 of FY '27 also.

On the asset quality front, performance remains encouraging with no fresh slippage and continued progress on the resolution of the only remaining NPA account, that is Danu. In summary, FY '26 is unfolding exactly on outlined over past two quarters, a year of caution, yet constructive growth, strong sanction momentum, a robust pipeline, calibrated scale-up, diversification into SME and new age infrastructure segments, a sharper private sector focus and sustained improvement in asset quality, together positions us well on -- to deliver long-term value to stakeholders, while keeping credit discipline firmly at the core of everything what we do.

This concludes the business update. Thank you. So now I'd like to transfer the call to Dilip Srivastava, who will take us through the financial performance of the quarter.

Dilip Srivastava:

Thank you. Good morning to all of you. So, from the Investor Presentation, you have seen that this quarter as well, we have a qualification-free, limited review Audit Report. And we have a positive PAT during the quarter of INR49 crores for Q3 FY'26 -- and for 9 months, it's INR274 crores for the 9 months ended for the current year.

Return on assets, for this quarter, is 3.73%, and for the 9 months, it is 6.73%. We have maintained a robust capital adequacy ratio of 71% against the requirement of 15% and net worth of the company has also improved from INR2,978 crores in the previous quarter to INR3,034 crores in the current quarter.

So financial performance is in the positive direction. And over to Priya.

Priya Chaudhary:

We will now open the floor to the Q&A session, please.

- Moderator:** We take the first question from the line of Simran Sankla from Pransh Group.
- Simran Sankla:** Yes. So, my question is, what is the latest update on the NPA resolution of Danu Wind Parks.
- Sanjeev Kumar:** Yes. Latest on Danu Wind Park- we are taking all-out approach for resolution of this account. We are going in several paths, including contacting to ARCs to bid for that. And we have already gone ahead to file a case into NCLT. Apart from that, the developer is also in our contact to actually -- for a onetime resolution.
- Certain offer has been given by them but because of certain discussions and certain, you can say, factors involved into that, I'm not able to -- I'm not in a position to actually disclose what exactly is happening on that front. But we are working on three method of solving this issue.
- And we expect that by the first month of FY '27, we'll have a clear visibility of the fund from where it is going to come and how it is going to resolve. And I'm very sure that in Q1 itself, it will be resolved. That's the status as of now.
- Moderator:** We take the next question from the line of Jay Suratwala from Aryan Ventures.
- Jay Suratwala:** Now I'm asking as we can see that our 9-month disbursements are INR1,073 crores, but why it is not showing in our sales data or revenue data? And when we can expect a decent revenue growth, which on the balance sheet, what is the timeline regarding this?
- Sanjeev Kumar:** See, these disbursements are already been shown in the revenue data also. Disbursement has taken place in the last month of the last quarter, Q9 in December. So, interest would start from the month of January. So, you'll see the result of that disbursement, which have been done in the last quarter, in Q4.
- And at the same time, the AUM has not gone up much because of the prepayment of certain loans. So, we'll see the growth on part of revenue also as soon as these loans will start yielding interest, and we have been sanctioning the loan at a very high pace, and we expect the sanction and disbursement will almost be double in next quarter. Revenue will come definitely and will show in the next quarter as well as the subsequent quarters.
- R. Balaji:** Just to add on to what Sanjeev is saying, revenue is a function of the AUM and also the yield which we are getting on our portfolio. And like what Sanjeev has said, because of prepayments, the AUM has come down. Now we are more or less close to the bottom in terms of prepayments and customers who had to prepay because of the rate expectations are significantly higher. They have prepaid. Going forward, we envisage a robust disbursement, which will lead to the growth in AUM, leading to increased revenue and profitability. That's what we are envisaging it.
- So, like what Sanjeev has said in the fourth quarter, we'll be doing good disbursement. So compared to the end of third quarter, by the end of the fourth quarter, we should be able to see around 10%-15% growth in AUM.

- Jay Suratwala:** Great. Great. And what we can expect 3 years down the line, the growth rate of this AUM growth?
- R. Balaji:** We are at a small -- very small base. Remember that a few years back, this company's AUM was significantly higher. So, one of the things -- what we would see is, for example, last quarter, we disbursed close to INR609 crores. Going forward the next year or so, we could look at an average of INR1,000 crores per quarter as far as the disbursement is concerned, and you can work out the numbers. And after that, the disbursement should keep on growing at 20%, 25% year-on-year basis. So, then you can work out the numbers by yourself.
- Moderator:** We take the next question from the line of Nishita from Sapphire Capital.
- Nishita:** So, I had two questions. One was on the NIM. We are seeing a downtrend in the NIM. So, at what rate, at what NIM margin, what is the sustainable NIM margin? And are we going to see more downturn? Or is it going to stabilize at the current 3.8% range?
- R. Balaji:** I think that's a very, very interesting question because the entire industry is witnessing heightened competition. And what we can just say is, for example, our endeavour would be to stabilize our portfolio yield at around 10.5% or so. So that would be the intent going forward. We'll be managing our portfolio accordingly. So, for a 10.5% portfolio that would translate possibly NIM of 3.5% to 4%. So that's what it would be-- the bottom would be 3.5%, but we would vary between 3.5% to 4% of our NIMs.
- Nishita:** Okay, understood. And in FY '26, like do we see us at -- like in Q4, do we see the NIM in the range of 4%? Or is it going to stay at 3.8% only?
- R. Balaji:** We have not done the math, etcetera, but it will be more or less similar, plus minus a few basis points difference would be there. So, 3.5% to 3.8%, it will be more or less in the range, 3.5% to 3.8%.
- Nishita:** Okay. Okay. Understood. And my next question is just a clarification. You mentioned that we expect disbursement to double down in Q4 FY '26. So, is that on a Q-on-Q basis? Or a year-on-year basis. So, are we expecting it to double down from the current INR609 crores of disbursement?
- Sanjeev Kumar:** Yes. This is Sanjeev again. We expect it on a Q-on-Q basis, double from this quarter. Year-on-year basis, we have already achieved a significant growth. Last year was not such a great year as far as the disbursement is concerned. So, we are expecting Q4 to be almost double than Q3. That is our endeavour.
- Moderator:** We take the next question from the line of Vishal Mehta from Oaklane Capital.
- Vishal Mehta:** Sir, I had two questions. One is when we're looking at the disbursement guidance, we are saying that next quarter would be anywhere between INR1,200 crores to INR1,500 crores because our annual disbursement target is about INR2,500 crores. So, one question is that when we are -- what gives us the confidence that after doing only INR1,000 crores in 9

months, we expect almost a similar amount or a higher amount in the fourth quarter itself? That is the first question.

And also, Balaji sir, you guided for a 10% to 15% AUM growth. My question was that if we are planning to disburse about INR1,200-odd crores, then the disbursement growth -- the AUM growth should be higher considering that we'll be adding about INR1,200 crores, and most of the prepayment repayments are done, then the growth would be much higher is what the question was.

R. Balaji:

So, on the first part regarding what gives us the confidence to do INR1,000 crores plus of disbursements in the fourth quarter. Please look into it in 3 phases. The first phase sanctions; second phase is the disbursements and third phase is the pipeline. Now that's a time lag between sanctions to disbursement.

If you look into it, in the second quarter itself, we had sanctioned more than INR1,000 crores. And again, in the third quarter also, we have sanctioned more than INR1,000 crores. So, some of the things what we sanctioned in second quarter translated into some disbursements in the third quarter. And what we have sanctioned in second and third quarter, some of the sanctions would translate into disbursements in the fourth quarter.

So, therefore, from already what we have sanctioned and not yet disbursed, we expect a pipeline of INR400 crores to INR500 crores coming in and fresh sanctions and disbursements will be there. Therefore, we will be coming to around INR1,000-plus crores of disbursements.

Sanjeev had said that our endeavours is to close to nearly double of what we had disbursed in the third quarter. So that comes to INR1,200 crores. So INR1,000 crore to INR1,200 crores, we are looking into it. Beyond that, it would be a bonus per se.

Coming back to your second question, right, if you're looking at this disbursement, then why will the AUM growth not be higher. I had guided for, say, in the fourth quarter, at least a 15% increase in AUM because as you know, there are some prepayments, something happens; while we are near at the end of the prepayment cycle in terms of the customers who would be prepaying. One or two customers might prepay and therefore, we do not want other. So, we have set a few commitments earlier as far as on AUM. We made a few statements, and we've not been able to meet up to those things. So, we want to ensure that if we are saying a 15% growth in AUM -- percent growth AUM figures, what we are saying.

On a steady-state basis, if we get INR1,000 crore disbursement plus regular repayments, even some prepayments, we expect a 15% growth in the AUM.

Vishal Mehta:

Great, sir. That's pretty helpful. And also, sir, I had 1 more question. We've changed our strategy to focus more on private players, while it gives us more confidence and quality in terms of the lending, but it slows down the growth rate. So, is there an apprehension to look at public sector entities primarily for the quality aspect? Or is there any other -- I mean, could you just throw some more light on why not -- I mean why keep PSU lending to 0?

R. Balaji: We are not keeping it to 0, okay? And lending to state utilities, is an integral part. And if you look into it, we had said that in the medium term, that is in FY '27, we wanted it to come to 1/3 of our book. Now the reason why we are going after private sector in a significantly more focused manner compared to the utilities is primarily because the state utility expectations is a larger quantum of loans and two, they are much more rate competitive. So, we need to balance our margin expectations, vis-a-vis the quantum that we can address.

Once our liability side gets streamlined, and we start getting more and more sanctions, we'll be able to participate with greater rigor as far as the state utilities is concerned. So, like state utilities and private are like two legs of any human being. So, we'll be going in tandem with both. Yes, there'll be two third would be on the private and one third on the public. That's what we focus upon.

Vishal Mehta: Great, sir. On that point, sir, any clarity on how -- what is our strategy for liabilities? I mean, we said that we want to focus a little more on liabilities. Could you just throw some light on that?

R. Balaji: See liabilities, like the unfortunate incident, what happened in September of '26, right, pushed our resource raising mobilization by 2 or 3 months. Like in this quarter, the Board was completely reconstituted and new directors have come on board.

Now with increased disbursements and a fully functional Board, we'll be engaging with -- we're engaging already with quite a few banks. In the fourth quarter, we expect to see a couple of sanctions coming through.

Moderator: We take the next question from the line of Rakesh Srivastav, who is an Individual Investor.

Rakesh Srivastav: I would like to know why the PFS is not declaring dividend from the last 2 years. I'm a retired person. I have invested some money in PFS shares from the last 6 years; I keep invested. So why the PFS is not declaring dividend from last year, there was also a profit. This year till Q3, there is a good profit. There is growth. Then why PFS is not declaring the dividend?

R. Balaji: So, thanks, Rakeshji. So going forward, we would be doing it because see one of the things is while we are coming out of a sticky and a tough issue, the emphasis was on conserving resources because the market also was volatile.

Now that we are back onto the growth, shortly, you should be seeing what we are doing as far as dividends are concerned. So, thanks for being patient with this. Hopefully, there'll be good news at the end of the annual results.

Moderator: We take the next question from the line of Amey Chheda from Banyan Capital Advisors.

Amey Chheda: So, sir, this 15% AUM growth is sequential, right, Q-on-Q?

R. Balaji: Yes, that's right.

Amey Chheda: Okay. And sir, how much liquidity do we have right now? I think we had INR1,500-odd crores as on September, right?

- R. Balaji:** It is similar to the same amount, INR1,400 crores of liquidity.
- Amey Chheda:** Okay. And sir, the next question is, since the Board is reconstituted now, like you mentioned, and are we planning the capital raise this year? Or will it get spilled over to the next financial year?
- R. Balaji:** Already, we are in January. So even when we go through the process, it will get to the early part of next year. It will not happen this year. So, there will be some news -- as soon as we got some concrete news, we'll be getting back to you on that.
- Moderator:** We take the next question from the line of Vishal Biraia from Bandhan AMC.
- Vishal Biraia:** Congratulations on the improvement in disbursements. My question pertains to the credit rating. So, could you take us through as to what are the next steps for you to achieve that? And when is the rating review due for both CRISIL and ICRA?
- R. Balaji:** Yes. The second part of the question is easier. I think ICRA would be due in February and CRISIL would be in August. That's the annual review. But nevertheless, if there is any significant change in the perception of the organization, a rating change could also happen immediately.
- Coming back to what are the next steps as far as the rating change is concerned, the key thing is we have resolved quite a few things in terms of business traction, portfolio quality, stable management systems and processes. The one thing that we need to resolve going forward, which is important not only from a rating perspective, but from a sustained operations of the company is raising of additional liabilities or resources.
- Till now, we've got a huge capital buffer, and that's the reason we are a bit slow on it because you got INR1,500 crores of excess liquidity at this point of time. So, in the fourth quarter, we'll be pressing the full throttle on that. And once this comes, post the annual results, we expect to see some positive movement as far as the ratings are concerned.
- Vishal Biraia:** Okay. And in terms of the liabilities, could you, I mean, give a perspective as to what is the -- I mean, the bulk of our borrowings are MCLR linked and the banks have not declined -- reduced the MCLR as yet. So, what are the incremental steps? Because what happens is it keeps us -- I mean there is a disadvantage on that front.
- R. Balaji:** I think that's a fair point. So only one thing is, we'll have to keep on increasing our engagement with banks to at least look; at while the MCLR does not reduce, at least the spread reduces. In fact, one of our lenders had reduced the spread for us in the third quarter. Going forward, that would be the thing.
- And going forward, we at least expect a better transmission because as we all know, the rates have come down by 125 basis points, but the MCLR has not got translated by more than 30 to 45 basis points across various banks. So going forward, we expect some more transmission. Therefore, we expect a moderation of the yields.

The only solution for this is going forward is we need to start diversifying beyond banks as far as liability sourcing is concerned. So, in the early part of next year, we start making inroads into the bond market, albeit in the smaller quantum. So once as we build up a thing, we'll be having a more diversified liability profile, we'll be able to manage the rates in a much better manner.

Vishal Biraia: So then -- I mean, as the banks reduce the MCLR over the next few months, so then should we expect a meaningful improvement in the cost of funds, say, in the next 2 quarters?

R. Balaji: See, it will be basically what happens is different banks, it depends on the reset date, happens on an annual basis depending upon when they are borrowed. Therefore, the path would be gradual. And just to look into it compared to the September quarter, our cost of funds in the December quarter has come down. And we expect on the next 2, 3 quarters on a quarter-on-quarter basis, our average cost of funds would be coming down by 15 to 20 basis points for the next couple of quarters.

Vishal Biraia: All right. So, the spread should stabilize here, if you could give that perspective. Should we look at 150 to 160 bps as a sustainable spread for you?

R. Balaji: I think 150 is what we are targeting. We want to target the interest spread as 150 basis points. In the third quarter, it is low because that's what then gives us a good ROA. That's what our endeavour is to target a 150-basis point spread.

Vishal Biraia: Right. Perfect. Perfect. So, the 150 bps should lead you to 3.5% of ROA? Would that be a fair assessment?

R. Balaji: 3.5% is too high, it will be closer to 3%.

Moderator: We take the next question from the line of Kartik Sharma from Anand Rathi Institutional Equities.

Kartik Sharma: Congratulations on a great set of numbers, sir. I just wanted to ask you two questions. One is with these DISCOMs turning profitable and legality of Amendment Act, which is going to privatize DISCOMs. So, what kind of opportunities are we seeing there given outstanding our outstanding order book that is -- outstanding book 33% comes from distribution segment. That was my first question.

And my second is our pipeline, if you could give a breakdown of the pipeline in terms of how you've given for our outstanding one. So that -- and my second question is on the renewable front where we are seeing an oversupply in the module front and the government is targeting on giving more funding towards the more integrated players. So how are we seeing that shape up for the smaller players with smaller capacities?

R. Balaji: I will take the first question and the second and third, Sanjeev will answer. Yes, the DISCOMs turning profitable creates an opportunity. But we should also bear in mind that since the DISCOMs were not very profitable, that also kept away a huge set of lenders away from them. So, with the books becoming stronger, there'll be a greater renewed interest as far as

DISCOMs are concerned, and this is evident that the borrowing cost has started coming down, especially in the last 12 to 18 months.

So, the opportunity for us in state utilities is through DISCOMs, to be honest, it would be very limited in the sense because we can do it for special purposes, for a particular time period for particular quantum. The bigger opportunity would be going to the larger players like PFC, REC or the larger banks like State Bank. So that's what it is there. But nevertheless, it's a small and interesting opportunity for us. Now the second and third question, Sanjeev will answer.

Sanjeev Kumar:

Yes, your question about solar panels. Solar panels, the business of manufacturing of solar panels has become highly competitive in recent past. The margins have gone down, no doubt onto that. And that's why the solar finance cost is going down, the projects involving solar panel, like solar projects are getting more attractive, whereas the manufacturing is not that yield-making.

So, you'll see in our current portfolio in last quarter, we have not sanctioned or disbursed any solar panel manufacturers. Though we are keen to go into the project loans also, we have not yet got the right proposal because of our less competitiveness on rates as far as this is concerned.

So, our concentration is more on the remaining value chain, like EVs and battery swapping and data centres. These are the new sectors where we are concentrating more and not actually on solar panels as of now. So, I hope I have addressed your concerns.

Moderator:

We take the next question from the line of Chanan Mallu, who's an Individual Investor.

Chanan Mallu:

I'm holding 155,000 shares in this company. And congratulations for good set numbers in the sanction and disbursement this third quarter. What is the present status of source -- fundraising from different sources for the next sanctions and disbursements?

R. Balaji:

Yes. Thank you for being a valued investor. As we said earlier, we have about INR1,400 crores to INR1,500 crores of liquidity that will more than take care of our disbursements for this quarter. The treasury team is actively focused on garnering additional liabilities. So, they are in dialogue with two to three banks.

We expect a couple of sanctions to fructify before the end of this quarter. So, all I could assure you is that liability raising plans are in place, and we'll be able to continue our continued growth momentum, not only in the fourth quarter, but also in the subsequent quarter.

Moderator:

We take the next question from the line of Manoj Pandey who is an Individual Investor.

Manoj Pandey:

Congratulations on a good set of numbers. I have one question. Our competitors like IREDA is growing at the rate of 30% to 40%. They are -- 30% to 40%, they are increasing their book by 30% to 40%. But PTC Finance is struck with prepayment of book despite -- what is the strategy, where PTC is -- prepayment of -- with prepayment so that it reflects in our growth?

R. Balaji: We are a niche player as far as infra financing is concerned. And our ability to grow depends on identifying the right customers. You pointed out about IREDA. Now most of their lending happens at a very, very low price of, say, close to 9% or so. And that's an area which at this point of time, we are not participating in because as a small NBFC, our cost of funds is quite high.

But going forward, as our book becomes bigger and we're able to start garnering liabilities at a more competitive price, we'll be able to participate in the larger part of the marketplace. But the market for infrastructure financing is very large.

Every player has got its own area where we can participate in. And as far as we are concerned, focusing on the smaller infra projects, what we call as distributed infrastructure or in terms of sustainable finance, that's where we'll be focusing upon. And we think there's a significant potential for us to expand our book significantly in the next 5 to 10 years in this particular area. So, we'll be only focusing on the same areas.

Manoj Pandey: Okay. But sir, my question is at this point of time, when the book size -- one point of time, PFS used to have more than INR14,000 crores of book size. Now we are less than INR4,000 over the last 5 years.

Now is the right time to change our strategy and to quickly improve your book size. There should be a trade-off in return and risk taking. We need to be more risk taking to scale up your book size because you have enough capital buffer, you have enough...

R. Balaji: Okay. We'll increase that.

Moderator: We take the next question from the line of Jayant Raghavan, who is an Individual Investor.

Jayant Raghavan: Sir, you mentioned some time back that there have been prepayments during this quarter. So, what then happens to our cost of funds? Will we -- when we -- we are now left with the cash in our account for which we have had a cost of funds, which was corrected to the rate at which we had lend. So, are we able to also bring down the rate of interest corresponding to the future disbursements?

R. Balaji: Not exactly. See, if you get a repayment or a prepayment, right, you've got excess cash with you. You need to redeploy it in fresh disbursements. And until you deploy it, we'll be having some negative carry-on account of that. Since we are actually keeping on as a going concern, we're keeping on disbursing continuously, for some couple of months, we'll be having some excess liquidity. So that's what will be there.

Jayant Raghavan: No, my question was that I understand we'll be having the funds, but now that the interest rates are going down, the borrower will be expecting a lower rate of interest from us, right? But our cost at which we have borrowed must be a little higher because we have borrowed it in the past, right? So, will that come down?

- R. Balaji:** So, we will lend to people who will borrow at our rate. So, the market is large. For example, if you take a renewable energy project, which is a hot topic nowadays, people borrow for renewable energy projects from as low as 8% to as high as 11%.
- So different customers would have different things. So, we need to identify the right customer, put appropriate risk management practices in place, ensure that we're able to deliver so that we need to -- we can maintain our margin expectations.
- Jayant Raghavan:** Okay. The second question was that in the previous quarter, you had mentioned that because 3 Board positions were vacant, that is going to impact our next quarter. So, if we see the year-on-year numbers, definitely the top line and bottom line are both down. So now is the Board full now? And will it have a positive impact going forward? Or still there are some positions to be filled?
- R. Balaji:** The Board is completely full. The entire Board has been reconstituted. 3 new independent directors have joined the Board in this quarter. So going forward, we expect no adverse impact because of this. In fact, the fourth quarter will be significantly better than the third quarter.
- Jayant Raghavan:** Okay. And one last question. The share price, if we see in the market, it looks like it is very undervalued compared to the book value and these. So, one of the ways to appreciate is that we have to pitch to the institutions. When the mutual funds and big institutions start buying shares in the company, that is the time we will see a share price appreciation. So, are we attending various shows and pitching to different institutional clients?
- R. Balaji:** See, I think that's what the Investor Relations team does regularly. See, basically, at the end of the day, the team is pitching -- once our performance improves significantly, automatically, people will start buying it.
- So that's -- my team is working on to it. And even, for example, the mutual funds or the institutions, you're also looking for companies which can deliver good results for them. So even they'll be looking for it. So, it should happen in the course of time.
- Moderator:** We take the next question from the line of Hukam Chand Singal, who is an Individual Investor.
- Hukam Chand Singal:** Sir, I just wanted to know what's your forecast for FY '27, and about the loan book AUM size?
- R. Balaji:** We do not want to give a specific forecast for FY '27. Like what I said is once we move on to this quarter-on-quarter in the 4 -- I will be doing INR1,000 crores of disbursements per quarter, so then you can work out your numbers from there.
- Moderator:** We take the next question from the line of Chintan Mehta from Puniska Family Office.
- Chintan Mehta:** I just want to understand why can't we grow at a much higher rate in percentage of AUM at low base? INR1,000 crore quarterly guidance can be easily upward. We have lower leverage. We have high rooms for growth.

So also, industry-wise is quite big. And going to your team has been also a very good setup. So, at low base, we need to go at a much higher rate looking at the time, like IREDA is doing or HUDCO is doing? It would be great if you can throw light or where we can catch up a high growth rate?

R. Balaji:

See, I think it's a process. If you look into it, quarter-on-quarter, the disbursements are increasing, the sanctions are increasing. So, like last quarter, we disbursed INR600 crores. And in fact, the INR600 crores was the highest in more than 3 years. And in the fourth quarter, we are disbursing more than INR1,000 crores.

So, one, the pipeline starts coming in. And the growth will automatically happen, and that's what's happening. So, we should start seeing it going forward. And we are not here to compare with IREDA or others because they've got their advantages. They are significantly larger than us. They've got a cost of funds advantage. They've got a quasi-government company. Therefore, there are multiple advantages.

For us, the opportunity is how do we grow from there, how do we grow sustainably and rapidly? That's what we are doing. And once we get a couple of quarters of INR1,000 crore disbursements, then we can set on to the next target, how do we go from INR1,000 crores to significantly higher number. So, it will start happening, and you can start seeing it in the forthcoming quarters.

Chintan Mehta:

Okay. And sir, what kind of mix which we are looking in, in current pipeline...

Moderator:

Chintan, I do apologize. You will have to repeat your question as the audio was not clear.

Chintan Mehta:

Sure, sure. So how your mix will look like from the current pipeline which you have for the let's say near term next 1 year, 1 year or so?

Sanjeev Kumar:

So, though we have not been able to hear you very clearly, but what I can understand that you wanted to know about the expected product mix or, say, our lending product mix. If I'm right, I just wanted to clarify that our product mix will continue to be focused on infra sectors, all sectors of infrastructure, including its value chain.

And at the same time, we also will try to encash the projects, which will be high-margin projects. For that, we have already opened verticals for funding to FIs and SMEs also, which will continue to be focused on high-yielding loan proposals.

At the same time, being an infrastructure finance company, we'll be focusing on all sectors of infrastructure and product mix would be like that only that whatever comes to us at our rate and our quality expectation, we'll go ahead with that.

Moderator:

We take the next question from the line of Hukam Chand Singal, who is an Individual Investor.

Hukam Chand Singal:

Sir, one more question actually rather I appreciate your effort regarding resolution of NPA that balance of NPA is probably from Danu. When is it likely to be resolved?

- Sanjeev Kumar:** See, we have addressed this question earlier also. So, I again would like to reiterate that we are already working...
- Hukam Chand Singal:** Please go ahead, sir. Sorry, I missed that part.
- Sanjeev Kumar:** I'll just like to clarify that we are working on 3, 4 paths to resolve that, including NCLT auctions and getting bids from the ARCs. Both we are already working on. At the same time, the borrower also has approached us for some onetime settlement, and terms or their offer because of certain issues, we'll not be able to actually disclose right away.
- As soon as something materialize, we'll come out openly. And then we expect that the resolution process will be at advanced stages in the first month of the next quarter itself. And by the end of the first quarter, we'll be able to resolve that.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. R. Balaji for his closing comments.
- R. Balaji:** Thanks all, for all your queries. Like last quarter, we made a good beginning in terms of significant growth. Our disbursements were more than INR600 crores, and we also reconstituted the Broad, and that was required after the unexpected shock of what happened in September.
- Going forward, as far as this quarter is concerned, we see significant events from the company's perspective. One, our disbursement, we expect it to cross more than INR1,000 crores in this particular quarter. Two, getting future ready in the sense that we need to source significant liabilities and three, more importantly, focus on resolving the last remaining NPA Danu. While it's a process, it could spill over to the next year, but significant steps needs to be taken so that we are as close to resolution of that issue as possible. So, with this, we expect to grow. And after many years of -- many quarters of decline, I think in the fourth quarter, we would see increase in the company's AUM by around 15-odd percent, possibly even more.
- And then from there, it's up to us to keep on growing quarter-on-quarter so that we expect in the foreseeable future to have a sustainable rate of INR1,000 crores per quarter as a disbursement number. So that's where we are and look forward to your continued support. Thank you.
- Moderator:** Thank you. On behalf of PTC India Financial Services Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.