



PTC India Financial Services Limited

Unlocking The Potential

ANNUAL REPORT
2010



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abstract and Company's General business profile

Corporate Directory

BOARD OF DIRECTORS

T. N. THAKUR, Chairman & Managing Director
ASHOK HALDIA, Whole Time Director
DEEPAK AMITABH, Whole Time Director & CFO
(Upto 22nd September, 2010)
SHASHI SHEKHAR
SUDHIR KUMAR
M. K. GOEL
P. ABRAHAM
RAMA MURALI
UDDESH KOHLI
C. R. MURALIDHARAN
L. B. NAIDU
NEIL KANT ARORA

COMPANY SECRETARY

VISHAL GOYAL

REGISTERED OFFICE AND BUSINESS ADDRESS

2ND FLOOR, NBCC TOWER,
15 BHIKAJI CAMA PLACE,
NEW DELHI - 110 066, INDIA
TEL: 91-11- 41659500/41595122
FAX: 91- 11- 41595155/41659144

BANKERS

YES BANK
PUNJAB NATIONAL BANK
INDIAN BANK
UNION BANK OF INDIA
ORIENTAL BANK OF COMMERCE
CORPORATION BANK

AUDITORS

DELOITTE HASKINS & SELLS (Statutory Auditor for 2010-11)
RAVI RAJAN & CO. (Internal Auditor for 2010-11)

CONSULTANTS

KPMG
DHIR & DHIR ASSOCIATES

EMAIL

info@ptcfinancial.com

WEBSITE

www.ptcfinancial.com

About Company

PTC India Financial Services Ltd (PFS) is promoted by PTC India Ltd (PTC) as a special purpose investment vehicle to provide total financial services to the entities in energy value chain, which inter-alia includes investing in equity and/or extending debt to power projects in generation, transmission, distribution; fuel sources, fuel related infrastructure like gas pipelines, LNG terminals, ports, equipment manufacturers and EPC contractors etc.

PFS also provides non-fund based financial services, adding value to green field and brown field projects at various stages of growth and development, as well as carbon credit financing.

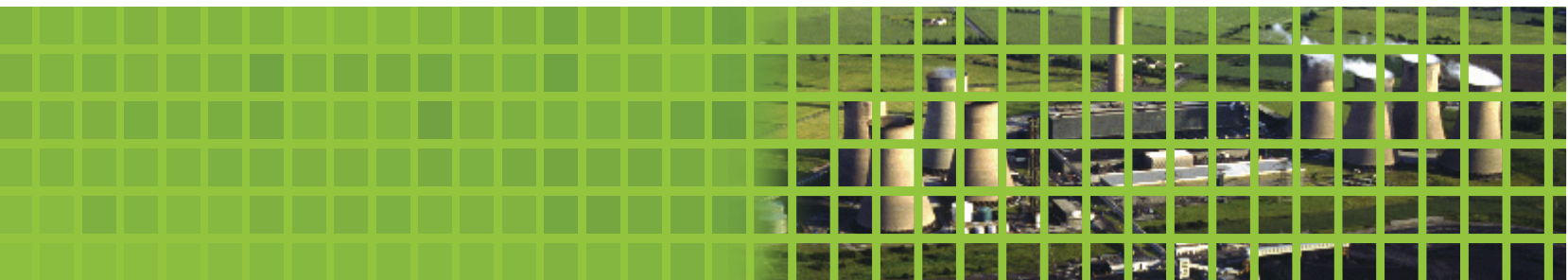
PFS is a systemically important non-deposit taking NBFC and have been recently been classified by the RBI as an Infrastructure Finance Company ("IFC"). The IFC status enhances PFS's ability to raise funds on a cost competitive basis & enables PFS to assume higher debt exposure in Infrastructure projects.

VISION

"Be the most preferred financial services partner in the entire energy value chain."

MISSION

"To partner and forge strong relationship with credible stakeholders to provide complete financial services for all links in the energy value chain."



Our Shareholders

The paid up capital of PFS is contributed by PTC India Limited (PTC), GS Strategic Investments Limited (GS) and Macquarie India Holdings Limited (MQ). PTC holds 77.60 % stake while the remaining 22.40 % is shared equally by both GS Strategic Investments Limited and Macquarie India Holdings Limited.

PTC India Limited

The Promoter of PFS, namely, PTC was set up in the year 1999 as a Government of India (GoI) initiative for incentivising market based investments to the power sector, especially from the private sector. It was promoted by public sector undertakings owned by the Government of India (GoI) namely National Thermal Power Company Ltd (NTPC) - the largest power company in India, Power Finance Corporation Ltd. - power sector specific, developmental financial institution and POWERGRID - the Central Transmission Utility (CTU) of India. Subsequently, National Hydro Power Corporation (NHPC) - India's premier hydro power utility, also joined as promoter.

GoI owned power sector undertakings NTPC, NHPC, PFC and POWERGRID at present collectively hold 16.32% stake in PTC. PTC has net worth of USD 450 Million and continues to be the market leader in power trading business in the country with market share of about 50%.

PTC today is not just the leading power trader in the country, but has also diversified into numerous energy & related fields to play the unique role of being a complete energy solutions provider. PTC is listed on both National Stock Exchange (NSE) & Bombay Stock Exchange (BSE) and enjoys a credit rating of F1+ for its short term debt program

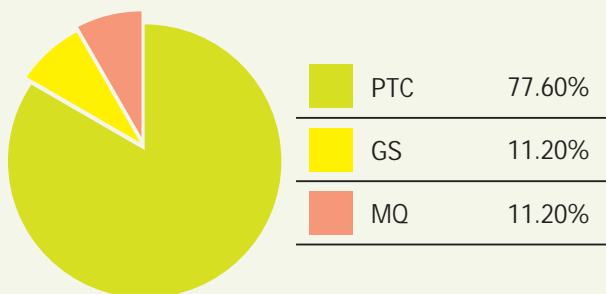
GS Strategic Investments Limited

GS Strategic Investments Limited, a company incorporated with limited liability under the laws of Mauritius is a 100% subsidiary of Goldman Sachs. Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of services to a substantial and large client base that includes corporations, financial institutions, governments and high-net-worth individuals.

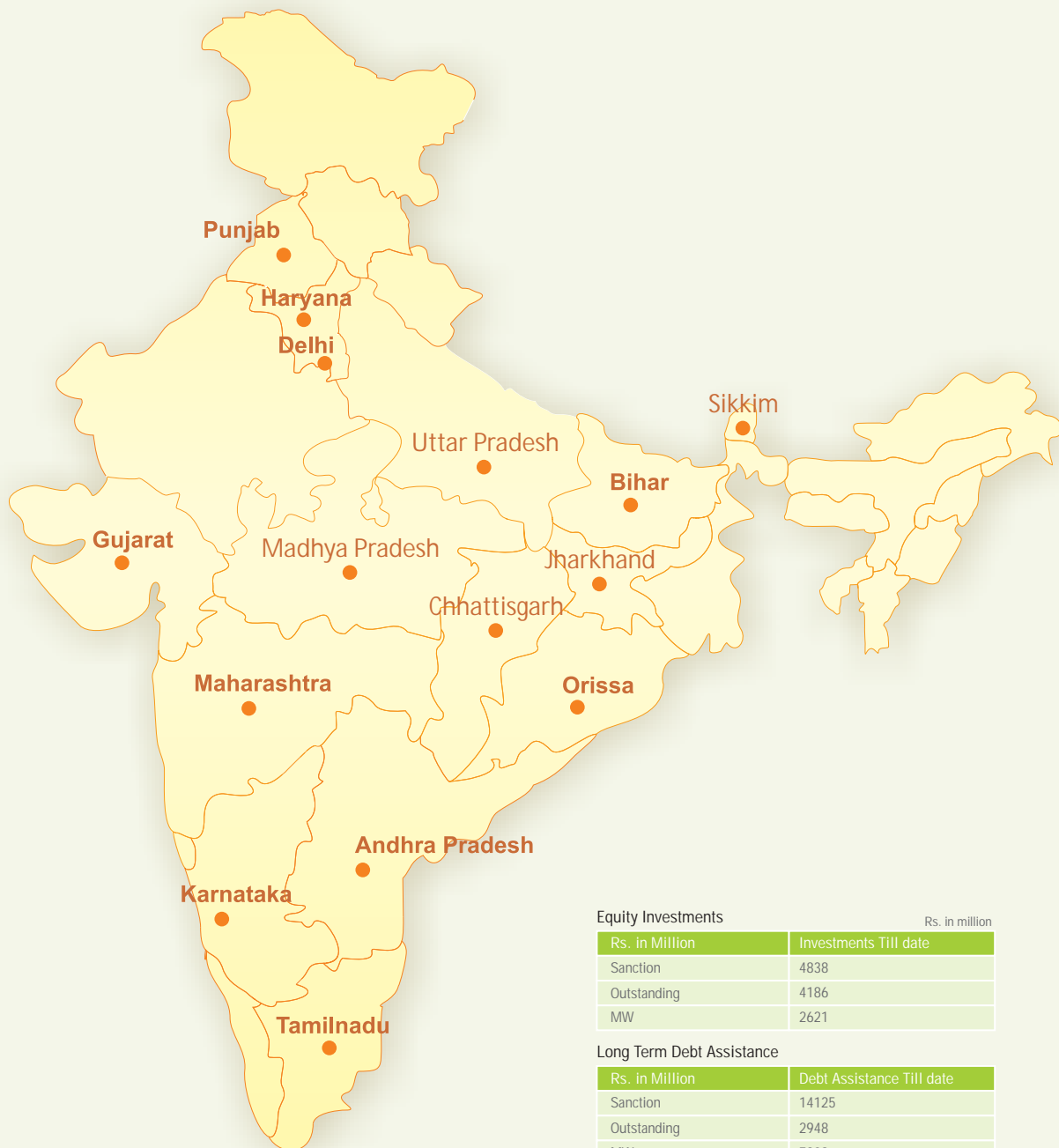
Macquarie India Holdings Limited

A part of the Macquarie Group, MQ, is a provider of specialist investment, advisory and financial services. It has been a global leader in infrastructure for the past 13 years. With over 15,500 employees in 28 countries across Europe, America, Africa and Australia, the Macquarie Group possesses total assets of AUD 149 billion with a further AUD 317 billion in assets under management as on 30 September 2010.

Managing 31 infrastructure funds world-wide that hold over 100 infrastructure assets, Macquarie holds investments in both developed and emerging markets.



Projects



Equity Investments Rs. in million

Rs. in Million	Investments Till date
Sanction	4838
Outstanding	4186
MW	2621

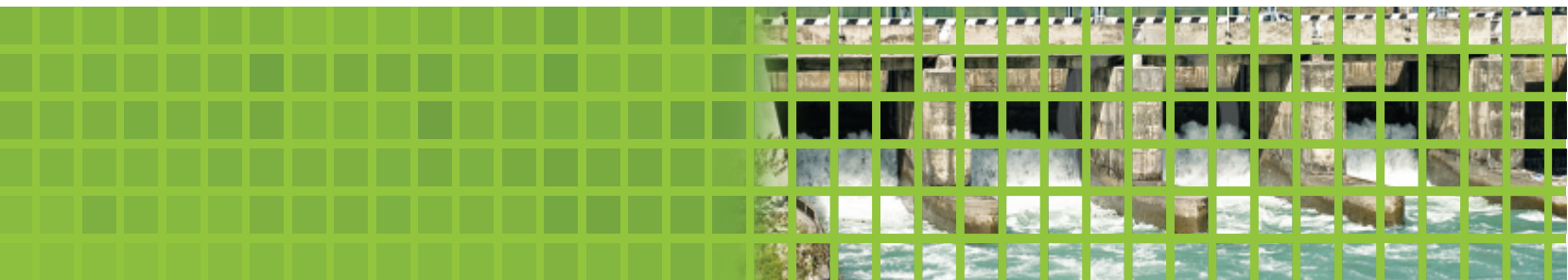
Long Term Debt Assistance

Rs. in Million	Debt Assistance Till date
Sanction	14125
Outstanding	2948
MW	7208

Mezzanine / Short Term Debt Assistance / CER Financing

Rs. in Million	Mezzanine / Short Term Debt Assistance Till date
Sanction	6641
Outstanding	3164
MW	1753

*As on 30th September, 2010



Power Exchange

INDIA'S FIRST POWER EXCHANGE - PFS IS ONE OF THE PROMOTERS OF THE INDIA'S FIRST POWER EXCHANGE VIZ. INDIAN ENERGY EXCHANGE AND HOLDS 21.12% EQUITY IN IT.

Renewable Energy Sector Investments

37% equity in a wind farm 99.45 MW project in Maharashtra

- 39.60 MW was Commissioned in Sep. 2010 and remaining 59.85 MW is expected to be commissioned by June 2011

26% equity in a 10 MW biomass power project in Maharashtra

- Commissioned in Feb.2009, the project is primarily using rice husk as raw material and other biomass locally available.

Upto 26% equity in an SPV to undertake 500 MW of biomass and renewable energy projects

- This SPV will scout for investment opportunities across the nation.

- Around 50 projects already identified and out of these permissions for 25 projects received from state govt.
- Land acquisition for Five projects are in the progress acquisition.

Conventional Energy Sector Investments

26% equity in 189 MW imported coal based power project in Tamil Nadu

- The first two units of 63 MW each has been commissioned and the last unit is expected to be commissioned shortly

13% equity in 2*350 MW thermal power project in Orissa

- The first unit of the project is expected to be commissioned by December 2011 and second unit by March 2012.

26% equity in the phase I of 300 MW imported coal based power project in Andhra Pradesh

- PTC will supply coal to the project and will purchase the power by paying conversion charges.

- Financial closure has been achieved.
- The project is expected to be commissioned by March 2012.

15% Equity in stage I of 2*660 MW thermal power project in Andhra Pradesh

- BTG order has been placed and all regulatory approval are in place
- The project is expected to be commissioned by 2013.

Debt Financing

350 MW Coal based power plant at Janjgir-Champa, Chhattisgarh

- Sanctioned Loan - Rs. 500 million
- Disbursed - Rs.93.6 million
- Expected COD - April 2012

54 MW Captive power plant at Rajgangpur, Orissa

- Sanctioned Loan - Rs. 391.7 million
- Disbursed - Rs. 300 million
- Expected COD - March 2011



PFS wind farm at Davangere, Distt. Karnataka

Projects

10 MW Biomass based power plant at Chandrapur, Maharashtra

- Sanctioned Loan - Rs. 83.3 million

10 MW Biomass based power plant at Garhchiroli, Maharashtra

- Sanctioned Loan - Rs. 162.5 million
- Disbursed - Rs. 162.5 million
- Plant Commissioned in April 2010

2*660 MW Coal based power plant at Jhajjar, Haryana

- Sanctioned Loan - Rs. 318.7 million
- Disbursed - Rs. 318.7 million
- The expected COD is Jan 12 (Unit I) and May 12 (Unit II)

3*360 MW Coal based power plant at Chhattisgarh

- Sanctioned Loan - Rs. 700 million
- Disbursed - Rs. 102.4 million
- Expected COD - November 2012

Captive 2*60 MW coal based thermal power plant at Cuttack, Orissa

- Sanctioned Loan - Rs. 1200 million
- Disbursed - Rs. 18.78 million
- Expected COD - February 2012



270 MW coal based thermal power plant at Saraikela, Jharkhand

- Sanctioned Loan - Rs. 400 million



- Expected COD - December 2012

10 MW biomass based thermal power plant at Amreli, Gujarat

- Sanctioned Loan - Rs. 172.5 million
- Disbursed - Rs. 152 million
- Plant is expected to be commissioned by January 2011

15 MW small hydro power project at Koraput, Orissa

- Sanctioned Loan - Rs. 163 million
- Expected Fin Closure - Mar 2011
- Expected COD - March 2014

96 MW hydro power project at East Sikkim, Sikkim

- Sanctioned Loan - Rs. 1000 million
- Expected Fin Closure - March 2011

- Expected COD - October 2015

10 MW biomass based thermal power plant at Seoni, Madhya Pradesh

- Sanctioned Loan - Rs. 167.9 million
- Expected Fin Closure - March 2011
- Expected COD - December 2012

2*660 MW Coal based power plant at Nellore, Andhra Pradesh

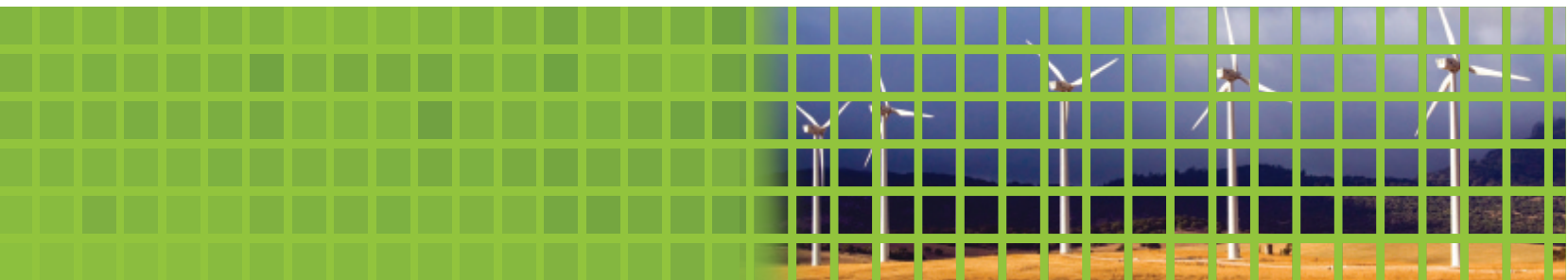
- Sanctioned Loan - Rs. 1200 million
- Disbursed - Rs. 1000 million
- Expected COD - June 13

2*210 MW Coal based power plant at Raichur, Karnataka

- Sanctioned Loan - Rs. 1200 million
- Disbursed - Rs. 800 million
- Expected COD - November 2013

15 MW Coal based power plant at Mul, Maharashtra

- Sanctioned Loan - Rs. 250 million
- Expected COD - April 2012



30 MW Bagasse based power plant at Bijora, Maharashtra

- Expected Fin Closure - June 2011
- Expected COD - June 2016



- Sanctioned Loan - Rs. 478.5 million
- Expected Fin Closure - Mar 2011
- Expected COD - December 2012

2*600 MW Coal based power plant at Anuppur, Madhya Pradesh

- Sanctioned Loan - Rs. 1200 million
- Disbursed - Rs. 1200 million
- Expected COD - July 2014

9.9 MW Biomass based power plant at Ahmadabad, Gujarat

- Sanctioned Loan - Rs. 170 million

450 MW Coal based power plant at Uttar Pradesh

- Sanctioned Loan - Rs. 750 million
- Expected COD - December 2012

67.5 MW Coal based power plant at Jajpur, Orissa

- Sanctioned Loan - Rs. 1250 million
- Expected Fin Closure March 2011
- Expected COD - March 2013

300 MW Hydro power project at North Sikkim, Sikkim

- Sanctioned Loan - Rs. 1200 million

20.8 MW Wind power plant at Jamnagar, Gujarat

- Sanctioned Loan - Rs. 500 million
- Expected Fin Closure December 2010
- Expected COD - March 2011

20 MW Wind power plant at Jamnagar, Gujarat

- Sanctioned Loan - Rs. 500 million
- Expected Fin Closure January 2011
- Expected COD - January 2011



Carbon Finance

20 MW Small Hydro power plant at Samal, Orissa

- Sanctioned Loan - Rs. 61.10 million
- Disbursed - Rs. 61.10 million

88 MW (cumulative capacity) Biomass/Hydro power project in Karnataka, Andhra Pradesh and Chhattisgarh

- Sanctioned Loan - Rs. 245 million

Board of Directors

T. N. Thakur

Chairman and Managing Director

Since the inception of PFS, Shri Tantra Narayan Thakur, initiator of the concept of power trading in India, has been its Chairman and Managing Director. He is also the Chairman and Managing Director of PTC India Limited.

Possessing an experience of over three decades as a member of the Indian Audit & Accounts Service, Mr. Thakur holds expertise in Treasury Management, Financial Management (including Resource Mobilization, Investment decisions and Appraisal of Projects for Project lending), Accounts, Cash Management, Budgeting and Budgetary Control, Human Resource Management. It is due to his wide knowledge and experience that the company has managed to create a position for itself even in such a short duration.

Mr. Thakur has also served as a Director (Finance & Financial Operations), Power Finance Corporation Ltd (a Development Financial Institution for the Power Sector in India), New Delhi where he was responsible for mobilizing resources for the company; for on-lending to power projects in the public sector (both state and central) as well as in the private sector including captive power plants.

Ashok Haldia

Whole time Director & CFO

A member of The Institute of Chartered Accountants of India, The Institute of Company Secretaries of India and The Institute of Cost and Works Accountants of India. Dr. Ashok Haldia has diversified experience of project financing and

industrial financing policy; public sector policy reforms, evaluation and management; power sector reform, restructuring and financing. Before joining on the Board of PFS, Dr. Ashok Haldia was Secretary, the Institute of Chartered Accountants of India, New Delhi. He has been associated with formulation of accounting & auditing standards, corporate laws and governance, Islamic finance, WTO-GATS, reforms in government accounting and related aspects of public finance, sustainability reporting etc. Earlier, he was also associated with Power Finance Corporation Limited, looking after state power utilities reform and restructuring and financing of power sector projects.

He had been a member of a number of committees set up by the Government of Rajasthan, the Government of India, ICAI, and other national & international bodies. He was Technical Advisor on Board of International Federations of Accountants, confederation of Asian Pacific Accountants and Secretary General of South Asian Federation of Accountants. He has contributed a number of articles in national/international conferences, professional journals and news papers. He was also member of Governing body of National Foundation of Corporate Governance, setup by The Government of India. Dr. Ashok Haldia did his doctorate on 'Privatization of Public Enterprises in India'

Shashi Shekhar

An IAS Officer of Tamil Nadu Cadre, 1981 batch, Mr. Shashi Shekhar is also

serving as Director in PTC India Ltd. He has also held various senior positions in the State of Tamilnadu as well as the Central Govt. He was District Collector of Pudukotttai and the Nilgiri Districts in Tamil Nadu and was also a Managing Director of Tamil Nadu Minerals, Tamil Nadu Urban Development Fund and Tamil Nadu Transport Development Finance Corporation (a NBFC) at different times. He was also a Director and later Joint Secretary, in the Ministry of Power from 1998-2003, during this period he also held position of Director General of Bureau of Energy Efficiency (BEE) in charge.

Sudhir Kumar

Shri Sudhir Kumar has joined PFS Board in March, 2010. He is joint Secretary, Ministry of Power, and Government of India. As Officer on Special Duty to the Minister for Railways, he assisted the Minister in transforming the financial health of railways from a state of terminal debt trap to one of the biggest money spinners in the country. He was conferred Public Service Excellence Award for the year 2008 by All India Management Association

M. K. Goel

Shri M.K Goel, Director PFC has been appointed as Director in PFS w.e.f. January 2010. He has a career spanning over 30 years. Currently he has been in-charge of Commercial Development and Administration in Power Finance Corporation (PFC). Before joining PFC, he was working with NHPC. He has been involved in inducting reforms in State Power Utilities, steering Restructured

"Effective people are not problem-minded;
they're opportunity-minded.
They feed opportunities and starve problems."

Accelerated Power Development & Reform Programme of GOI and oversees human resource functioning, information technology and legal activities.

P Abraham

Shri P. Abraham has served as Secretary to the Government of India in the Ministry of Power during the first phase of reforms in the power sector. He holds rich experience in the field of administration and specifically the Power Sector. Earlier he was the Chairman of Maharashtra State Electricity Board (MSEB) and presently, he is also a Director in PTC India Ltd,

Mrs. Rama Murali

Mrs. Murali has more than 35 years of experience. She joined IA&AS in July 1973 and retired from service in May 2008. She has worked as Joint Secretary, Ministry of Finance in dept of Economic Affairs dealing with external aid, privatization of public sector enterprises and administration and policy relating to industrial units engaged in production of currency and coinage. She also worked as Joint Secretary, Govt. of India and Financial Advisor in the Dept of Scientific and Industrial Research, Financial Advisor to the Council of Scientific & Industrial Research, Govt. of India where she was in charge of finance and accounts of the Council. She was also the financial advisor to the New Delhi Municipal Corporation with overall in charge of finance and accounts. She is also the life member of Indian Institute of Public Auditors.

Dr. Uddesh Kohli

Dr. Kohli is an Engineer from the Indian Institute of Technology, Roorkee and holds a Post-Graduate Diploma in Industrial Administration from the Manchester University, UK. He obtained his Ph.D. in Economics from the Delhi School of Economics. Dr. Kohli was also Chairman and Managing Director of Power Finance Corporation Limited, and has worked with the Planning Commission, Government of India, reaching the position of Advisor (Additional Secretary level). He has carried out international assignments for Asian Development Bank, United Nations Industrial Development Organization, United Nations Development Programme and United Nations Office for Project Services. Dr. Kohli's areas of expertise include development planning, finance, project formulation, appraisal, sustainability and monitoring, power/energy planning, Corporate Social Responsibility training and human resource development.

C. R. Muralidharan

Mr. Muralidharan is an Independent Director of our Company and has been on the board of our Company since January, 2010. He has served as a member of Insurance Regulatory and Development Authority ("IRDA"). Prior to joining IRDA, he served in the Reserve Bank of India ("RBI") for more than three decades in various capacities and was also heading the Department of Banking Operations and Development, RBI.

L. B. Naidu

Mr Naidu has Bachelors in Engineering and a PGDM from the Indian Institute of Management, Calcutta. He has significant experience in investment banking and investing across sectors, strategies & products - including private & public equity, convertibles, distress equity/debt and structured/high yield. Since 2006, he has been an Executive Director at the Asian Special Situations Group at Goldman Sachs and this team invests Goldman's proprietary balance sheet capital across Asia. He is responsible for managing the India investment portfolio for the team as well as investments in the South East Asia region.

Neil Kant Arora

Mr. Arora is serving as an executive director with Macquarie Capital Group ("Macquarie"), Dubai and heads the Middle Eastern advisory team. Prior to this, he was based out of the Singapore office of Macquarie and heading the Asian infrastructure team. Mr. Neil Kant Arora is a resident of the United Arab Emirates.

Chairman's Speech

“If challenges could always be overcome, they would cease to be challenge.”



Ladies and Gentlemen,

On behalf of the Board of Directors, I am extremely delighted in welcoming you to the 4th Annual General Meeting of PTC India Financial Services Limited (PFS), and in presenting its annual report for the year 2009-10. During the year, PFS has grown in size, and evolved itself into a vibrant institution geared to scale newer heights. Unique in itself – an NBFC in the private sector, devoted exclusively to provide financial solutions to entities in Energy sector, PFS has graduated to be registered as an 'Infrastructure Finance Company' (IFC) by the Reserve Bank of India (RBI). This would help PFS in stepping up lending to and equity participation in private power projects and in enhancing its ability to mobilise funds at competitive rates. Your company is well-positioned to make a qualitative difference in overcoming the challenges faced by power projects in achieving financial closure.

PERFORMANCE HIGHLIGHTS – EXPANDING HORIZONS

- Effectively in its third year of operations itself, the Company accelerated its journey towards its vision to become a preferred financial services partner providing end-to-end solutions to power projects. Committed to add value at different stages of life cycle of energy sector, portfolio of projects supported by PFS has now increased to 37 projects compared to 10 projects as at the end of the last year. The portfolio represents a wide range of green-field and brown-field projects in renewable as well as non-renewable space, and would help in creation of additional generation capacity of 11,000 MW.
- The Company has recorded an aggregate sanction of ` 1727 crores in the form of debt as well as equity (previous year ` 721 crores). The aggregate effective sanction as on 31 March, 2010 was ` 2192 crores. During the current financial year i.e. 2010-11, PFS has further sanctioned ` 449 crores and taking the total to ` 2641 crores till date. Synergies between debt financing and equity participation have resulted in enhancing deal sourcing ability, optimum utilization of resources and broadening the revenue stream.
- Your company is endeavouring to act as a one-stop solution provider of financial products in the form of debt as well as equity, measured to risk profile of projects in developmental, implementation and operational phase. Some of the equity-linked and debt-linked products were unique – structured to respond typical risks faced by power projects in early stages of development and have proved as catalysts in achieving

financial closure expeditiously and hastening developmental phase of the assisted projects. During the year 2009-10, 13 projects were sanctioned term-loan of ` 886 crores and 9 projects were sanctioned, bridge loan / mezzanine / short-term loan of ` 574 crores compared to ` 244 crores and nil respectively, in the previous year. PFS has also taken lead, with strategic tie-up with internationally reputed entities, in providing an outlet to Indian companies for obtaining finance against/or sale of CERs (Carbon Emission Rights) in India.

- What is important, apart from growth in the level of operations, is the increasing pipeline of projects. Apart from potential for sourcing deals through the parent company i.e. PTC India Limited (PTC), PFS has been able to develop strong linkages with other financial institutions and banks through participation in the consortium lending. Promoters' profile of assisted projects includes first generation power developers, MNCs, reputed industrial houses and leading corporates.
- The capital base of the Company continues to remain at ` 601.70 crores at the same level as it was at the end of the previous year. The additional equity of ` 300 crores raised in March 2009 has already been deployed in financing power projects or leveraged for raising debt. PFS has expanded its resource base during the year by successfully raising two tranches of NCDs of ` 100 crores each in the months of October 2009 and February 2010 respectively. External Commercial Borrowing (ECB) of US \$ 30 million has also been tied-up at highly competitive rates. These initiatives taken for broadening and deepening resource

base and grant of status of 'Infrastructure Finance Company', would help PFS in reducing the cost of borrowing and enhancing its ability to access debt market in the coming years.

- In order to support the increasing growth, your company also proposes to raise equity through private placement and/or Initial Public Offering (IPO) during the current financial year i.e. 2010-11. The increased capital base would enhance exposure limits of PFS for financing power projects accelerating the prospects of growth further.
- Backed by the parentage of PTC, PFS has developed a strong understanding of the power sector, and is, therefore, strategically positioned to assess financing needs of power projects. Today, PFS has become an integral part of PTC's strategy to diversify in to newer areas in fulfilment of its mission to become a complete energy solution provider.

POWER SECTOR FINANCING – POISED FOR FUTURE GROWTH

- The power sector in India continues to offer tremendous business opportunities for investment and provision of financial services across the value chain. The capacity addition targets set by the Government of India for the 11th and 12th Plan are estimated to require approx US\$ 600 billion. Private sector is expected to contribute 40 – 60% of the investment requirements. Such a huge requirement would necessitate a vision going far beyond the existing institutional structure and system in place for even after recognizing the fact that achievement of targets of capacity addition would require new

“ In any moment of decision, the best thing you can do is do the right thing. The worst thing you can do is do nothing.

initiatives to improve the financial viability of the sector, facilitate mobilization of required funds and remove bottlenecks in project implementation. The initiatives contemplated by the Government of India for development of debt market are expected to yield results only over medium and long-term period.

Domestic capital market, despite its significant growth in the recent years, does not seem to hold promise for private power projects – particularly the smaller one. NBFCs like your company have been structured to bridge the gap in financing of private power project with a greater ability to develop and promote structured products linked to equity or debt, like, mezzanine funding, subordinate debt and promoter’s funding.

10. India has large untapped potential across the renewable space with a current installed capacity of 15 GW out of an estimated technical potential of 120 GW having additional investment requirement of more than ₹ 5,00,000 Crores. PFS has so far committed assistance to 18 projects in the renewable space. It has also now taken initiatives for loan syndication and financing against CER entitlements. Phenomenal prospects in the renewable space may require exclusive attention and sizeable resources. PFS is contemplating strategic initiatives for a greater focus on the entire value chain in renewables.

11. It is heartening to note that as a structural reform, RBI has recently decided to categorise NBFCs with a focus on financing infrastructure

projects, as ‘Infrastructure Finance Companies’. Your company has been one of very few to be categorised as such. As a package to promote, RBI has enhanced the limits of exposure that such NBFCs can take, and has entitled them to issue tax-free infrastructure bonds up to 25% of the net-worth and raise ECBs under automatic route up to 50% of their net-worth. Banks would also be able to have greater exposure with reduced risk-weight for lending to IFCs. While the aforesaid initiatives taken by RBI would prove to be path breaking, business model of IFCs needs to be further strengthened by

- (i) designating one or more of the existing institutions under the public-private partnership to mobilize resource within and outside India, and channelize those for on-lending through IFCs in the power sector.
- (ii) extending the jurisdiction of SARFASEI to include IFCs and also allowing their access to Debt Recovery Tribunal.
- (iii) requiring the banks to base their decisions to lend to newer IFCs like PFS on their strengths and potential, rather than basing those decisions per-se on the credit rating which put newer entities in to a highly disadvantageous position compared to an older entity other things remaining the same.

12. Investment requirements in the power sector are taking gigantic proportion.

Your company has grown since its inception and is gearing to position itself to play a critical role. PFS looks at any debt or equity transaction much more than one of financing transaction and believes in making the difference by adding value at every stage of association with developers and their projects. This belief as a core value keeps the organization highly inspired and motivated at all times.

13. Ladies and Gentlemen, before I conclude, I would like to place on record my sincere appreciation, on behalf of the Board of Directors and on my personal behalf for the esteemed promoters of our assisted projects and other stakeholders; PTC – the parent company; our investors, namely, G S Strategic Investments Limited and Macquarie India Holdings Limited; banks, and consortium partners, for their continued support and confidence. I also extend my sincere thanks to my colleagues on the Board for their involvement and matured counsel. I would also like to thank all our employees of PFS for their continued hard work, professionalism and commitment to the Company’s performance. I am sure that your company will always endeavour to perform better & better and meet the expectations of its stakeholders.
14. I thank you all for finding time to be with us at this moment.

Tantra Narayan Thakur
Chairman & Managing Director

Director's Report

Dear Shareholders,

The Directors have pleasure in presenting the Fourth Annual Report together with audited accounts of your company for the financial year ending 31st March, 2010.

Overview

1. PTC India Financial Services Limited (PFS) is a systematically important non-deposit taking NBFC registered with Reserve Bank of India (RBI), exclusively engaged in providing financing solutions to projects in the energy value chain. An impressive all-round growth reflected in financial and operational performance during the year 2009-10 has provided a strong base to a newly set-up and fast evolving institution. Significantly improved performance during the year is also marked by a large number of initiatives taken to broad-base resource mix, explore new areas of business and build institutional capacity.

Financial Results

2. Starting its business operations effectively from September, 2007, PFS in its third year of operations i.e. 2009-10, has recorded revenue income of Rs.534.90 million rising from Rs.116 million in 2008-09. The highlights of financial results are as under.

Particular	(Rs. in million)	
	2009-10	2008-09
Revenue	534.90	116.00
Expenditure	167.42	28.92
Amortization & depreciation	0.47	0.24
Profit/(Loss) before tax	367.00	86.81
Provision for tax	112.48	1.51
Net profit/loss after taxation	254.52	85.30
Transfer to statutory reserve fund	50.95	17.06
Equity share capital (Rs. 10 each)	4,345.83	4,345.83
Reserve and surplus (including share premium)	2,001.14	1,746.62

The Profit Before Tax (PBT) has increased to Rs.367 million, from Rs.86.81 million in the year 2009-10 as compared to last year. This was largely due to increased level of disbursement of loans to power projects – both term loan and mezzanine/short-term loan, and increase in the fee-based income. The revenue for the year includes Rs. 348.84 million as interest on loans, and fee based income towards services involved in appraisal, structuring of financing product, due-diligence, legal documentation and disbursement as compared to Rs.13.89 million during the previous year.

Operational Performance

3. The year under review was a challenging one as the global economy was still recovering from financial crisis and was faced with debt crisis in the middle-east and certain other parts of Europe. Private power projects in India were severely constrained by delay in financial closure of the existing projects. Investment climate was generally not conducive to promote and encourage significant investment in the sector. Despite these challenges, PFS could stand out with a difference by remaining innovative in identifying and providing structured products tailored to the needs and requirements of the private power projects while managing the risk prudently. Amount of gross sanctions made during the year was Rs.17,273.40 million compared to Rs. 7,214.60 million in the previous year. Level of disbursement during the year was Rs.2,872.01 million as the loans and Rs. 1,815.86 million as equity. Undisbursed committed sanction as on 31st March, 2010 amounted to Rs. 1,061.26 million for equity, and Rs.13,979.74 million for debt. With strong pipeline of projects available, new initiatives taken and those under contemplation; your company expects to record a much higher level of growth in the current year i.e. 2010-11.
4. Considering the time lag in implementation of projects, the sanctions made during the year would also result in disbursement in the next year onwards. Cumulative level of effective sanctions and disbursement as on 31st March, 2010 has been Rs. 4,874.75 million for

Director's Report

equity and Rs. 17,051.75 million for debt. Number of projects for which financial assistance was sanctioned during the year was 20, taking total number of assisted projects so far to 43. Financial assistance extended by PFS so far would help capacity creation of about 11000 MW. Fuel-wise, assisted projects comprised of 16 coal-based thermal projects; 8 bio-mass based thermal projects; 3 hydro based projects; and 3 wind based projects.

5. On the resource mobilisation front, PFS, for the first time accessed bond market in its endeavour to increase resource base. PFS has successfully raised two tranches of Rs.1000 million each from the bond market and listed the same on the wholesale debt segment of NSE. PFS was successful in obtaining further reduction in the interest rates on the lines of credit obtained from various banks considering the general decline in the interest rates. External Commercial Borrowing of US \$30 million has recently been sanctioned by a multi-lateral agency.
6. Amongst the new initiatives taken, PFS has started the activity of carbon financing. In terms of the scope of the activity undertaken, PFS finances Indian companies by acquiring their Certified Emissions Reductions (CERs) rights which have already accrued or would accrue to them in future over a period of time. At the same time, PFS has entered into agreements/MoUs with an international bank of repute as well as with a large international trader of energy and energy products for back to back sale of these CERs. Projects in India, which are eligible for Clean Development Mechanism (CDM) benefits under United Nations Framework Convention for Climate Change (UNFCCC), would now find an opportunity to get financing against CERs from an Indian entity rather than approaching an international entity for the same. Apart from this, PFS also commissioned a 6 MW wind farm in the State of Karnataka. The project was commissioned in a record time of two and a half months. Since renewable projects are going to be increasingly dominant in the Indian power sector, PFS in order to positioning itself to play an important role, is currently contemplating new strategic initiatives for financing projects in the renewable sector.
7. As a philosophy, PFS believes in maintaining strong rapport with assisted projects by adding value at every stage of development and implementation. As a back up, a project monitoring and support mechanism has been put in place for the equity assistance. Apart from India Energy Exchange, Varam Bio- Energy Pvt. Ltd, which started their commercial operation last year, two units of Ind- Barath Powergencom Ltd. have commenced operations. East Coast Energy Pvt. Ltd., Meenakshi Energy Private Limited and Ind- Barath Energy (Utkal) Limited have achieved financial closure or tied up financing plan during the year.
8. To support higher level of growth, PFS contemplates to augment its capital base through IPO and / or private placement, apart from accessing debt market.

HRD

9. PFS has a nucleus organization set-up comprising of persons having qualification and rich experience in power and financial sector. With the growth in the level of operations, new skill set have been added through fresh recruitment and capacity building measures.

Capital Structure

10. During the financial year 2009-10, the capital base (share capital plus premium) remained unchanged at Rs. 4,345.83 million. The capital structure of PFS as on 31st March, 2010 stood as under:

Sr. No.	Particulars of Shareholders	No. of Equity Shares		% Shareholding	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
1	PTC India Limited	337250001	337250001	77.60 %	77.60 %
2	GS Strategic Investments Limited	48666667	48666667	11.20 %	11.20 %
3	Macquarie India Holdings Limited	48666667	48666667	11.20 %	11.20 %
	Total	434583335	434583335	100 %	100 %

"At different stages in life, the level of thinking has to change. The level of thinking that got you to where you now are, will not get you to where you dream of being".

Dividend

11. The Directors have not recommended dividend for the financial year ended on 31st March, 2010.

Transfer to Reserves

12. Out of profits of financial year 2009-10, Rs. 50.95 million has been transferred to Statutory Reserve Fund in terms of Section-45-IC of Reserve Bank of India Act, 1934.

Directors' Responsibility Statement

13. In pursuance of Section-217 (2AA) of the Companies Act, 1956, the Directors make the following statement that :

- (i) In preparation of the Annual Accounts, applicable accounting standards have been followed by PFS along with proper explanation relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2009-10 and of the profit or loss of the Company for that period;
- (iii) Proper and sufficient care has been taken by the Directors for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- (iv) The Annual Accounts have been prepared on a going concern basis.

Non Acceptance of Public Deposit

14. PFS is a Non-Public Deposit taking Systematically Important NBFC. It has not accepted any public deposit during the year since inception.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo Etc.

15. Since PFS is engaged in investment and lending activities, particularly relating to conservation of energy and technology absorption are not applicable to it. The Company has incurred Rs.1.42 million as expenditure in foreign exchange during the financial year ended on 31st March, 2010.

Particulars of Employees

16. During the Financial Year ended on 31st March, 2010, particulars of the employee who was employed for full or part of the year and who was in receipt of remuneration from PFS, which in aggregate not more than Rs.2.40 million per annum or Rs.0.20 million per month as the case may be are given at Annexure of this report.

Auditors

17. M/s. Deloitte Haskins & Sells were appointed as statutory auditors of the Company for Financial Year 2009-10 by the shareholders and shall hold office upto the conclusion of the forthcoming Annual General Meeting.

The Auditors have audited the Accounts of the Company for the year ended 31st March, 2010. Audited Accounts together with the Auditor's Report thereon are annexed to this report.

Corporate Governance

18. Your Company endeavours to inculcate good corporate governance practices in its organisational and business systems and processes. Your company realises that the good governance is a reflection of its culture, policies, relationship with stakeholders and commitments to values. Accordingly, it not only fulfils corporate governance requirements as stipulated by the Reserve Bank of India for NBFCs but also endeavours to adhere to corporate governance requirements stipulated by SEBI for listed companies, as a best practice.

Director's Report

Committees of Board of Directors:

19. The Board has constituted the following committees:

- 1) Audit Committee
- 2) Nomination-cum-Remuneration Committee
- 3) Compensation Committee for ESOP
- 4) Assets Liability Management Committee
- 5) Risk Management Committee

1. Audit Committee

As per the requirement of Companies Act, 1956, the Board has constituted an Audit Committee. The Committee's role includes oversight of the company's financial reporting process to ensure that the financial statements of the company are true and fair, reviewing the company's financial and risk management. The Committee is chaired by Shri. P. Abraham, and Shri Shashi Shekhar, Shri Deepak Amitabh, Mrs. Rama Murali are the members of the committee. The Committee met five times in the financial year 2009-10. The Chairman of the Audit committee, Mr. P. Abraham was present in the last AGM of the company.

2. Nomination-cum-Remuneration Committee

The Board has constituted a Nomination cum Remuneration Committee in its 15th meeting on 5th of August, 2008. The Committee's role includes fixing of remuneration of managerial personnel and ensuring that fit and proper person are placed on Board of the Company. The Committee is chaired by Shri T.N. Thakur and Shri P. Abraham, Shri. Deepak Amitabh, Shri L.B. Naidu are members of the Committee. During the financial year 2009-10, no meeting of the committee was held.

3. Compensation Committee for ESOP

The Board has constituted a Compensation Committee for ESOP in its 14th meeting held on 29th April, 2008. The scope of the Committee is to finalize the basic feature of ESOP scheme and allocation of ESOP to Directors and employees of the Company. The Committee is chaired by Shri T.N. Thakur and Shri Deepak Amitabh and Shri L.B. Naidu are members of the committee. The Committee met twice during the financial year 2009-10.

4. Assets Liability Management Committee

The Board has constituted Assets Liability Management Committee in its 19th meeting held on 30th March 2009. The Company has also put in place an ALM Policy for effectively managing market risk, interest rate and liquidity risk. The policy also provides for periodic reporting to Board and prescribes various limits. The Committee is chaired by Shri T.N. Thakur and Shri P. Abraham, Shri Deepak Amitabh, Dr. Ashok Haldia are the members of the Committee. The Committee met twice during the financial year 2009-10.

5. Risk Management Committee

The Board has constituted a Risk Management Committee in its 21st meeting held on 7th July, 2009, as per the requirement of Reserve Bank of India. The scope of the Committee is to review risk management in relation to various risks, like - credit risk, operational risk and integrated risk profile of the Company. The Committee is chaired by Shri Shashi Shekhar, and Shri. L.B. Naidu, Dr. Ashok Haldia are the members of the Committee. The Committee met twice during the financial year 2009-10

Employee Stock Option Plan – ESOP 2008

20. The Company instituted the Employee Stock Option Plan – ESOP 2008 to grant equity based incentives to all its eligible employees. During the year, second tranche of ESOP 2008 was approved by the shareholders on October 23, 2009 and provided for grant of 1,00,75,000 options exercisable at a price of Rs 16 per share, representing one share for each option upon exercise. During the previous year the first tranche of ESOP was approved by the shareholders on October 27, 2008 and the Company granted two types of options i.e. Growth options granted to the employees and exercisable at intrinsic value as on the date of grant as certified by an independent valuer and Founder Member Options exercisable at face value of shares i.e. Rs 10 per share, representing one share for each option upon exercise. The vesting period of these options granted is 4 years from the respective date of grant.

“Talent wins games,
but teamwork and intelligence win championship”

Movement in Stock Options	Year ended 31.03.2010 (in Nos.)	
	Growth Options	Founder Member Options
Outstanding at the beginning of the year	8865000	1210000
Add: Granted during the year	10075000	-
Less: Forfeited during the year	544500	-
Less: Exercised during the year	-	-
Less: Expired during the year	-	-
Options outstanding as at the end of the year	18395500	1210000

Debenture Trustees

21. The Company has issued Non Convertible Debentures(NCD) of Series I & 2, in line with the requirement of SEBI, appointed IDBI Trusteeship Services Limited as debentures trustee for NCDs Series I & 2.

Acknowledgment

The Board of Directors acknowledge with deep appreciation the cooperation received from the Ministry of Finance, Reserve Bank of India, PTC India Ltd., Macquarie India Holdings Ltd., G.S. Strategic Investments Ltd., various banks, and officials of the Company.

For and on behalf of the Board of Directors

(Tantra Narayan Thakur)
Chairman & Managing Director

Date : July 23, 2010

Place : New Delhi

Annexure

Name of Employee	Dr. Ashok Haldia
Designation	Director
Qualification	M com, CA, CS, CWA, Ph. D
Nature of employment	Contractual
Nature of duties of employment	Responsible for entire operations as Director of the Company.
Last Employment	Secretary of ICAI
Number of Year of experience	30 years
Age	53 years
Date of commencement of employment	13th August, 2008
Gross Remuneration	Rs. 3.19 Million
No. of equity shares held	Nil
Whether relative of a Director or Manager	No

Auditor's Report

To

The Members of
PTC India Financial Services Ltd.

1. We have audited the attached Balance Sheet of PTC India Financial Services Limited ("the Company") as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2010 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

Place : Gurgaon
Dated : June 23, 2010

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 015125N
Jaideep Bhargava
Partner
Membership No. 090295


Annexure

to the Auditors' Report

[Referred to in Paragraph 3 of our Report of even date]

Having regard to the nature of the Company's business/activities during the year, clauses (ii) and (xiii) of Companies (Auditor's Report) Order, 2003 (hereinafter referred as the Order) are not applicable.

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of goods and services. There are no purchases of inventory during the year. During the course of our audit, we have not observed any major weakness in such internal control system.
- (iv) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that need to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (vi) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (vii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of generation of power and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (viii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including provident fund, income-tax, service tax and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of these dues as at March 31, 2010 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues in respect of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess, which have not been deposited.
- (ix) As the Company has been registered for a period of less than five years, paragraphs 4 (x) of the Order is not applicable.
- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and debenture holders. The Company has not taken any loans from financial institutions during the year.

- 
- (xi) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities.
 - (xii) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
 - (xiii) According to the information and explanations given to us, the Company has not given any guarantees during the year for loans taken by others from banks or financial institutions.
 - (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
 - (xv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
 - (xvi) According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year.
 - (xvii) According to the information and explanations given to us, during the year covered by our audit report, the Company had issued 1000 debentures each for Series I and Series 2 of face value of Rs.1,000,000 per debenture. The Company has created security in respect of the debentures issued under Series I. However, for Series 2 the Company is in the process of creating security.
 - (xviii) The Company has not raised any money by way of public issue during the year.
 - (xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

Place : Gurgaon
Dated : June 23, 2010

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 015125N
Jaideep Bhargava
Partner
Membership No. 090295

Balance Sheet

as at March 31, 2010

Particulars	Schedule	(Rupees in lacs)	
		As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	43,458.33	43,458.33
Employee stock option outstanding	2	123.96	9.98
Reserves and surplus	3	20,011.43	17,466.19
Loan funds			
Secured loan	4	31,080.10	2,000.00
Deferred tax liability (net) [Refer note 9 of schedule 20]		437.51	–
		<u>95,111.33</u>	<u>62,934.50</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	3,504.75	9.15
Less: Depreciation		7.74	3.15
		<u>3,497.01</u>	<u>6.00</u>
Add: Capital work in progress		9.60	–
		<u>3,506.61</u>	<u>6.00</u>
Investments	6	40,670.40	20,001.17
Loan financing	7	26,620.10	2,000.00
Deferred tax assets (net) [Refer note 9 of schedule 20]		–	36.25
Current assets, loans and advances			
Sundry debtors	8	0.11	–
Cash and bank balances	9	23,447.38	40,869.18
Other current assets	10	475.24	68.00
Loans and advances	11	1,183.87	74.01
		<u>25,106.60</u>	<u>41,011.19</u>
Less: Current liabilities and provisions	12		
Current liabilities		788.05	117.82
Provisions		4.33	2.29
		<u>792.38</u>	<u>120.11</u>
Net current assets		<u>24,314.22</u>	<u>40,891.08</u>
		<u>95,111.33</u>	<u>62,934.50</u>
Notes to accounts	20		

In terms of our report attached
The schedules referred to above form an integral part of the balance sheet

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
Jaideep Bhargava
Partner

(T. N. Thakur)
Chairman and Managing Director
DIN: 00024322

(Deepak Amitabh)
Director and CFO
DIN: 01061535

(Ashok Haldia)
Director
DIN: 00818489

Place : Gurgaon
Date : June 23, 2010

Place : New Delhi
Date : June 23, 2010

(Vishal Goyal)
Company Secretary

Profit & Loss Accounts

for the year ended March 31, 2010

Particulars	Schedule	(Rupees in lacs)	
		As at 31.03.2010	As at 31.03.2009
INCOME			
Income from investments	13	2,128.06	1,031.23
Interest income	14	1,357.37	1.37
Fee based income		467.71	93.25
Income from sale of power		0.11	–
Other income	15	1,395.70	34.19
		<u>5,348.95</u>	<u>1,160.04</u>
EXPENDITURE			
Personnel expenses	16	256.90	95.48
Administration and other expenses	17	256.90	94.37
Interest and other charges	18	1,160.44	1.76
Depreciation / Amortisation	5	4.70	2.36
Expenses relating to increase in share capital	19	–	98.00
		<u>1,678.94</u>	<u>291.97</u>
Profit before tax		3,670.01	868.07
Less : Tax expense			
- Current tax		651.00	–
- Deferred tax charge / (benefit) [Refer note 9 of schedule 20]		473.77	13.87
- Fringe benefit tax		–	1.21
Profit after tax		<u>2,545.24</u>	<u>852.99</u>
Balance as per last balance sheet		672.64	(9.75)
Less : Transfer to statutory reserve		(509.50)	(170.60)
Balance carried to balance sheet		<u>2,708.38</u>	<u>672.64</u>
Basic / Diluted earnings per share (Rs.)		0.59	0.35
[Refer note 8 of schedule 20]			
Notes to accounts	20		

In terms of our report attached
The schedules referred to above form an integral part of the Profit and Loss account

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
Jaideep Bhargava
Partner

(T. N. Thakur)
Chairman and Managing Director
DIN: 00024322

(Deepak Amitabh)
Director and CFO
DIN: 01061535

(Ashok Haldia)
Director
DIN: 00818489

Place : Gurgaon
Date : June 23, 2010

Place : New Delhi
Date : June 23, 2010

(Vishal Goyal)
Company Secretary

Cash Flow Statement

for the year ended March 31, 2010

Particulars	(Rupees in lacs)	
	For the year ended 31.03.2010	For the year ended 31.03.2009
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,670.01	868.07
Adjustment for:		
Depreciation/Amortisation	4.70	2.36
Employee stock options	113.98	9.98
(Profit) / loss on sale of non trade current investments (net)	(0.60)	234.73
Dividend Income on investment other than power project companies	(464.14)	(1,221.66)
Interest on fixed deposits	(1,393.88)	(33.84)
Interest – others	(0.02)	(0.35)
Interest and other charges	1,160.44	1.76
Operating profit before working capital changes	(3090.49)	(138.95)
Increase/Decrease		
Current assets and Loans and advances	(709.22)	(69.46)
Trade and other payables	(45.06)	(106.09)
Loan financing	(24,620.10)	(2,000.00)
Investments in power project companies (net)	(20,669.23)	(8,822.41)
Cash generated from operations	(42,953.12)	(11,136.91)
Direct taxes paid	(1,193.79)	(15.44)
Net cash generated from operating activities	(44,146.91)	(11,152.35)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,505.79)	(4.31)
Proceeds from sale of fixed assets	0.48	0.07
Profit / (loss) on sale of non trade current investments (net)	0.60	(234.73)
Dividend Income on investment other than power project companies	464.14	1,221.66
Interest on fixed deposits	1,128.67	11.51
Interest – others	0.02	0.35
Net cash used in investing activities	(1,911.88)	994.55
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	26,620.10	2,000.00
Proceeds from short term borrowings	2,460.00	–
Proceeds from issue of equity share capital (including share premium)	–	49,013.33
Interest and other charges	(443.11)	(0.50)
	28,636.99	51,012.83
Net increase/(decrease) in cash and cash equivalents	(17,421.80)	40,855.03
Opening cash and cash equivalents	40,869.18	14.15
Closing cash and cash equivalents	23,447.38	40,869.18
	(17,421.80)	40,855.03
Notes:		
1 Closing cash and cash equivalents comprise :		
Cheques in hand	0.01	–
Balance with scheduled banks		
– Current accounts	221.02	74.28
– Fixed deposit accounts	23,226.35	40,794.90
Total	23,447.38	40,869.18
2 The above cash flow statement has been prepared under the indirect method set out in AS-3 notified under Companies (Accounting Standards) Rules, 2006.		
In terms of our report attached		

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
Jaideep Bhargava
Partner

(T. N. Thakur)
Chairman and Managing Director
DIN: 00024322

(Deepak Amitabh)
Director and CFO
DIN: 01061535

(Ashok Haldia)
Director
DIN: 00818489

Place : Gurgaon
Date : June 23, 2010

Place : New Delhi
Date : June 23, 2010

(Vishal Goyal)
Company Secretary

Schedule Forming part of the accounts

Particulars	(Rupees in lacs)	
	As at 31.03.2010	As at 31.03.2009
SCHEDULE – 1: SHARE CAPITAL		
Authorised 600,000,000 (previous year 600,000,000) equity shares of Rs. 10 each ISSUED	60,000.00	60,000.00
434,583,335 (previous year 434,583,335) equity shares of Rs. 10 each SUBSCRIBED & PAID UP	43,458.33	43,458.33
434,583,335 (previous year 434,583,335) equity shares of Rs. 10 each fully paid up	43,458.33	43,458.33
	<u>43,458.33</u>	<u>43,458.33</u>
Of the above Subscribed and Paid up Capital: 337,250,001 (previous year 337,250,001) equity shares of Rs. 10 each representing 77.60% (previous year 77.60%) are held by PTC India Limited, the holding company and its nominees		
SCHEDULE – 2: EMPLOYEE STOCK OPTION OUTSTANDING [Refer note 4 of schedule 20]		
Stock options outstanding	537.69	72.60
Less: Deferred employee compensation expense	(413.73)	(62.62)
	<u>123.96</u>	<u>9.98</u>
SCHEDULE – 3: RESERVES AND SURPLUS		
Securities Premium		
Balance brought forward	16,622.95	2,067.95
Add: Additions during the year	–	14,555.00
Statutory reserve [in terms of Section 45–IC of the Reserve Bank of India, 1934]		
Balance brought forward	170.60	–
Add: Additions during the year	509.50	170.60
Profit and loss account	2,708.38	672.64
	<u>20,011.43</u>	<u>17,466.19</u>
SCHEDULE – 4: LOAN FUNDS		
Secured		
Debentures (refer note (i) below)	20,000.00	–
Term loans from banks (refer note (ii) below)	8,620.10	2,000.00
Short term loan from bank (refer note (iii) below)	2,460.00	–
	<u>31,080.10</u>	<u>2,000.00</u>
Note:		
(i) 1,000 privately placed 10.60% secured redeemable non convertible debentures of Rs. 1,000,000 each (Series 1) allotted on October 1, 2009 redeemable at par in three equal annual installments commencing from September 30, 2012. 1,000 privately placed 9.35% secured redeemable non convertible debentures of Rs. 1,000,000 each (Series 2) allotted on February 3, 2010 redeemable in entirety on February 2, 2012. Series 1 are secured and Series 2 has to be secured, by way of mortgage of immovable building and first charge by way of hypothecation of the receivables of the loan assets created by the proceed of respective debentures. Further Series 1 has also been secured by pari passu charge by way of hypothecation of the receivable of loan assets created by the Company out of its own sources which are not charged to any other lender of the Company.		
(ii) The term loans from banks are secured by first pari-passu charge by way of hypothecation of the current assets including book debts, investments and other receivables (other than assets created by line of credit of other financial institutions / banks). Additionally, the loans are backed by an agreement of assignment of the project assets financed from proceeds of the loans, in favour of respective lenders. Amount repayable within one year Rs. 31.25 lacs (previous year - Rs. Nil)		
(iii) The short term loan are secured by way of fixed deposits lying with the bank. Amount payable within one year Rs. 2460 lacs (previous year - Rs. Nil)		

SCHEDULE-5: FIXED ASSETS

(Rupees in lacs)

Particulars	GROSS BLOCK - AT COST				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31.03.2009	Additions during the year	Deletions/ Adjustments	As at 31.03.2010	Upto 31.03.2009	For the year	Deletions/ Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Tangible Assets :										
Building	-	11.94	-	11.94	-	0.17	-	0.17	11.77	-
Plant and machinery (Wind mill)	-	3,479.39	-	3,479.39	-	1.46	-	1.46	3,477.93	-
Office equipments	2.16	0.91	0.59	2.48	0.55	0.64	0.11	1.08	1.40	1.61
Computers	6.23	3.28	-	9.51	2.46	2.20	-	4.66	4.85	3.77
Furnitures and fixtures	0.29	0.67	-	0.96	0.03	0.10	-	0.13	0.83	0.26
Intangible assets :										
Software	0.47	-	-	0.47	0.11	0.13	-	0.24	0.23	0.36
Total	9.15	3,496.19	0.59	3,504.75	3.15	4.70	0.11	7.74	3,497.01	
Previous year	4.92	4.31	0.08	9.15	0.80	2.36	0.01	3.15		6.00
Capital works in progress									9.60	-
(including capital advances of Rs.9.60 lacs (previous year Rs. Nil))									3,506.61	6.00

Schedule Forming part of the accounts

Particulars	As at 31.3.2010			As at 31.3.2009	
	Face Value (Rupees per share)	Quantity (Nos.)	Value Rupees in lacs	Quantity (Nos.)	Value Rupees in lacs
SCHEDULE - 6: INVESTMENTS					
Long Term Investment					
(i) Trade – Unquoted (at cost)					
[Refer note 10 of schedule 20]					
In Associates – Equity shares, fully paid up					
Ind–Barath Energy (Utkal) Limited	10.00	105,000,000	10,500.00	–	–
Ind–Barath Power Gencom Limited	10.00	55,630,000	5,563.00	55,630,000	5,563.00
Indian Energy Exchange Limited	10.00	6,939,190	693.92	6,939,190	693.92
Meenakshi Energy Private Limited	10.00	43,550,000	4,355.00	15,000,000	1,500.00
PTC Bermaco Green Energy Systems Ltd.	10.00	843,684	84.37	490,838	49.08
RS India Wind Energy Limited	10.00	57,311,415	5,731.14	57,311,415	5,731.14
Varam Bio Energy Private Limited	10.00	4,390,000	439.00	4,111,942	411.20
In Equity shares, fully paid up					
East Coast Energy Private Limited	10.00	96,511,403	9,651.14	–	–
Debentures, fully paid up					
Compulsorily and fully convertible debentures in East Cost Energy Private Limited	100,000,000.00	–	–	6	6,000.00
Optionally convertible debentures in Meenakshi Infrastructure Holding Private Limited	10,000,000.00	34	3,400.00	–	–
Optionally convertible debentures in Varam Bio Energy Private Limited	500,000.00	40	200.00	–	–
(ii) Non trade – Quoted (at cost)					
Equity shares, fully paid up					
Container Corporation of India Limited	10.00	1,040	10.27	1,040	10.27
Power Grid Corporation of India Limited	10.00	81,839	42.56	81,839	42.56
TOTAL			<u>40,670.40</u>		<u>20,001.17</u>
Aggregate cost of quoted investments			52.83		52.83
Aggregate cost of unquoted investments			40,617.57		19,948.34
TOTAL			<u>40,670.40</u>		<u>20,001.17</u>
Aggregate market value of quoted investments (Based on last traded price available as at year end)			101.40		85.71

Schedule Forming part of the accounts

Particulars	(Rupees in lacs)	
	As at 31.03.2010	As at 31.03.2009
SCHEDULE – 7: LOAN FINANCING		
(Considered good unless otherwise stated)		
Secured		
Loans	26,620.10	2,000.00
	<u>26,620.10</u>	<u>2,000.00</u>
SCHEDULE – 8: SUNDRY DEBTORS		
Unsecured considered good		
Less than six months	0.11	–
	<u>0.11</u>	<u>–</u>
SCHEDULE – 9: CASH AND BANK BALANCES		
Cheques on hand		
	0.01	–
Balance with scheduled banks in :		
– Current accounts	221.02	74.28
– Fixed deposit accounts	23,226.35	40,794.90
	<u>23,447.38</u>	<u>40,869.18</u>
SCHEDULE – 10: OTHER CURRENT ASSETS		
(Considered good unless otherwise stated)		
Interest accrued but not due on :		
– Fixed deposits	287.54	22.33
– Loans	184.32	1.37
– Debentures	3.38	44.30
	<u>475.24</u>	<u>68.00</u>
SCHEDULE – 11: LOANS AND ADVANCES		
(Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
	506.71	7.55
Advance against investment		
	53.10	27.96
Balance with central excise on current accounts		
	46.08	3.31
Advance income tax [net of provision for income tax Rs 656.61 lacs (previous year Rs 5.61 lacs)]		
	576.81	34.02
Advance fringe benefit tax [net of provision for fringe benefit tax Rs. 1.49 lacs(previous year Rs 1.49 lacs)]		
	1.17	1.17
	<u>1,183.87</u>	<u>74.01</u>
SCHEDULE – 12: CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors		
Total outstanding dues of creditors other than micro and small enterprises * (Refer note 11 of schedule 20)	58.83	111.35
Other liabilities		
	10.63	5.21
Interest accrued but not due on loan funds		
	718.59	1.26
	<u>788.05</u>	<u>117.82</u>
PROVISIONS		
Provision for gratuity [Refer note 5 (A) of schedule 20]		
	0.57	0.53
Provision for leave encashment [Refer note 5 (B) of schedule 20]		
	3.76	1.76
	<u>4.33</u>	<u>2.29</u>
	<u>792.38</u>	<u>120.11</u>

* Includes Rs. Nil (previous year Rs 58.30 lacs) due to PTC India Limited, the holding Company

Schedule Forming part of the accounts

Particulars	(Rupees in lacs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE – 13: INCOME FROM INVESTMENTS		
Profit / (loss) on sale of non trade current investments (net)		
– Shares	–	(360.20)
– Mutual funds	0.60	125.47
Dividend income		
– On non trade long term investment	1.13	1.45
– On non trade current investment	463.01	1,220.21
Interest on debentures	1,663.32	44.30
[tax deducted at source Rs. 176.37 lacs (previous year Rs. Nil)]		
	<u>2,128.06</u>	<u>1,031.23</u>
SCHEDULE – 14: INTEREST INCOME		
Interest on*		
– Loan	1,357.37	1.37
[*tax deducted at source Rs. 150.05 lacs (previous year Rs. Nil)]		
	<u>1,357.37</u>	<u>1.37</u>
SCHEDULE – 15: OTHER INCOME		
Interest on fixed deposits	1,393.88	33.84
[tax deducted at source Rs. 181.38 lacs (previous year Rs. 2.06 lacs)]		
Interest - others	0.02	0.35
Excess provision written back	1.80	–
	<u>1,395.70</u>	<u>34.19</u>
SCHEDULE – 16: PERSONNEL EXPENSES		
Salaries and other allowances	114.54	72.77
Contribution to provident and other funds	5.84	3.35
Employee stock options	113.98	9.98
Staff welfare	22.54	9.38
	<u>256.90</u>	<u>95.48</u>
SCHEDULE – 17: ADMINISTRATION AND OTHER EXPENSES		
Legal and professional	110.81	66.66
Fund raising expense	86.12	–
Rates and taxes	6.41	2.85
Rent	12.17	7.07
Travelling and conveyance	17.51	7.39
Communication expenses	5.59	2.00
Business development	1.79	0.20
Donation	3.00	4.00
Directors' sitting fees	2.40	0.55
Repairs and maintenance – others	4.15	1.15
Books and periodicals	0.72	1.05
Loss on foreign currency transaction	0.01	–
Miscellaneous expenses	6.22	1.45
	<u>256.90</u>	<u>94.37</u>
SCHEDULE – 18: INTEREST AND OTHER CHARGES		
Interest on loan	416.06	1.26
Interest on debentures	708.06	–
Financial charges	36.32	0.50
	<u>1,160.44</u>	<u>1.76</u>
SCHEDULE – 19: EXPENSES RELATING TO INCREASE IN SHARE CAPITAL		
Fees for increase in authorised share capital	–	48.98
Stamp duty for issue of share capital	–	49.02
	<u>–</u>	<u>98.00</u>

Schedule Forming part of the accounts

SCHEDULE – 20

Notes to Accounts

1. Background

PTC India Financial Services Limited ("PFS") is a registered NBFC with Reserve Bank of India. PFS is promoted by PTC India Limited which holds a controlling 77.60% stake and balance 22.40% is equally held by Goldman Sachs Strategic Investments Limited (GS) and Macquarie India Holdings Limited (MQ). PFS is set up with an objective to provide total financing solutions to the energy value chain which includes investing in equity or extending debt to power projects in generation, transmission, distribution, fuel resources and fuel related infrastructure.

2. Significant accounting policies

(i) Basis of accounting

These financial statements have been prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956, the relevant provisions of the Companies Act, 1956 and the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

(ii) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(iii) Fixed assets including intangible assets and depreciation

Fixed assets including intangible assets are stated at cost less accumulated depreciation/amortisation. Cost of acquisition comprises purchase price, duties, levies and any directly attributable cost of bringing the asset to its working condition for the intended use.

Depreciation on fixed assets (other than intangible assets) is charged on a pro-rata basis at the written down value rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing upto Rs. 5,000 are fully depreciated in the year of purchase.

Intangible assets comprising of software are amortised on a straight line method over a period of 5 years or less depending on the estimated useful life of the assets.

(iv) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long Term Investments are stated at cost. A provision for diminution (if any) is made to recognize a decline other than temporary in the value of investment.

Current Investments are carried at the lower of cost and fair value.

(v) Revenue recognition

a) Interest and other dues are accounted on accrual basis.

b) Dividend is accounted when the right to receive is established.

c) Fee based incomes are recognised when reasonable right of recovery is established and the revenue can be reliably measured.

d) Revenue from Power Supply is accounted on accrual basis.

(vi) Employee stock options

The Company calculates the employee stock compensation expense based on the intrinsic value method wherein the excess of intrinsic price of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the Employee Stock Option Scheme of the Company, is recognized as deferred stock compensation expense and is amortized over the vesting period of options.

(vii) Employee benefits

Provident fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the government funds are due.

Gratuity liability and long term employee benefits are provided on the basis of actuarial valuation made at the end of each financial year as per projected unit credit method.

Gains and losses arising out of actuarial valuations are recognized immediately in the profit and loss account as income or expense.

Liability for leave encashment and gratuity in respect of employees on deputation with the company are accounted for on the basis of terms and conditions of the deputation agreement with the holding company.

(viii) Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rates prevalent at the time of transaction. Differences on settlement of such transactions are recognized in the profit and loss account. All monetary items denominated in foreign currency at the balance sheet date are translated at the year end rates and resultant exchange differences are recognized in profit and loss account.

(ix) Earnings per share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (and includes the post tax effect of any extra ordinary items) attributable to equity shareholders. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential dilutive equity shares.

(x) Taxation

Provision for current taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized on unabsorbed depreciation and carried forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

(xi) Provisions and contingencies

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow or resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of obligation can not be made.

3. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 2.40 lacs (previous year Rs. Nil).

4. Employee Stock Option

The Company instituted the Employee Stock Option Plan – ESOP 2008 to grant equity based incentives to all its eligible employees. During the year, second tranche of ESOP 2008 was approved by the shareholders on October 23, 2009 and provided for grant of 10,075,000 options exercisable at a price of Rs 16 per share, representing one share for each option upon exercise. During the previous year the first tranche of ESOP was approved by the shareholders on October 27, 2008 and the Company granted two

types of options i.e. Growth options granted to the employees and exercisable at intrinsic value as on the date of grant as certified by an independent valuer and Founder Member Options exercisable at face value of shares i.e. Rs 10 per share, representing one share for each option upon exercise. The maximum tenure of these options granted is 4 years from the respective date of grant.

Movement in Stock Options	Year ended 31.03.2010		Year ended 31.03.2009	
	(in Nos.)		(in Nos.)	
	Growth Options	Founder Member Options	Growth Options	Founder Member Options
Outstanding at the beginning of the year	8,865,000	1,210,000	–	–
Add: Granted during the year	10,075,000	–	8,865,000	1,210,000
Less: Forfeited during the year	544,500	–	–	–
Less: Exercised during the year	–	–	–	–
Less: Expired during the year	–	–	–	–
Options outstanding as at the end of the year	18,395,500	1,210,000	8,865,000	1,210,000

The Company under the intrinsic value method has recognized the excess of the intrinsic price over the exercise price of the options amounting to Rs. 113.98 lacs (previous year Rs.9.98 lacs) as an expense.

The fair value of each stock option granted under ESOP 2008 as on the date of grant has been computed using Black-Scholes Option Pricing Model without inclusion of Dividend Yield and the model inputs are given as under:

	Year ended 31.03.2010		Year ended 31.03.2009
	Growth Options	Growth Options	Founder Member Options
Price Per Option (Rs.)	16	16	10
Volatility	29.64%	73.60%	73.60%
Risk Free Rate of Interest	7.27%	7.00%	7.00%
Option Life (years)	5	5	5
Fair Value Per Option	10.55	11.36	12.76

There is no history of dividend declaration by the company, hence the dividend yield has been assumed as Nil.

Effect on Financial Position

1. Impact on Profitability

Particulars	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Profit as reported for the year	2,545.24	852.99
Add: Employee stock compensation under intrinsic value method	113.98	9.98
Less: Employee stock compensation under fair value method	624.62	159.58
Pro forma profit	2,034.60	703.39

2. Impact on Basic/diluted EPS		
Particulars	Year ended 31.03.2010	Year ended 31.03.2009
– As reported (in Rupees)	0.59	0.35
– As pro forma (in Rupees)	0.47	0.29
5. Disclosures required as per AS - 15 (Revised) "Employee Benefits"		
(A) Gratuity		
Changes in the present value of the defined benefit obligation:		
		(Rupees in lacs)
	Year ended 31.03.2010	Year ended 31.03.2009
Opening defined benefit obligation	0.53	–
Current service cost	0.42	0.53
Interest cost	0.04	–
Actuarial (gains)/losses (0.42)	–	–
Closing defined benefit obligation	0.57	0.53
Reconciliation of present value of defined benefit obligation and fair value of plan assets		
		(Rupees in lacs)
	Year ended 31.03.2010	Year ended 31.03.2009
Closing defined benefit obligation	0.57	0.53
Closing fair value of plan assets	–	–
Net asset/(liability) recognized in balance sheet	(0.57)	(0.53)
Expense recognized in profit and loss account		
		(Rupees in lacs)
	Year ended 31.03.2010	Year ended 31.03.2009
Current service cost	0.42	0.53
Interest cost	0.04	–
Net actuarial losses / (gains) recognized in the year	(0.42)	–
Net expense	0.04	0.53
(B) Leave encashment		
Changes in the present value of the defined benefit obligation:		
		(Rupees in lacs)
	Year ended 31.03.2010	Year ended 31.03.2009
Opening defined benefit obligation	1.76	–
Current service cost	2.42	1.76
Interest cost	0.13	–
Actuarial (gains)/losses	(0.55)	–
Closing defined benefit obligation	3.76	1.76
Reconciliation of present value of defined benefit obligation and fair value of plan assets		

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Closing defined benefit obligation	3.76	1.76
Closing fair value of plan assets	–	–
Net asset/(liability) recognized in balance sheet	(3.76)	(1.76)

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Expense recognized in profit and loss account		
Current service cost	2.42	1.76
Interest cost	0.13	–
Net actuarial losses / (gains) recognized in the year	(0.55)	–
Net expense	2.00	1.76

The principal assumptions used in determining defined retirement obligations for the Company's plans are shown below:		
	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Discounting Rate	7.50%	7.00%
Future Salary Increase	5.00%	4.50%

The estimates of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors on long term basis.

(C) In respect of the defined contribution plans, the Company has recognized the following amounts in the profit and loss account:

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Employer's contribution to provident fund	5.84	3.35

6. The Company's main business is to provide finance for energy value chain through investment and lending into such projects. All other activities revolve around the main business. The Company does not have any geographic segments. As such, there are no separate reportable segments as per Accounting Standard 17 on 'Segment Reporting' as notified by the Companies (Accounting Standards) Rules, 2006.

7. Related party disclosures

(a) List of related parties and relationships

Related parties where control exists or with whom transactions have taken place during the year are given below:

Holding company	: PTC India Limited
Associate companies	: Ind-Barath Energy (Utkal) Limited
	: Ind-Barath Power Gencom Limited
	: Indian Energy Exchange Limited
	: Meenakshi Energy Private Limited
	: PTC Bermaco Green Energy Systems Limited

: RS India Wind Energy Limited
 : Varam Bio Energy Private Limited
 Key management personnel : Mr. Ashok Haldia (Director w.e.f. August 13, 2008)

(b) Details of related party transactions in the ordinary course of the business:

(i) Transactions with holding company

(Rupees in lacs)

Nature of transactions	Year ended 31.03.2010	Year ended 31.03.2009
Issue of share capital	–	28,325.00
Securities premium received	–	10,875.00
Reimbursement of expenses *	109.34	68.23
Balances outstanding as at the year end		
– Payable	–	58.30

* Includes Rs. 28.94 lacs (previous year Rs. 18.89 lacs) towards remuneration of Director.

(ii) Transactions with key management personnel

(Rupees in lacs)

Nature of transactions	Year ended 31.03.2010	Year ended 31.03.2009
Reimbursement of expenses	1.05	1.60
Remuneration paid**	31.91	18.89

** Also included under reimbursement of expenses to holding company as disclosed at (i) above.

(iii) Transactions with associates

(Rupees in lacs)

Nature of transactions	Year ended 31.03.2010	Year ended 31.03.2009
Investment in equity share capital :		
– Ind Barath Energy (Utkal) Limited	10,500.00	–
– Ind Barath Power Gencom Limited	–	5,563.00
– Indian Energy Exchange Limited	–	43.92
– Meenakshi Energy Private Limited	2,855.00	1,500.00
– PTC Bermaco Green Energy Systems Limited	35.28	49.08
– RS India Wind Energy Limited	–	3,531.14
– Varam Bio Energy Private Limited	27.81	164.06
Advance against investment :		
– PTC Bermaco Green Energy Systems Limited	52.95	0.15
– Varam Bio Energy Private Limited	–	27.81
Investment balances outstanding at the year end :		
– Ind Barath Energy (Utkal) Limited	10,500.00	–
– Ind Barath Power Gencom Limited	5,563.00	5,563.00
– Indian Energy Exchange Limited	693.92	693.92
– Meenakshi Energy Private Limited	4,355.00	1,500.00
– PTC Bermaco Green Energy Systems Limited	84.37	49.08
– RS India Wind Energy Limited	5,731.14	5,731.14
– Varam Bio Energy Private Limited	439.00	411.20

8. Earnings per share

	Year ended 31.03.2010	Year ended 31.03.2009
Profit after tax attributable to equity shareholders (Rupees in lacs)	2,545.24	852.99
Weighted Average number of equity shares outstanding during the year (Nos.)	434,583,335	240,600,458
Basic/Diluted* earnings per share of face value Rs. 10 each (in Rupees)	0.59	0.35

* There are no dilutive potential equity shares.

9. Deferred tax

The breakup of deferred tax assets/ (liabilities) as at March 31, 2010 is as under:

	(Rupees in lacs)		
	Balance as at 31.03.2009	Movement during the year	Balance as at 31.03.2010
Deferred tax asset arising on account of timing differences in :			
– Preliminary expenses	36.02	(12.55)	23.47
– Provision for retirement benefits	0.78	0.65	1.43
Less:			
Deferred tax liability arising on account of timing differences in :			
– Depreciation	0.55	461.87	462.42
Net deferred tax assets/ (liabilities)	36.25	(473.77)	(437.52)

10. The percentage holding and the investment in associate companies as at March 31, 2010 is given below:

Name of the associate company	Country of incorporation	% holding	Face value Rupees per share	As at March 31, 2010 (Rupees in lacs)	As at March 31, 2009 (Rupees in lacs)
Ind-Barath Energy (Utkal) Limited	India	20.55%	10	10,500.00	–
Ind-Barath Power Gencom Limited	India	26%	10	5,563.00	5,563.00
Indian Energy Exchange Limited	India	26%	10	693.92	693.92
Meenakshi Energy Private Limited	India	26%	10	4,355.00	1,500.00
PTC Bermaco Green Energy Systems Ltd.	India	26%	10	84.37	49.08
RS India Wind Energy Limited	India	37%	10	5,731.14	5,731.14
Varam Bio Energy Private Limited	India	26%	10	439.00	411.20
Total				27,366.43	13,948.34

Amounts of Rs. 53.10 lacs paid as advance against equity and pending allotment as at March 31, 2010 to PTC Bermaco Green Energy Systems Limited included under loans and advances under Schedule 11.

11. Based on the information available with the Company, there are no dues as at March 31, 2010 payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid / payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

12. Total number of electricity units generated and sold during the year – 3006 KWH (Previous year Nil).

13. Managerial remuneration:

(Rupees in lacs)

	Year ended 31.03.2010	Year ended 31.03.2009
Salary and allowances	27.61	16.36
Perquisites	2.87	1.71
Contribution to provident funds	1.43	0.82
Total	31.91	18.89

Note: The above figures do not include contribution leave encashment as it is provided in the books on the basis of actuarial valuation for the company as a whole and hence individual amount cannot be determined.

14. Auditors' remuneration (excluding service tax)

(Rupees in lacs)

	Year ended 31.03.2010	Year ended 31.03.2009
Statutory audit	5.00	6.00
Tax audit	1.50	1.00
Other services	2.50	2.00
Total	9.00	9.00

15. Expenditure incurred in foreign currency

(Rupees in lacs)

	Year ended 31.03.2010	Year ended 31.03.2009
Books and periodicals	–	0.68
Front end fees	13.65	–
Travelling	0.45	–
Other	0.12	–
Total	14.22	0.68

16. Previous year's figures have been regrouped / recasted wherever considered necessary to conform to current year's classification.

17. Schedules 1 to 20 and the statement of additional information form an integral part of the accounts.

18. Additional information as required in terms of paragraph 13 of Non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rupees in lacs)

Particulars	Amount Outstanding	Amount Overdue
Liabilities side:		
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		

(a) Debentures : Secured	20,000.00	–
: Unsecured	–	–
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	–	–
(c) Term Loans	8620.10	–
(d) Inter-corporate loans and borrowing	–	–
(e) Commercial Paper	–	–
(f) Other Loans (short term bank loan)	2460.00	–

Assets side:		Amount outstanding
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(2) Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:		
(a) Secured		26,620.10
(b) Unsecured		500.00
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors:		
(a) Financial lease		–
(b) Operating lease		–
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		–
(b) Repossessed Assets		–
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		–
(b) Loans other than (a) above		–
(4) Break-up of Investments:		
Current Investments:		
1. Quoted:		
(i) Shares: (a) Equity		–
(b) Preference		–
(ii) Debentures and Bonds		–
(iii) Units of mutual funds		–
(iv) Government Securities		–
(v) Others (please specify)		–
2. Unquoted:		
(i) Shares: (a) Equity		–
(b) Preference		–
(ii) Debentures and Bonds		–
(iii) Units of mutual funds		–
(iv) Government Securities		–
(v) Others (please specify)		–

Long Term investments:

1. Quoted:		
(I) Shares: (a) Equity		52.83
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
2. Unquoted:		
(I) Shares: (a) Equity		37,017.57
(b) Preference		-
(ii) Debentures and Bonds		3,600.00
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (advance against equity share capital)		53.10
Total		40,723.50

(5) Borrower group-wise classification of assets financed as in (2) and (3) above:

(Rupees in lacs)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	26,620.10	500.00	27,120.10
Total	26,620.10	500.00	27,120.10

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

(Rupees in lacs)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	200.00	37,017.57	37,217.57
2. Other than related parties	3,400.00	52.83	3,452.83
Total	3,600.00	37,070.40	40,670.40

(7) Other information

(Rupees in lacs)

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	–
(b) Other than related parties	–
(ii) Net Non-Performing Assets	
(a) Related parties	–
(b) Other than related parties	–
(iii) Assets acquired in satisfaction of debt	–
Disclosures pursuant to Reserve Bank of India Notification DNBS(PD) CC No.145/03.02.01/2009–10 dated July 1, 2009	

I. Capital Adequacy Ratio

(Rupees in lacs)

Particulars	As at 31 March 2010
Tier I Capital	63,469.53
Tier II Capital	–
Total Capital	<u>63,469.53</u>
Total Risk Weighted Assets	71,878.11
Capital Ratios	
Tier I Capital as Percentage of Total Risk Assets (%)	88.30 %
Tier II Capital as Percentage of Total Risk Assets (%)	–
Total Capital (%)	88.30 %

II. Exposure to Real estate sector, both direct and indirect

The Company does not have any direct or indirect exposure to the real estate sector as at 31 March, 2010.

III. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31 March, 2010

(Rupees in lacs)

Particulars	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	2,460.00	–	–	–	31.25	1,096.21	1,686.68	5,805.96	11,080.10
Market Borrowings	–	–	–	–	–	16,666.67	3,333.33	–	20,000.00
Assets									
Receivables under financing activity	–	–	–	10,000.00	8,094.67	1,362.33	1,783.23	5,379.87	26,620.10
Investment	3,400.00	–	–	–	–	200.00	–	37,070.40	40,670.40

For and on behalf of the Board of Directors

(T. N. Thakur)
Chairman and Managing Director
DIN: 00024322

(Deepak Amitabh)
Director and CFO
DIN: 01061535

(Ashok Haldia)
Director
DIN: 00818489

Place : New Delhi
Date : June 23, 2010

(Vishal Goyal)
Company Secretary

Balance Sheet Abstract and Company's General Business Profile

I	Registration Details	
	Registration Number 153373	State Code 55
	Balance Sheet Date 31st March, 2010	
II	Capital raised during the year (Amount – Rs. in thousands)	
	Public Issue	Rights Issue
	Nil	Nil
	Bonus Issue	Private Placement
	Nil	Nil
III	Position of Mobilisation and Deployment of Funds (Amount – Rs. in thousands)	
	Total Liabilities	Total Assets
	9,511,133	9,511,133
	Sources of Funds	
	Paid-up Capital	Reserves and Surplus
	4,345,833	2,013,539
	Secured Loans	Unsecured Loans
	3,108,010	Nil
	Application of Funds	
	Net Fixed Assets	Investments
	350,661	4,067,040
	Loans	Net Current Assets
	2,662,010	2,431,422
	Deferred Tax (Net)	Misc. Expenditure
	(43,751)	Nil
	Accumulated Losses	
	Nil	
IV	Performance of Company (Amount – Rs. in thousands)	
	Turnover	Total Expenditure
	534,895	167,894
	Profit/(Loss) before Tax	Profit/(Loss) after Tax
	+ 367,001	+ 254,524
	Earnings per share in Rs.	Dividend Rate %
	0.59	Nil
V	Generic Names of Three Principal Products/ Services of the Company (as per monetary terms)	
	Product Description	Item Code
	Financial Services	N.A.

For and on behalf of the Board of Directors

(T. N. Thakur)
Chairman and Managing Director
DIN: 00024322

(Deepak Amitabh)
Director and CFO
DIN: 01061535

(Ashok Haldia)
Director
DIN: 00818489

Place : New Delhi
Date : June 23, 2010

(Vishal Goyal)
Company Secretary

WHAT HAS IMPRESSED OUR CUSTOMER MOST

- Quick response and straightforward solution towards the development of power sector in India.
- An integrated approach adopted in adding value in structuring and developing the project.
- Very positive and practical approach in understanding the dynamics of power sector project
- balancing the imperatives of financing with the needs of power project.
- Addresses specific requirements of risk capital by offering innovative solutions at various phases of project development
- Along with PTC, provides “one stop solution” to power project developers in terms of off-take and marketing of power, financing and advisory, and hence becomes the desired destination
- A very lean and efficient organizational set-up with skill sets in diversified fields.



Registered Office:
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