

PTC India Financial Services Limited

January 22, 2022

Credit Update

On 19th January 2021, all three independent directors of PTC India Financial Services Limited (PFS) (Sh. Kamlesh Shivji Vikamsey, Sh. Thomas Mathew T., Sh. Santosh B. Nayar) resigned with immediate effect citing several corporate governance related issues. Various issues raised by the independent directors include issues in appointment of whole time director, lack/delay of disclosures of various information to board, change in terms & conditions of loans without prior approval of board and delay in appointment of board member as per regulatory requirements for remuneration committee.

PFS and its parent, PTC India have refuted the allegations prima facie, citing factual inaccuracies. CARE notes that PTC India is setting up an internal probe committee to investigate the issues raised further.

CARE will continue to monitor the outcome of internal probe along with any possible impact of the resignation of independent directors on the Company's financial performance and/or its liability franchise.

The company continues to have comfortable liquidity profile and as on date, PFS has ~INR410 crore of fixed deposit against payment obligations of ~INR400 crore till March 2022. The company also has undrawn credit lines of ~INR2,000 crore, which provides further support to liquidity. Also, as per the asset liability maturity statement dated September 30, 2021, there were no negative cumulative mismatches.

Please refer to the following link for the previous press release that captures key rating factors and rating sensitivities: [click here](#)

Contact us**Media Contact**

Name – Mr. Mradul Mishra

Contact no. - +91-22-6754 3596

Email ID - mradul.mishra@careedge.in**Analyst Contact**

Group Head Name – Ms. Neha Kadiyan

Group Head Contact no.- +91 813034 0369

Group Head Email ID- neha.kadiyan@careedge.in**Relationship Contact**

Name – Ms. Swati Agrawal

Contact no. - +91-11-45333200

Email ID – swati.agrawal@careedge.in

About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careedge.in**