



PTC INDIA FINANCIAL SERVICES LIMITED

7TH ANNUAL REPORT 2012 - 2013

Vision

“Be the most preferred financial services partner in the entire energy value chain”

Mission

“To partner and forge strong relationships with credible stakeholders to provide complete financial services for all links in the energy value chain”

SEVENTH ANNUAL GENERAL MEETING

To be held on Monday, 19.08.2013 at 11:30 A.M.
at FICCI, 1 Federation House, Tansen Marg,
New Delhi - 110001

NOTE:

1. Shareholders are requested to bring their copy of Annual Report with them to the Annual General Meeting .
2. No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

CONTENTS

	Page No.
Notice of the 7 th Annual General Meeting	05
Directors' Profile	12
Directors' Report	14
Report on Corporate Governance	16
Certificate on Corporate Governance	24
Management Discussion and Analysis Report	26
Auditors' Report	28
Balance Sheet	30
Profit and Loss Account	31
Cash Flow Statement	32
Schedules forming part of Balance Sheet and Profit & Loss Account	34

Reference Information

Registered Office	:	PTC India Financial Services Limited, 2nd Floor, NBCC Tower, 15 Bhikaji Cama Place, New Delhi- 110066
Company Secretary	:	Mr. Vishal Goyal
Internal Auditors	:	Raj Har Gopal & Co.
Statutory Auditors	:	Deloitte Haskins and Sells
Shares are listed on	:	NSE & BSE
Depository	:	NSDL & CDSL
Registrar and Transfer Agent		
• Equity & Infra Bonds	:	Karvy Computershare Private Limited
• NCDs	:	MCS Limited
Bankers	:	Punjab National Bank Corporation Bank Union Bank of India Canara Bank Oriental Bank of Commerce HDFC Bank United Bank of India Yes Bank
Trustee for NCD / Bonds	:	IDBI Trusteeship Services Limited
Website	:	www.ptcfinancial.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of PTC India Financial Services Ltd. will be held on Monday the 19th day of August, 2013 at 11:30 a.m. at FICCI, 1 Federation House, Tansen Marg, New Delhi - 110001 to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013, Profit and Loss Account (including all the documents attached to it) for the year ended on that date and the Report of the Board of Directors and Auditors thereon.

2. To consider declaration of dividend for the Financial Year 2012-13

To consider and if thought fit, to pass with or without modification(s), the following resolution for dividend for the Financial Year 2012-2013 as an ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 205 and other applicable provisions of the Companies Act, 1956, dividend at the rate of 4% (Re.0.40 per equity share of Rs.10 each) be and is hereby declared for the financial year 2012-13, out of the profits of the Company on 562,08,3335 equity shares of Rs. 10/- each fully paid up to be paid as per the ownership as on closing hours of 10th August, 2013.”

3. To re-appoint Mr. M.K. Goel, who retires by rotation and is eligible for re-appointment.

“RESOLVED THAT Mr. M.K. Goel who retires by rotation and who is eligible for re-appointment be and is hereby re-appointed as Director”

4. To re-appoint Mr. S.S. Kohli, who retires by rotation and is eligible for re-appointment.

“RESOLVED THAT Mr. S.S. Kohli who retires by rotation and who is eligible for re-appointment be and is hereby re-appointed as Director”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment and fixation of remuneration of Statutory Auditor for the financial year 2013-14 as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration no. 015125N), be and is hereby re-appointed as the Statutory Auditor of the Company for the financial year 2013-14, to hold the office from the conclusion of 7th Annual General Meeting of the Company until the conclusion of 8th Annual General Meeting of the Company on the terms and conditions as decided by the Board and/or Audit Committee.

FURTHER RESOLVED THAT the Board and/or Audit committee be and is hereby authorized to take necessary action(s) in this regard.”

SPECIAL BUSINESS:

6. To appoint Mr. S.K. Tuteja as Director, who was appointed as Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office upto ensuing AGM, in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 257 of the Companies Act, 1956, Mr. S.K. Tuteja, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation.

FURTHER RESOLVED THAT any Director or Company Secretary of the Company be and is hereby authorised to do all such acts including filing of necessary intimation with ROC or any other authority for the above purpose and take further action(s) as may be necessary in this regard.”

7. To appoint Mr. R.T. Agarwal as Director, who was appointed as Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office upto ensuing AGM, in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under section 257 of the Companies Act, 1956.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of section 257 of the Companies Act, 1956, Mr. R.T. Agarwal, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation.

FURTHER RESOLVED THAT any Director or Company Secretary of the Company be and is hereby authorised to do all such acts including filing of necessary intimation with ROC or any other authority for the above purpose and take further action(s) as may be necessary in this regard.”

8. To appoint Mr. Deepak Amitabh as Non-rotational Director, who was appointed as Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under section 257 of the Companies Act, 1956.

To consider and if thought fit, to pass with or with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 257 of the Companies Act, 1956, Mr. Deepak Amitabh be and is hereby appointed as Non-Rotational Director on non executive basis to be designated as “Chairman” of the Company as a nominee of PTC India Ltd. (holding company).”

9. To appoint Mr. S.N. Goel as Managing Director & Chief Executive Officer in accordance with section 269 and Schedule XIII of the Companies Act, 1956.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. S.N. Goel be and is hereby appointed as Managing Director of the Company to be designated as ‘Managing Director & Chief Executive Officer’ of the Company for a period of 3 months from June 27, 2013 and his appointment made shall be in accordance with section 269, Schedule XIII and other relevant provisions, if any, of the Companies Act, 1956 and his powers, responsibilities and terms of appointment as Managing Director & Chief Executive Officer shall be decided by the Board or a Committee duly constituted by the Board from time to time. Further, the Board of Directors be and are hereby authorized to take necessary action(s) in this regard including settling of any question regarding his appointment.”

10. Increase in borrowing power of the Board of Directors of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT in suppression of the resolution passed by the shareholders in their 6th AGM held on 21st September, 2012, the consent of the Company be and is hereby accorded in terms of provisions of section 293(1) (d) and other applicable provisions, if any, of the Companies Act, 1956, to authorise the Board of Directors or any

Committee of the Directors to borrow monies in excess of aggregate of the paid-up capital and free reserves provided that the total borrowing shall not exceed Rs. 75000 million.

FURTHER RESOLVED THAT in supression of the resolution passed by the shareholders in their 6th AGM held on 21st September,2012, the consent of the Company be and is hereby accorded in terms of section 293(1)(a) and other provisions, if any, of the Companies Act, 1956, to authorise the Board of Directors or any Committee of Directors to mortgage and/or create charge on any or all of the movable, immovable and other assets of the Company whatsoever present or future, to take loan, line of credit, cash credit limit, issue of debentures, bonds,commercial papers, banks guarantee or any other fund based or non-fund based borrowing from the banks, financial institutions and any other lenders including external commercial borrowing as may deem fit and proper in the best interest of the Company by the Board of Directors and any Committee of Directors which shall not exceed Rs. 75000 Millions for the purpose of business of the Company.

FURTHER RESOLVED THAT the Board of Directors or any Committee of Directors be and is hereby authorised to take all necessary action(s) as may be required in this regard from time to time.”

By Order of the Board of Directors,
For PTC India Financial Services Limited

Sd/-
(Vishal Goyal)
Company Secretary

Place: New Delhi
Date: 8th July, 2013

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (The 'MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business set out in the notice is enclosed.
4. Brief resume and other relevant details of the Directors seeking appointment and re- appointment as prescribed under clause 49 of the Listing Agreement is annexed hereto and forms part of the notice.
5. None of the Directors of the Company is in anyways related to each other.
6. The Company has notified the closure of Register of Members and Share Transfer Books from 12th August to 19th August, 2013 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the Meeting. The final dividend on equity shares as recommended by the Board of Director, subject to provisions of section 206A of the Companies Act, 1956, if approved by the member at the forthcoming AGM of the Company, shall be paid to those share holders whose name appear in the Register of Member or in the list of beneficial holders provided by NSDL/CDSL on the closing hours of 10th August, 2013.
7. Members are requested to send all correspondance concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and /or change in address and bank account to Company's Registrar.
8. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or Registrar & Transfer Agent alongwith relevant share certificates.
9. Members desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956, are requested to write to Karvy Computershare Private Ltd, Registrar & Transfer Agent of the Company in the prescribed form. In case held in dematerialised form, the nomination has to be lodged with the respective depository participant.
10. Members who hold shares in physical form are requested to notify immediately any change in their addresses to the Registrar and Transfer Agent and to their respective depository participants, in case of shares held in electronic mode.
11. Annual Listing fee for the year 2013-2014 has been paid to Stock Exchanges where the Equity Shares and debt securities of Company are listed.
12. For Electronic Clearing System facility for crediting dividend directly to your designated bank accounts, shareholders are requested to give their mandate to Karvy Computershare Private Ltd, Registrar & Transfer Agent of the Company in the enclosed form.
13. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Company Secretary of the Company at the registered office atleast 10 days prior to the date of the meeting, so that the information required can be made readily available at the Meeting.
14. All documents referred to in the accompanying notice and statutory registers are open for inspection at the registered office of the company on all working days (barring Saturday and Sunday) between 11 a.m. to 1 p.m. prior to the date of Annual General Meeting.
15. The Annual Report is also available at the Company's website www.ptcfinancial.com.
16. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
17. In case of joint holders attending Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
18. The Company is not providing Video conferencing facility for this meeting.
19. As per the circular no. 18/2011 on Green Initiative, The company will send Annual Report along with other documents through e-mail to all members, who have registered their e-mail address with depository and physical hard copies will be despatched to others. In case any member desires to get hardcopy of annual report, they can write to company at registered office address or e-mail at complianceofficer@ptcfinancial.com

Important Communication to Members

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including annual report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their respective Depository Participants. Members who hold shares in physical form are requested to provide details of e-mail addresses to Registrar and Transfer Agent of the Company.

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

Item no. 6

Mr. S.K. Tuteja was appointed as Director of our Company on 10th January, 2013. He is M. Com, Member of the Institute of Company Secretaries of India and Ex-IAS officer. He retired as Secretary, Food and Public Distribution, Government of India.

Mr. S.K. Tuteja does not have any shareholding in the Company.

No other Director is interested in appointment of Mr. S.K. Tuteja excepting him. The Board recommends the resolution for approval of the shareholders.

Item no. 7

Mr. R. T. Agarwal, aged about 56 years, was appointed as Director of our Company on 27th June, 2013. He is Director (Finance) of Power Grid Corporation of India Limited.

A Chartered Accountant by profession, Mr. Agarwal has more than 31 years of experience in multifarious Finance & Accounts functions like finalization of Accounts, coordination with Auditors, Taxation, Treasury Functions, Internal Audit, Budgeting, Pay Roll, Concurrence, MIS & Commercial aspects etc both at the Corporate Centre and at Regional Headquarters of POWERGRID.

Mr. R. T. Agarwal does not have any shareholding in the company.

No other Director is interested in appointment of Mr. R. T. Agarwal excepting him. The Board recommends the resolution for approval of the shareholders.

Item no. 8

Mr. Deepak Amitabh, alumni of St. Stephen's College, Delhi, is a Master of Science (Physics) and belongs to the 1984 batch of Indian Revenue Service. He is also the Chairman and Managing Director of PTC India Limited.

He was Director (Finance) & CFO of the Company from 25th April, 2007 to 22nd September, 2010. The Board in its meeting held on 25th September, 2012, appointed Mr. Deepak Amitabh as Chairman & Managing Director of the Company for a period of three months from the date of his joining to the Company. Thereafter, he joined the Company as Chairman & Managing Director on 16th October, 2012. The Board in its meeting held on 10th January, 2013 had extended his term as Chairman & Managing Director upto 31st December, 2013. He has resigned from the post Managing Director of the Company on 27th June, 2013, the Board of Directors in its meeting held on 27th June, 2013 has appointed him as Non-Rotational Director with the designation of "Chairman" as nominee of PTC India Limited.

Mr. Deepak Amitabh holds 3,500 shares in the Company.

No other Director is interested in appointment of Mr. Deepak Amitabh excepting him. The Board recommends the resolution for approval of the shareholders.

Item no. 9

Mr. S.N. Goel was appointed as MD & CEO of the Company by the Board in its meeting held on 27th June, 2013. He is Director (Marketing & Operations) of PTC India Limited (PTC) since 27th September, 2012.

Prior to joining PTC, he was working as Executive Director in NTPC. He is an Electrical Engineer with MBA in Finance and has 35 years of experience in power sector.

Mr. S.N. Goel does not have any shareholding in the Company.

No other Director is interested in appointment of Mr. S.N. Goel excepting him. The Board recommends the resolution for approval of the shareholders.

Item No. 10

The Company is in the business of providing the financial assistance to the companies in the power sector and related areas across the entire energy value chain. The Company has sanctioned approximately Rs. 99,990 million financial assistance upto 31st March, 2013 and to tie-up the funds, the Company is in process to approach various banks/financial institutions/investors as back-to-back arrangement.

The shareholders had already approved a limit of Rs. 50,000 million in the 6th AGM held on 21st September, 2012. Since then the operations of the Company have increased manifold and considering the future growth fund requirement of the Company, it is proposed to enhance the borrowing limit of the Company from present Rs. 50,000 million to Rs.75,000 million.

It is further proposed to authorise the Board of Directors and/or any Committee of the Directors to borrow funds upto Rs. 75,000 million in a manner as may be decided by the Board of Directors and/or any Committee thereof from time to time.

None of the Directors of the Company are interested in this resolution. The Board recommends the resolution for approval of the shareholders.

By Order of the Board of Directors,
For PTC India Financial Services Limited

Sd/-
(Vishal Goyal)
Company Secretary

Place: New Delhi
Date : 8th July, 2013

Brief Profile of Directors seeking Appointment/Re-appointment at 7th Annual General Meeting

Name	Date of Birth	Qualifications	Expertise	Directorship in other Companies	Membership/Chairmanship of committees other than PFS
Mr. M.K. Goel	17/09/1956	Bachelor's degree in Technology specializing in Electrical Engineering from Kanpur University	<p>Mr. Goel holds a Bachelor's degree in Technology Specializing in Electrical Engineering from Kanpur University.</p> <p>He is presently Director (Commercial) in Power Finance Corporation Ltd. (PFC). He is also nominee Director of PFC on the Board of PTC India Ltd.</p> <p>Mr. Goel has Power sector experience of over three decades.</p> <p>He has been involved in inducting reforms in State Power Utilities, steering Restructured Accelerated Power Development & Reform Programme of GOI and oversees human resource functioning, information technology and legal activities.</p>	<ol style="list-style-type: none"> 1. PTC India Ltd. 2. Orrisa Integrated Power Ltd. 3. Sakhigopal Integrated Power Co. Ltd. 4. Ghogarpalli Integrated Power Co. Ltd. 5. Tatiya Andhra Mega Power Ltd. 6. PFC Consulting Ltd 7. Power Finance Corporation Ltd. 8. PFC Green Energy Ltd. 9. PFC Capital Advisory Services Ltd 	<p>Memberships Audit committee:</p> <ol style="list-style-type: none"> 1. PFC Green Energy Ltd. <p>Memberships Shareholders'/ Investors' Grievance committee:</p> <ol style="list-style-type: none"> 2. Power Finance Corporation Ltd.
Mr. S.S. Kohli	10/04/1945	Bachelors degree in Science (Mechanical Engineering) from Benaras Hindu University and a diploma in Industrial Finance from Indian Institute of Bankers	<p>Mr. Kohli, is an Independent Director of our Company and has been on the Board of our Company since December 13, 2010.</p> <p>Mr. Kohli has a wide experience as a banker, spanning 40 years having held position of Chairman and Managing Director of Punjab and Sind Bank and the Punjab National Bank. He has also served as the Chairman and Managing Director of India Infrastructure Finance Company (UK) Limited (IIFCL) and has also held the Chairmanship of the Indian Banks' Association and has chaired several committees associated with financial sector policy.</p>	<ol style="list-style-type: none"> 1. SME Rating Agency of India Limited 2. S V Creditline Pvt. Ltd. 3. ACB (India) Ltd. 4. Trimax IT Infrastructure & Services Ltd. 5. Aria Hotels and Consultancy Services Pvt. Ltd. 6. IL&FS Financial Services Ltd. 7. Reliance Infrastructure Ltd. 8. IDFC Limited 9. Essar Steel India Limited 10. Sicom Limited 11. BSES Rajdhani Power Limited 12. BSES Yamuna Power Limited 	<p>Chairmanships Audit committee:</p> <ol style="list-style-type: none"> 1. SME Rating Agency of India Limited IFSL 2. ACB (India) Ltd. 3. Reliance Infrastructure Ltd. 4. IL & FS Financial Services Ltd. 5. BSES Yamuna Power Ltd. <p>Memberships Audit committee:</p> <ol style="list-style-type: none"> 1. Aria Hotels and Consultancy Services Pvt. Ltd. 2. BSES Rajdhani Power Limited 3. Essar Steel Limited <p>Memberships Shareholders'/ Investors' Grievance committee:</p> <ol style="list-style-type: none"> 1. Trimax IT Infrastructure & Services Ltd. 2. Reliance Infrastructure Limited

Mr. S.K. Tuteja	15/06/1945	M. Com, Member of the Institute of Company Secretaries of India and EX-IAS Officer	<p>Mr. S.K. Tuteja belonged to the Indian Administrative Service and retired as Secretary, Food and Public Distribution, Government of India.</p> <p>During his service career spanning over 38 years, he has held several key positions with the State and Central Government. He has over the years, acquired vast experience in finance, commerce, industry, management and company affairs</p>	<ol style="list-style-type: none"> 1. SML Isuzu Limited 2. Tiger Warehousing Cold Chain Private Limited 3. Adani Logistics Limited 4. A2Z Maintenance & Engineering Services Limited 5. Havells India Limited 6. Intas Pharmaceuticals Limited 7. Daawat Foods Limited 8. Shree Renuka Energy Limited 9. Adani Enterprises Limited 10. Trident Corporation Limited 11. Gujarat Foils Limited 12. LT Foods Limited 13. Axis Pvt. Equity Limited 14. Shree Renuka Sugars Ltd. 15. Pegasus Assets Reconstruction (P) Ltd. 16. Topworth Energy (P) Ltd. 17. Devenio Optimus Advisorys (P) Ltd. 18. Altaris Credit Rating Agency (P) Ltd. 19. Norwest Estares (P) Limited. 	<p>Chairmanships Audit committee:</p> <ol style="list-style-type: none"> 1. SML Isuzu Limited 2. A2Z Maintenance & Engineering Services Limited 3. Gujarat Foils Limited 4. Adani Enterprises Limited 5. Intas Pharmaceuticals Limited <p>Memberships Audit committee:</p> <ol style="list-style-type: none"> 1. Trident Corporation Limited 2. Axis Pvt. Equity Limited. <p>Memberships Shareholders' / Investors' Grievance committee:</p> <ol style="list-style-type: none"> 1. SML Isuzu Limited 2. Adani Enterprises Limited 3. Shree Renuka Sugars Limited
Mr. R.T. Agarwal	12/08/1956	B.Com., Chartered Accountant	<p>Mr. R. T. Agarwal was appointed as Director of our Company on 27th June, 2013. He is Director (Finance) of Power Grid Corporation of India Limited.</p> <p>A chartered accountant by profession, Mr. Agarwal has more than 31 years of experience in multifarious Finance & Accounts functions like finalization of Accounts, coordination with Auditors, Taxation, Treasury Functions, Internal Audit, Budgeting, Pay Roll, Concurrence, MIS & Commercial aspects etc both at the Corporate Centre and at Regional Headquarters of POWERGRID.</p> <p>As ED (Finance), he had played a pivotal role in the successful Follow-on Public Offer of POWERGRID in 2010. Before joining POWERGRID in 1991, he had worked in power major NTPC Ltd. project sites for around 10 years.</p>	<ol style="list-style-type: none"> 1. Power Grid Corporation of India Ltd. 2. Power System Operation Corporation Limited 3. Powerlinks Transmission Ltd. 4. Parbati Koldam Transmission Company Ltd. 5. Powergrid NM Transmission Ltd. 6. Powergrid Vemagiri Transmission Ltd. 	<p>Chairmanships in Audit committee:</p> <ol style="list-style-type: none"> 1. Parbati Koldam Transmission Company Ltd. <p>Memberships Audit committee:</p> <ol style="list-style-type: none"> 1. Powerlinks Transmission Ltd 2. Power System Operation Corporation Limited.

Mr. Deepak Amitabh	08/10/1960	Master of Science (Physics) and Ex-Indian Revenue Service	<p>Shri Deepak Amitabh has studied from St. Stephen's College, Delhi, and is a Master of Science (Physics) and belongs to the 1984 batch of Indian Revenue Service. He is Ex-IRS and has more than 28 years of experience in the Government and energy sector and is having a deep understanding of power market structure, marketing, operations and business strategy for power trading, finance and investment, legal strategy, risk management and investor issues.</p> <p>In more than 9 years stint at PTC group in various capacities, Shri Amitabh has provided leadership to various functions of PTC Group, including to, finance & resource mobilization, coal trading initiatives, debt and equity investments in energy assets, managing long term and short term power sale and purchase portfolio, investor relations etc.</p>	<ol style="list-style-type: none"> 1. PTC India Ltd. 2. PTC Energy Ltd. 	NIL
Mr. S.N. Goel	10/08/1954	Electrical Engineer with MBA in Finance	<p>Mr. S.N. Goel has been appointed as MD & CEO of PFS by the Board in its meeting held on 27th June, 2013. He had joined as Director (Marketing & Operations) of PTC India Ltd. w.e.f. 27th September, 2012.</p> <p>Prior to this, he was working as Executive Director in NTPC. He has 35 years of experience in power sector. He has worked in different areas of power plant such as design & engineering, project execution, operation & maintenance, commercial, business development and coal & gas sourcing.</p>	<ol style="list-style-type: none"> 1. PTC India Ltd. 2. Indian Energy Exchange Ltd. 3. Teesta Urja Ltd. 	NIL

The Board of Directors of PFS Comprises of:



Mr. Deepak Amitabh
Chairman



Mr. S. N. Goel
Managing Director and CEO



Dr. Ashok Haldia
Whole Time Director



Dr. Pawan Singh
Whole Time Director & CFO



Mr. M.K. Goel
Director



Mr. R. T. Agarwal
Director



Dr. Uddesh Kohli
Director



Mr. Surinder Singh Kohli
Director



Mr. Ramarao Muralidharan Coimbatore
Director



Mr. Ved Kumar Jain
Director



Mr. S.K. Tuteja
Director

Brief Profile of Directors of PTC Financial Services Limited

➤ Mr. Deepak Amitabh, Chairman

Mr. Deepak Amitabh, alumni of St. Stephen's College, Delhi, is a Master of Science (Physics) and belongs to the 1984 batch of Indian Revenue Service. He came on deputation to PTC in September 2003. He is also the Chairman and Managing Director of PTC India Limited (PTC).

He has more than 23 years of work experience in auditing, financial analysis and revenue mobilization. He earlier acted as Financial Advisor to Director General Naval Projects, Mumbai and has held in the Indian Revenue Service the post of Additional Commissioner of Income Tax, New Delhi and Joint Commissioner of Income Tax, Mumbai.

As Head of Finance in the Company, he was closely associated with fund raising programme (Initial Public Offer) of PTC in the year 2004. He spearheaded fund raising through Qualified Institutional Placement (QIP) deals for in January 2008 & in May 2009, respectively. He played a key role in formation of the Company. He has also been instrumental in setting up the fuel linkages services offered by PTC to various IPPs.

➤ Mr. S. N. Goel, Managing Director & CEO

Mr. Goel joined as Managing Director & CEO of Company w.e.f. 27th June 2013 and he also holds position of Director (Marketing & Operations) of PTC India Ltd. Prior to this, he was working as Executive Director in NTPC. He is an Electrical Engineer with MBA in Finance and has 35 years of experience in power sector. He has worked in different areas of power plant such as design & engineering, project execution, operation & maintenance, commercial, business development and coal & gas sourcing. In NTPC, he was looking after marketing of entire NTPC power generation capacity, interaction with CERC for tariff fixation and for ensuring 100% realization of dues from customers. During the last two years, he was responsible for sourcing domestic & imported coal and gas for the 35,000 MW capacity of NTPC power stations. He has been actively involved in formulation and implementation of power sector reform initiatives of the Govt. and development of power market in the country

➤ Dr. Ashok Haldia

A member of the Institute of Chartered Accountants of India, 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. 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. 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. In past he has also worked with Power Finance Corporation Ltd. and Government of Rajasthan.

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 had also been a faculty member in number of management training institutions.

➤ Dr. Pawan Singh

Dr. Singh is the Director(Finance) & CFO of the Company and has more than 29 year of experience in financing including infrastructure

finance. In this time, he has handled several financing proposals, both from the perspective of borrowers and lenders. Dr. Singh has also been closely involved with the first public-private-partnership project in the power sector. He has won several awards for his contribution to the infrastructure sector. He is involved with the successful implementation of power sector reforms in Delhi.

He is currently a visiting faculty member in the area of corporate financing, infrastructure financing and project financing at several management institutes in India and has presented papers at various conferences in India and abroad. Dr. Singh was a member of IRAS, he is an M.B.A. and has a PhD in Financial Management. He has served as Director Finance at Delhi Power Company Limited, Delhi Transco Limited, Indraprastha Power Generation Company Limited and Pragati Power Company Limited. Earlier he also worked in Powergrid Corporation Ltd. as General Manager (Finance), Tata Steel and Bharat Petroleum. He is in the Board of Director of IIFCL Asset Management Company.

➤ Mr. M.K. Goel

Mr. Goel holds a bachelor's degree in Technology specializing in Electrical Engineering from Kanpur University. Mr. Goel has a career spanning over 30 years. He is Director (Commercial) in Power Finance Corporation Ltd. (PFC), before joining PFC he was working with NHPC. Currently he has been in-charge of Institutional Development and Administration.

He has been involved in inducting reforms in State Power Utilities, steering Restructured Accelerated Power Development & Reform Programme of GOI and oversees human resource functioning, information technology and legal activities.

➤ Mr. R. T. Agarwal

Mr. Agarwal is currently Director (Finance) of Powergrid and prior to taking up this assignment, he was working as Executive Director (Finance). A Chartered Accountant by profession, Mr. Agarwal has more than 31 years of experience in multifarious Finance & Accounts functions like finalization of Accounts, coordination with Auditors, Taxation, Treasury Functions, Internal Audit, Budgeting, Pay Roll, Concurrence, MIS & Commercial aspects etc both at the Corporate Centre and at Regional Headquarters of POWERGRID. As ED (Finance), he had played a pivotal role in the successful Follow-on Public Offer of POWERGRID in 2010. Before joining POWERGRID in 1991, he had worked in power major NTPC Ltd. project sites for around 10 years.

➤ 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.

➤ Mr. Surinder Singh Kohli

Mr. Kohli, aged about 66 years, is an Independent Director of our Company and has been on the Board of our Company since December 13, 2010. He holds Bachelors degree in Science (Mechanical Engineering) from Benaras Hindu University and a diploma in Industrial Finance from Indian Institute of Bankers. Prior to joining our Company he was the Chairman and Managing Director of India Infrastructure

Finance Company Limited, Punjab National Bank, Small Industries Development Bank of India and Punjab and Sind Bank respectively. He was also the Chairman of the India Banks Association for two terms.

➤ **Mr. Ramarao Muralidharan Coimbatore**

In his earlier capacity, Mr. Muralidharan was Whole-Time Member of IRDA and was looking after the compliance by the insurers of the regulations on investments, analysis of financial statements of insurance companies, on and off-site supervision of insurance companies as well as other regulatory issues including the registration of new insurance companies. Prior to joining IRDA, he worked in RBI for more than three decades in various capacities. He was heading the Department of Banking Operations and Development (DBOD) of RBI, which is responsible for laying down a regulatory framework on a wide range of operations for Indian commercial banks to promote a sound and competitive banking system consistent with the emerging international best practices. He assisted IMF in two overseas assignments and was associated with several High Level Working Groups on Banking Regulation.

➤ **Mr. Ved Kumar Jain**

Born on 15.12.1953, Mr. Ved Kumar Jain is a rank holder in both CA Inter and CA Final examination. A Triple Bachelors Degree Holder, he completed his Bachelor of Science from Punjab University in 1973. After completing his Chartered Accountancy in 1976, he did his Bachelors of

Arts in Economics in 1979. He also completed his Bachelors of Law in 1980. He was elected to the Central Council of The Institute of Chartered Accountants of India (ICAI) in 2004 and thereafter in 2007 and became President of ICAI in 2008. Recognizing his professional achievements he was taken on the Board of International Federation of Accountants (IFAC), a global organization for the accountancy profession comprised of 167 members and associates in 127 countries. He has more than three decades of experience in finance and taxation. A prolific writer, having command in Hindi, English, French, Urdu and Punjabi, has authored many books on Direct Taxes. He is also holding directorship in many other Companies viz. National Aluminium Company Limited, Maytas Properties Ltd, PTC India Ltd, IL&FS Engineering and Construction Company Ltd., VJ Corporate Advisors(P) Ltd. and ICAI Accounting Research.

➤ **Mr. S.K. Tuteja**

Mr. S.K. Tuteja is M. Com, Member of the Institute of Company Secretaries of India and Retired IAS officer.

Mr. Tuteja belonged to the Indian Administrative Service and retired as Secretary, Food and Public Distribution, Government of India. During his service career spanning over 38 years, he has held several key positions with the State and Central Government. He has over the years, acquired vast experience in finance, commerce, industry, management and company affairs.

PTC India Financial Services Limited

DIRECTORS' REPORT

Dear Shareholders

The Directors have pleasure in presenting you the Seventh Annual Report together with the audited accounts of your Company for the Financial Year 2012-13.

OVERVIEW

Power Sector in India has recorded capacity addition of about 23,466 MW during FY 2012-13 taking the total installed power generation capacity in the country to about 223,343 MW as at 31st March 2013. The installed generation capacity in India is fifth largest in the world and the energy-mix comprises both non-renewable (coal, lignite, petroleum and natural gas) and renewable energy sources (wind, solar, small hydro, biomass, cogeneration bagasse etc). The policy landscape in India has progressively evolved and has led to changes in the power sector, especially in terms of competition, private sector involvement and focus on green energy over the last decade, commencing with the passing of the Electricity Act 2003. However, the power generation has been largely dominated by coal based generation.

The Indian power sector has achieved a lot over the last decade in the areas of policy reforms, private sector participation in generation and transmission, new manufacturing technology and capabilities, but there is still much to achieve and a number of challenges to overcome before the opportunities can be leveraged. India aims to add 88,000 MW by the end of the 12th Five-Year Plan, of which almost three-fifths of capacity is expected to be built by private companies. The huge capacity addition plan also offers opportunity for developing evacuation capacities and supply related OEMs like conductor manufacturing, insulator manufacturing, tower fabrication and EPC.

The Government has approved debt restructuring plan for beleaguered state electricity boards, however, it is still felt that strong political will is necessary to achieve meaningful reforms in the power sector. The debt restructuring for the SEBs is dependent upon important conditions such as tariff revisions, reduction in AT&C losses. The implications of the re-structuring are far-reaching. It is expected to improve the financial health of boards, which in turn will ensure timely payments to utilities, and utilities in turn will be able to re-deploy funds into new projects, and the provision to increase tariffs will benefit the sector. Banks will again begin to lend to power projects.

PTC India Financial Services Limited (PFS) is a systematically important non-deposit taking non banking finance company registered with Reserve Bank of India (RBI) and set-up to devote itself exclusively for providing financial solutions to projects in the energy value chain. The Company was accorded the status of Infrastructure Finance Company (IFC) by the RBI in August 2010. The operational and financial performance of the Company during FY 2012-13 has maintained rather growth momentum.

FINANCIAL RESULTS

During the year 2012-13, your Company has recorded a total revenue of Rs.2,865.22 million.

The highlights of the financial results are as under

Particulars	(Rs. in millions)	
	2012-13	2011-12
Income	2,865.22	3,071.99*
Expenditure	1,312.33	1,055.58
Profit before tax	1,552.89	2,016.41
Tax expense	511.32	475.99
Profit after tax	1,041.57	1,540.43
Transfer to statutory reserve	208.31	308.09
Transfer to special reserve (in terms of Sec.36(i) (viii) of Income Tax Act, 1961	200.00	-

*includes Rs. Nil during FY 2012-13 (Rs.1,272.43 million during FY 2011-12) being profit on sale of equity investments.

The operational performance was quiet robust and the interest income increased to Rs.2,513.16 million during 2012-13, thereby recording an increase of 89% compared to Rs.1,329.54 million during 2011-12. In line with the same, the borrowings increased leading to increase in the finance costs. However, compared to the increase in interest income, the finance costs recorded an increase of 47% only during 2012-13 and increased to Rs.1,011.73 million compared to Rs.686.12 million during 2011-12. The Company had made a profit of Rs.1272.43 million being profit on disinvestment of its stake in two companies viz., Ind-Barath PowerGencom Limited and Indian Energy Exchange Limited during 2011-12. However, no divestments were made during 2012-13. Hence, profit before tax (PBT) stood at Rs.1,552.89 million during 2012-13 as compared to Rs.2,016.41 million in 2011-12, thus recording a decline of 23%. Excluding, the profit on sale of equity investments aggregating to Rs.1272.43 million in 2011-12, the profit before tax increased by 109%. Profit after tax (PAT) stood at Rs.1,041.57 million during 2012-13 compared to Rs.1,540.43 million during 2010-11.

OPERATIONAL PERFORMANCE

The debt assistance sanctioned to various projects during 2012-13 aggregated to Rs. 40,271 million compared to Rs.36,923 million in 2011-12. The disbursement of debt during 2012-13 was quite robust at Rs.13,000.71 million compared to Rs.6,241.75 million in 2011-12. The disbursements in equity investments aggregated to Rs.102.64 million during 2012-13 compared to Rs.224.62 million in 2011-12. The aggregate debt assistance sanctioned as at 31st March 2013 stands at almost Rs.100,000 million.

The financial assistance sanctioned by PFS so far would help capacity creation of more than 30,000 MW. The Company continues to diversify its portfolio and as a result, the composition of renewable projects in the total debt sanctioned has increased to 25% as at 31st March 2013 compared to 13% as at 31st March 2012. The debt assistance to renewable projects constitutes about 40% of the total loan assets as at 31st March 2013 compared to 21% a year ago. The company has also forayed into financing infrastructure facilities like private railway sidings, and development & operation of coal mines and power transmission projects. The Company continues to regularly monitor the progress and operations of the assisted projects through its comprehensive project monitoring mechanism.

DIVIDEND

The Board of Directors of the Company have recommended a dividend @ 4% i.e. Rs.0.40 per equity share of Rs.10/- each for the financial year 2012-13.

SHARE CAPITAL

The paid up share capital of the Company as at 31st March 2013 aggregates to Rs.5,620.83 million comprising of 562,083,335 equity shares of Rs.10 each fully paid up. PTC India Limited continues to hold 60% of the paid up capital of the Company as at 31st March, 2012. The shares of the Company are listed on National Stock Exchange and on Bombay Stock Exchange.

RESERVES

Out of the profits earned during the financial year 2012-13, the Company has transferred an amount of Rs. 208.31 million to Statutory Reserve in accordance with the requirements of Section 45-IC of the Reserve Bank of India Act, 1934. During 2012-13, the Company has also appropriated an amount of Rs. 200 million to a reserve created under Section 36(i)(viii) of the Income Tax Act, 1961 in order to achieve tax efficiencies.

RESOURCE MOBILIZATION

The growth in loan book brings in the challenge of arranging funds at optimal cost and maintaining spread. In order to meet the growing requirement for business operations, and to continuously optimise its borrowing cost, the Company has:

- (i) executed external commercial borrowing (ECB) agreement with International Finance Corporation (IFC) for borrowing of Rs. 1,620 million equivalent of USD 30 million. The drawdown of same is expected during 2013-14. The Company has already availed ECB funds to the extent of USD 76 million till 31st March, 2013 out of the ECB agreements executed in earlier years. The new ECB facility from IFC has been arranged on fully hedged basis at fixed interest rate, thus providing a cushion against the future volatility in currency and exchange rates.
- (ii) arranged term loans aggregating to Rs.13,000 million from various banks at competitive rates.

The total borrowings of the Company stood at Rs.15,868.15 million as at 31st March 2013 compared to Rs.7,602.61 million as at 31st March 2012. The continuous and persistent efforts made by the Company have enabled it to reduce its overall cost of funds to 8.31% during 2012-13 compared to 10.13% in 2011-12. The reduction has been achieved despite the no significant changes in the interest rate scenario in the economy during the entire financial year 2012-13.

The Company had raised an aggregate amount of Rs.2,016.91 million by way of secured long term tax saving infrastructure bonds during 2010-11 and 2011-12. The same has been fully utilized for business purposes as mentioned in the respective information memorandum for the issue.

REALISATION

The Company gives utmost priority to the realization of the amounts due towards principal and interest. During 2012-13, PFS recovered principle amount of Rs. 2,812.65 million, and interest of Rs. 2340.17 million. The Company has NIL NPAs as at 31st March 2013. During the year 2012-13, the Company has created a provision for contingencies on standard assets amounting to Rs.51.64 million in accordance with the requirements of Reserve Bank of India vide RBI Circular No. DNBS.PD.CC.No.207/ 03.02.002 /2010-11 dated 17th January, 2011. Though the RBI stipulates the provision equivalent to 0.25%, the Company creates a provision equivalent to 0.50% of the standard assets.

CREDIT RATINGS

During the year ended 31st March 2013, the long term bank borrowings of the Company have been rated [ICRA] A by ICRA and Non Convertible Debentures have been rated [ICRA] A by ICRA, CARE A+ by CARE and BWR AA by Brickwork.

HUMAN RESOURCE

Human Resources is critical to rapid growth of your Company. Broadening and deepening the human skills and conducive HR practices have been core to the HR initiatives. Apart from the campus recruitments being made from the reputed institutions, direct recruitments have been made for specialised positions. The human resource policies of the Company help in attracting and retaining the best talent in the industry. Other HRD initiatives include employee welfare measures, in-house and out-station training programmes in leading institutes and promoting participative management.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the Annual Accounts, the 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 judgments 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 FY 2012-13 and of the profit 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

PFS is a Non - Deposit Taking Systemically Important Non Banking Finance Company. It has not accepted any public deposit during FY 2012-13.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO ETC.

Since PFS is engaged in investment and lending activities, particulars relating to conservation of energy and technology absorption are not applicable to it.

The Company has incurred expenditure of Rs.140.18 million (previous year Rs. 67.68 million) in foreign currency during the year ended 31st March, 2013. These included payment of Rs. 12.21 million as charges/fee for raising ECB.

PARTICULARS OF EMPLOYEES

During the Financial Year ended on 31st March, 2013, no employee was employed for full or part of the year and who was in receipt of remuneration from PFS of more than Rs. 6.00 million per annum or Rs.0.5 million per month, in aggregate.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants were appointed as Statutory Auditors of the Company for FY 2012-13 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 2013. Audited Accounts together with the Auditor's Report thereon are annexed to this report.

The Board of Directors has recommended the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as statutory auditors of the Company for FY 2013-14 subject to the approval by shareholders in the ensuing annual general meeting.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance and Management Discussion & Analysis report, pursuant to the requirement of Clause 49 of the Listing Agreement forms part of the Annual Report. A certificate obtained from the Statutory Auditor of the Company, confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is annexed to the Report on Corporate Governance.

ACKNOWLEDGEMENT

The Board of Directors acknowledge with deep appreciation the cooperation received from Ministry of Power, Ministry of Finance, Reserve Bank of India, SEBI, NSE, BSE, PTC India Limited and other stakeholders, International Finance Corporation (IFC), DEG, various Banks, Consortium Partners and Officials of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 27th June, 2013

Sd/-
Deepak Amitabh
Chairman
DIN : 01061535

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance

Corporate Governance is to ensure fairness and transparency in all dealings and in the functioning of the management. Corporate Governance is concerned with the morals, ethics, values, parameters, conduct and behaviour of the Company and its management. The spirit of governance of PTC India Financial Services Limited (hereinafter referred to as "PFS" and "the Company") is derived from this philosophy and has been articulated through the Company's various policies.

Being a finance Company, PFS has to regularly pursue businesses that maximise returns while effectively managing the inherent risks. Decision making and execution is driven by its governance structure, ethics and value systems. Corporate Governance ensures transparency and accountability. The presence of strong governance standards earns faith of all the stakeholders which is very essential for successfully running any organization and contributes in a best possible manner in sustaining and enhancing economic growth. Corporate Governance also has broader social and institutional dimensions. Properly designed rules of governance focus on implementing the values of fairness, transparency, accountability and responsibility to all the stakeholders.

As per the requirements of the listing agreement with the Stock Exchanges and also in tune with our practice of sharing the information with the shareholders, government, clients, employees and society at large, a report on the Corporate Governance is given below as a part of the Directors' Report along with the Certificate issued by the Statutory Auditors regarding compliance with the requirements in regard to Corporate Governance specified in Clause 49 of the listing agreement with stock exchanges.

PFS is committed to achieve the best standards of Corporate Governance. The Company has built up a strong foundation for making Corporate Governance a way of life by having an independent Board with experts of eminence, forming a core team of top level executives, inducting competent professionals across the organization and putting in place best systems and processes. Going beyond PFS has endeavoured to regulatory and legal compliances and adopt practices of high level of business ethics.

Board of Directors

The Board of Directors of PFS provide leadership and strategic guidance, objective judgement and exercises control over the Company, while remaining at all times accountable to the stakeholders.

Composition

As on 31st March, 2013 the Company's Board comprised of 9(Nine) Directors out of which 5 were Independent Directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement.

Brief profile of the Directors is set out separately in the Annual Report.

S. No.	Name of Director	Designation
1.	Mr. Deepak Amitabh*	Chairman and Managing Director
2.	Dr. Ashok Haldia	Whole Time Director
3.	Dr. Pawan Singh	Whole Time Director and Chief Financial Officer
4.	Dr. Uddesh Kohli	Non – Executive Director (Independent Director)
5.	Mr. S.K. Tuteja#	Non – Executive Director (Independent Director)
6.	Mr. Ramarao Muralidharan	Non – Executive Director (Independent Director)
7.	Mr. Mukesh Kumar Goel	Non – Executive Director
8.	Mr. Ved Kumar Jain	Non – Executive Director (Independent Director)
9.	Mr. Surinder Singh Kohli	Non – Executive Director (Independent Director)

*Appointed on: 16th October, 2012

#Appointed on: 10th January, 2013

Number of Board Meetings

There were 7 (Seven) Meetings of the Board of Directors held during the financial year ended 31st March, 2013 i.e. on 17th May, 2012; 30th July, 2012; 25th September, 2012; 14th November, 2012; 10th January, 2013; 11th February, 2013 and 20th March, 2013.

Board Meetings and Attendance:

S.No	Name	Designation	No. of meetings held	No. of meetings attended	No. of Directorships as on 31 st March, 2013 (excluding PFS)	Attendance at the last AGM	Chairmanship/ Membership (Audit and Investor Grievance Committee) as on 31.03.13	
							No. of Chairmanships	No. of Memberships (excluding PFS)
1.	Mr. Deepak Amitabh (appointed on 16 th October, 2012)	Chairman and Managing Director	4	4	2	Not applicable	-	-
2.	Dr. Ashok Haldia	Whole Time Director	7	7	3	Present	-	2
3.	Dr. Pawan Singh	Whole Time Director and Chief Financial Officer	7	7	1	Present	-	1
4.	Dr. Uddesh Kohli	Non – Executive Director (Independent Director)	7	7	7	Present	2	5
5.	Mrs. Rama Murali (resigned on 10 th August, 2012)	Non – Executive Director (Independent Director)	2	1	Not applicable	Not applicable	Not applicable	Not applicable
6.	Mr. Ramarao Muralidharan Coimbatore	Non – Executive Director (Independent Director)	7	7	3	Absent	-	2
7.	Mr. M. K. Goel	Non – Executive Director	7	2	9	Absent	-	2
8.	Mr. S. S. Kohli	Non – Executive (Independent Director)	7	7	10	Absent	5	4
9.	Mr. Ved Jain	Non – Executive Director (Independent Director)	7	7	5	Absent	3	3
10.	Mr. T. N. Thakur (Resigned on 11 th October, 2012)	Former Chairman and Managing Director	3	3	Not applicable	Present	Not applicable	Not applicable
11.	Mr. S.K. Tuteja (appointed on 10 th January, 2013)	Non – Executive Director; Additional Director (Independent Director)	2	2	14	Not applicable	5	5
12.	Mr. A.B.L. Srivastava (appointed on 14 th November, 2012 Resigned on 10 th February, 2013)	Non – Executive Additional Director (Independent Director)	1	1	Not applicable	Not applicable	Not applicable	Not applicable

None of the Directors on the Board is a member of more than 10 committees and chairman of more than 5 committees (as prescribed in the clause 49 of the Listing Agreement), across all the companies in which he/she is a Director.

For the purpose of reckoning the limit of the interest in the Committees of Board of Directors, chairmanship/membership of the Audit committee and the Shareholders' and Investors' Grievance committee alone has been considered and directorship in private limited companies, foreign companies and companies registered under section 25 of the Companies Act, 1956 have not been considered.

None of the Directors of the Company are in any way related to each other.

Detail of shareholding of Directors as on 31st March, 2013 are as under:

Sr. No.	Name of the Director	No of shares
1.	Mr. Deepak Amitabh	3,500
2.	Dr. Uddesh Kohli	3,500

Information available to the Board

Detailed Agenda Notes with information as enumerated in the Listing Agreement were circulated in advance to the Board. All the relevant information as mentioned in clause 49 of the Listing Agreement has been placed before the Board for its consideration. The information regularly supplied to the Board / Board Committees specifically includes:

- Annual budgets and any updates therein.
- Quarterly/Annual financial results for the company.
- Minutes of meetings of audit committee and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Details of any joint venture or collaboration agreement.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Other materially important information.

Code of Conduct

The Board of Directors after Listing of Shares of PFS, in its meeting held on 25th May, 2011 had adopted Code of Conduct for Board Members and Senior Management Personnel. The code is a comprehensive code applicable to all Directors and Members of Senior Management of the Company. It is in alignment with Company's vision and values to achieve the Mission and Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code has been put on the website of the Company i.e. www.ptcfinancial.com.

Based on affirmation received from Board members and Senior Management Personnel, declaration regarding compliance of Code of Conduct made by the Chairman and Managing Director is given below:

Declaration

All the Board members and Senior Management Personnel have affirmed compliance of Code of Conduct for financial year ended on 31st March, 2013.

Code for Prevention of Insider Trading

In terms of Securities and Exchange Board of India (Insider Trading) Regulations, 1992, the Company has formulated a comprehensive Code for Prevention of Insider Trading to preserve the confidentiality and to prevent misuse of unpublished price sensitive information. Every Director, officer and designated employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company and not to misuse his or her position or information regarding the Company to gain personal benefit or to provide benefit to any third party. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and

the consequences of non-compliance. In line with the requirement of Code for Prevention of Insider Trading, trading window was closed from time to time, whenever some price sensitive information was submitted to the Board and other Committees of Directors. Notice of closure of trading window was issued to all the employees well in advance, restraining all the employees not to deal in the shares of the Company when the window is closed.

Committees of the Board of Directors

The Board functions either as a full Board or through various Committees constituted to oversee specific areas. The Board of Directors and its Committees meet at regular intervals.

As on 31st March, 2013 the Board had nine (9) Committees:

1. Audit Committee
2. Nomination Committee
3. Remuneration Committee
4. Shareholders' and Investors' Grievance Committee
5. Asset Liability Management Committee
6. Risk Management Committee
7. Committee of Directors for Bond issuance
8. Investment Committee* (for sanction of financial assistance upto Rs. 500 Million)
9. Compensation Committee for ESOP

*Formerly known as Committee of Directors.

Audit Committee

The role and terms of reference of Audit Committee is in line with the requirements of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee includes the following:

The powers of the audit committee include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings

- e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report, if any.
5. Reviewing, with the management, the quarterly/annual financial statements before submission to the board for approval
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, if any.
 7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 8. Reviewing, with the management, performance of Statutory and Internal Auditors and adequacy of internal control systems.
 9. Discussion with internal auditors any significant findings and follow up there on.
 10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 11. Discussion with statutory auditors before the audit commences, about thenature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 13. To review the functioning of the Whistle Blower mechanism, in case the same is existing. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
 14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Committee is presently chaired by Mr. Ved Jain, Independent Director during the financial year ended 31st March, 2013. The Composition of Audit Committee during the financial year ended 31st March, 2013 and meetings attended by members are as follows:

S. No.	Name of Member	Designation	No. of meetings held during the year	No. of meetings attended during the year
1	Mr. Ved Jain#	Chairperson	5	5
2	Mr. Ramarao Muralidharan Coimbatore	Member	5	5
3	Mrs. Rama Murali*	Former Chairperson	2	1
4	Dr. Uddesh Kohli	Member	5	5

* Resigned on 10th August, 2012.

Appointed as Chairperson on 14th November, 2012

The Chairperson of the Audit Committee was not present at the last Annual General Meeting held on 21st September, 2012. However, Dr. Uddesh Kohli, an Independent and Non-Executive Director and member of Audit Committee was present at the meeting to answer the queries of the shareholders.

The constitution of Audit Committee is in line with requirement of Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement and

presently consists of three Non-Executive and Independent Directors.

During the financial year ended 31st March 2013, 5 meetings of Audit Committee were held on 16th May, 2012; 30th July, 2012; 14th November, 2012, 11th February, 2013 and 20th March, 2013.

CFO, Internal auditors and Statutory auditors are permanent invitees at the meetings of the Audit Committee. Company Secretary acts as secretary to the Committee.

2. Nomination Committee

The Board originally constituted Nomination cum Remuneration Committee on 5th August, 2008 and subsequently renamed it to its present name on 13th December, 2010. It has been constituted for the purpose of ensuring 'fit and proper' status of proposed/ existing Directors of the Company in terms of RBI guidelines. During the financial year ended 31st March, 2013 the Committee comprises of the following members:

S.No.	Name of the Director	Designation	No. of meetings held during the year	No. of meetings attended during the year
1	Mr. Deepak Amitabh*	Chairman	3	3
2.	Mr. T. N. Thakur#	Former Chairman	2	2
3.	Dr. Uddesh Kohli	Member	5	5
4.	Mr. S. S. Kohli	Member	5	5
5.	Mr. Ved Jain	Member	5	5
6.	Mr. M.K. Goel^	Member	1	0

*Appointed as Chairman on 14th November, 2012.

Resigned on 11th October, 2012.

^ Appointed as member on 11th February, 2013.

During the financial year ended 31st March, 2013, 5 meetings of Nomination Committee were held on 5th July, 2012; 27th August, 2012; 10th January, 2013; 19th February, 2013 and 22nd March, 2013.

3. Asset Liability Management Committee

The Asset Liability Management Committee (ALCO) was originally constituted pursuant to Board resolution dated 30th March, 2009. It has been constituted for the purpose of performing functions as required under the Asset Liability Management Policy of the Company. During the financial year ended 31st March, 2013 ALCO comprises of the following members:

S.No.	Name of the Director	Designation	No. of meetings held during the year	No. of meetings attended during the year
1.	Mr. Deepak Amitabh*	Chairman	2	2
2.	Mr. T. N. Thakur#	Former Chairman	2	2
3.	Dr. Ashok Haldia	Member	4	4
4.	Dr. Pawan Singh^	Member	4	4
5.	Mr. Ramarao Muralidharan Coimbatore	Member	4	4
6.	Mr. S.S. Kohli	Member	4	4

*Appointed as Chairman on 14th November, 2012.

Resigned on 11th October, 2012.

^ Appointed as member on 17th May, 2012.

The scope of Asset Liability Management Committee includes market risk management and it shall specifically focus on interest rate risk, foreign exchange risk and liquidity risk.

During the year financial ended 31st March, 2013, 4 meetings of Asset Liability Management Committee were held on 14th June, 2012; 25th September, 2012; 31st December, 2012 and 20th March, 2013.

4. Risk Management Committee

The Risk Management Committee was constituted by Board on 7th July, 2009. It has been constituted under Risk Management Policy of the Company for the purpose of reviewing risk management in relation to various risks, namely, market risk, credit risk and operational risk and during the financial year ended 31st March, 2013 comprises of the following members:

S.No.	Name of the Director	Designation	No. of meetings held during the year	No. of meetings attended during the year
1.	Mr. S. S. Kohli	Chairman	4	4
2.	Dr. Ashok Haldia	Member	4	4
3.	Dr. Pawan Singh*	Member	4	4
4.	Mr. Ramarao Muralidharan Coimbatore	Member	4	4

* Appointed as member on 17th May, 2012.

During the financial year ended 31st March 2013, 4 meetings of Risk Management Committee were held on 14th June, 2012; 25th September, 2012; 31st December, 2012 and 20th March, 2013.

5. Shareholders' and Investors' Grievance Committee

The Shareholders' and Investors' Grievance Committee was constituted by Board on 13th December, 2010 and during the financial year ended 31st March, 2013 comprises of the following members:

S.No.	Name of the Director	Designation	No. of meetings held during the year	No. of meetings attended during the year
1.	Dr. Uddesh Kohli	Member	1	1
2.	Dr. Ashok Haldia	Member	1	1
3.	Mr. Ramarao Muralidharan Coimbatore	Member	1	-

During the financial year ended 31st March, 2013, 1 meeting of Shareholders' and Investors Grievance Committee was held on 20th March, 2013. Dr. Uddesh Kohli chaired the meeting of Shareholders' and Investor' Grievance Committee.

Scope and terms of reference:

The Committee has the powers to promptly resolve the complaints of investors such as non-receipt of shares after transfer, non-receipt of declared dividends, non-receipt of annual report and other related types of complaints/ queries.

Status of Complaints from investors for the financial year ended 31st March, 2013

S. No.	Type of investor	No. of Complaints received during the financial year ended 31 st March, 2013	No. of complaints pending as on 31 st March, 2013
1	Equity Shareholders	29	-
2	Bondholders	1,278	2

6. Remuneration Committee

The Remuneration Committee was constituted pursuant to Board resolution dated 13th December, 2010. During the financial year ended 31st March, 2013 it comprised of the following members:

S.No.	Name of the Director	Designation	No. of meetings held during the year	No. of meetings attended during the year
1	Sh. S.S. Kohli*	Member	1	1
2.	Mrs. Rama Murali#	Member	1	1
3.	Dr. Uddesh Kohli	Member	2	2
4.	Mr. Ved Jain	Member	2	2

Note: The members shall appoint a chairman from amongst themselves.

* Appointed as member on 25th September, 2012.

Resigned on 10th August, 2012.

During the financial year ended 31st March, 2013, 2 meetings of Remuneration Committee were held on 9th April, 2012 and 25th September, 2012.

Other related information on remuneration in the Company and sitting fee to Non- Executive Directors

The Chairman and Managing Director (CMD) is not paid any remuneration by the Company and the remuneration of Whole Time Directors (WTD) is fixed component. Notice period of CMD and WTDs is 3 (three) months.

The non-executive Directors in PFS are entitled/ paid sitting fee of an amount of Rs. 20,000 per Board and Committee meeting(s) during the financial year ended 31st March, 2013 as resolved by the Board of Directors in their meeting held on 17th May, 2012. Before this the non-executive Directors in PFS were entitled/ paid sitting fee of an amount of Rs. 10,000 per Board and Committee meeting(s).

Scope and terms of reference:

The scope and terms of reference of the Remuneration Committee are in line with the listing agreement, provisions of the Companies Act, 1956 and any guidelines / circulars issued by Reserve Bank of India and include determining on behalf of the Board and the shareholders of the Company, the Company's policy on specific remuneration packages for executive directors.

7. Committee of Directors for Issuance of Bonds

The Committee of Directors for issuance of Bonds was originally constituted by Board on 21st August, 2009. It has been constituted for taking the necessary decision related to raising the fund through Bond and other similar purpose of considering and determining the terms and conditions of issuance and allotments of secured non-convertible debentures. The Committee comprises of the following members:

S.No.	Name of the Director	Designation
1.	Mr. Deepak Amitabh*	Chairman
2.	Mr. T. N. Thakur#	Former Chairman
3.	Dr. Ashok Haldia	Member
4.	Dr. Pawan Singh^	Member
5.	Dr. Uddesh Kohli	Member

*Appointed as Chairman on 14th November, 2012.

Resigned on 11th October, 2012.

^ Appointed as member on 17th May, 2012.

During the financial year ended 31st March, 2013, no meeting of Committee of Directors for issuance of Bonds was held.

8. Investment Committee (for sanction of financial assistance upto Rs. 500 million)

The Investment Committee was originally constituted by Board on 21st August, 2009. It has been constituted for the purpose of considering and sanctioning debt financing or equity participation or both taken together to a single Company upto Rs. 500 million, subject to an overall limit by Rs. 5000 million in a Financial Year. During the financial year ended 31st March, 2013 it comprises of the following members:

S.No.	Name of the Director	Designation	No. of meetings held during the year	No. of meetings attended during the year
1.	Mr. Deepak Amitabh*	Chairman	2	2
2.	Mr. T. N. Thakur#	Former Chairman	2	2
3.	Dr. Ashok Haldia	Member	5	4
4.	Dr. Pawan Singh^	Member	4	4
5.	Dr. Uddesh Kohli	Member	5	5

*Appointed as Chairman on 14th November, 2012.

Resigned on 11th October, 2012.

^ Appointed as member on 17th May, 2012.

During the financial year ended 31st March, 2013, 5 meetings of Committee of Directors were held on 11th May, 2012; 22nd June, 2012; 9th November, 2012; 22nd January, 2012 and 29th March, 2013.

9. Compensation Committee for ESOP

The compensation committee for ESOP was constituted on 29th April, 2008. It has been constituted for the purpose of preparing and managing an ESOP scheme for the Company.

During the financial year ended 31st March, 2013 the committee comprises of the following members:

S.No.	Name of the Director	Designation
1.	Mr. Deepak Amitabh*	Member
2.	Mr. T. N. Thakur#	Member
3.	Mr. S.S. Kohli	Member
4.	Dr. Uddesh Kohli	Member

Note: The members shall appoint a chairman from amongst themselves.

*Appointed as member on 14th November, 2012.

Resigned on 11th October, 2012.

During the financial year ended 31st March, 2013, no meetings of Compensation Committee for ESOP were held.

Disclosures stipulated under the SEBI Guidelines are mentioned as annexure.

Annual General Meeting

The details of the last three Annual General Meetings of the Company are as under:

AGM	Date	Day	Time	Location	Special Resolution
6th AGM	21/09/2012	Friday	11:30 AM	FICCI Auditorium, 1 Foundation House, Tansen Marg, New Delhi-110001.	None
5th AGM	28/09/2011	Wednesday	11:30 AM	Dr. Sarvepalli Radhakrishnan Auditorium at Kendriya Vidyalaya No. 2, A.P.S. Colony (Delhi-Gurgaon Road), Delhi Cantt, New Delhi- 110010.	1) Amendment in Article of Association of Company to remove the in-operative of Article of Association.
4th AGM	24/09/2010	Friday	5.00 PM	Board Room, 2nd Floor, NBCC Towers, 15, Bhikaji Cama Place, New Delhi.	Further issue of Equity Shares (Section 81(1A)) of the Companies Act, 1956.

Special Resolution and Postal Ballot

No resolution has been passed through postal ballot during the financial year ended 31st March, 2013. None of the business proposed to be transacted in the ensuing AGM require passing a special resolution through Postal Ballot.

No Extra ordinary General Meeting was held during the year.

Subsidiary Companies

The Company does not have any subsidiary company.

Holding Companies

PTC India Limited is the holding company of the Company

Disclosures

- (1) There were no materially significant transactions with related parties i.e. promoters, directors or the management that may have any potential conflict with the interest of the Company. Further, the details of related party transactions are presented in Note number 30 forming part of the financial statements.
- (2) There were also no instances of non-compliance on any matter related to the Capital Markets during the last three years. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.
- (3) The Company's Whistle Blower policy is an inbuilt system of Grievance Redressal which deals with grievances of employees. Under this system grievances of the employees are redressed effectively. The Company affirms that no personnel have been denied access to the audit committee.
- (4) The Company has fully complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement of the stock exchange relating to Corporate Governance and adopted all suggested items to be included in the Report on Corporate Governance.
- (5) In the preparation of financial statements, the Company has followed the 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.

Remuneration to Directors

The remuneration paid to the Whole-time Directors during the financial year ended 31st March, 2013 is as under:

Name of Director	Salary and allowances	Perquisites	Contribution to provident fund	Commission	Total	ESOP
Dr. Ashok Haldia	52.99	3.86	2.78	-	59.63	-
Dr. Pawan Singh	40.35	6.34	2.27	-	48.96	-

Note: The notice period of Whole Time Directors is three months.

Means of Communication

PFS recognizes communication as a key element of the overall Corporate Governance framework and therefore emphasizes continuous, efficient and relevant communication to all external constituencies. Quarterly/annual financial results are usually published in financial and national newspapers like Financial Express / Business Standard in English and Jansatta in Hindi. The same are also available on the website of the Company, viz. www.ptcfinancial.com and have also been submitted to stock exchanges as per requirement of the listing agreement. The Company also communicates with its institutional shareholders through investor conferences.

All important information pertaining to the Company is also mentioned in the Annual Report of the Company containing inter-alia audited financial statements, Directors' report, Auditors' report, report on Corporate Governance which is circulated to the members and others entitled thereto for each financial year and is displayed on the Company's website: www.ptcfinancial.com.

Registrar and Share Transfer agent

Karvy Computershare Private Limited
Plot No. 17-24,
Vithal Rav Nagar Madhapur,
Hyderabad 500 081.

Share Transfer System

The shares under physical segment are transferred through Karvy Computershare Private Limited. It receives the shares to be transferred along with the transfer deed from transferee, verifies it, and prepares the Memorandum of Transfer etc. Pursuant to Clause 49 of the Listing Agreement, a Share Transfer Committee has also been constituted to take note and approve the transfer of shares of the Company.

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

CEO/CFO certification

As required by the revised Clause 49 of the Listing Agreement, the Certificate duly signed by Mr. Deepak Amitabh, Chairman and Managing Director and Dr. Pawan Singh, Director and CFO was placed before the Board of Directors at the meeting held on 17th May, 2013.

Utilisation of proceeds from Initial Public Offering (IPO)

The details of utilisation of proceeds from IPO upto March 31, 2013 is presented in Note number 35 of the financial statements.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

No GDRs/ADRs/Warrants or any Convertible instruments has been issued by the Company, except grant of ESOPs.

Shareholders Information

1) Annual General Meeting

Date	Time	Venue
19th August, 2013	11:30 a.m.	FICCI Auditorium, 1 Foundation House, Tansen Marg, New Delhi-110001.

2) Financial calendar for year ended 31st March, 2013

Particulars	Date
Financial year	1st April, 2012 to 31st March, 2013
Un-audited financial results for the first three quarter	Un-audited financial results for the first three quarters were announced on 30th July, 2012; 14th November, 2012 and 11th February, 2013.
Annual financial results	17th May, 2013.

3) Tentative Financial calendar for year ending 31st March, 2014

Particulars	Date
Un-audited financial results for the first three quarters	Will be announced and published within 45 days from the end of each quarter
Annual financial results	Will be announced and published within 60 days from the end of the financial year

4 Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 12th August, 2013 to 19th August, 2013 inclusive of both days.

5) Payment of Dividend

Final Dividend details for financial year 2012-2013

The Board of Directors in its meeting held on 17th May, 2013 has recommended a dividend @ 4% i.e. Re. 0.40/- per equity share (on the face value of Rs. 10 each) for the financial year ended 31st March 2013, subject to approval of shareholders in the forthcoming Annual General Meeting of Company.

Pay- out Date for Payment of Final Dividend

The final dividend on equity shares, as recommended by the Board of Directors, subject to provisions of Section 206A of the Companies Act, 1956, if approved by the members at the forthcoming Annual General Meeting of the Company, shall be paid to those shareholders whose name appears in the Register of Members or in the list of beneficial holders provided by NSDL/ CDSL on the closing hours of 10th August, 2013.

6) Listing on Stock Exchanges

PFS shares are listed on the following stock exchanges:

National Stock Exchange of India Limited (NSE) Scrip Code: PFS Stock Code: INE560K01014	Bombay Stock Exchange Limited (BSE) Scrip Code: 533344
---	---

The annual listing fees for the financial year ending 31st March, 2014 have been paid to NSE and BSE.

PFS has also issued Non-Convertible debentures and Infrastructure bonds carrying the following ISIN codes:

S.No.	Name	ISIN Code
1.	NCD Series 1	INE560K07011
2.	NCD Series 3	INE560K07037
3.	Infra Bond series 1 (option I)	INE560K07045
4.	Infra Bond series 1 (option II)	INE560K07052
5.	Infra Bond series 1 (option III)	INE560K07060
6.	Infra Bond series 1 (option IV)	INE560K07078
7.	Infra Bond series 2 (option I)	INE560K07086
8.	Infra Bond series 2 (option II)	INE560K07094
9.	Infra Bond series 2 (option III)	INE560K07102
10.	Infra Bond series 2 (option IV)	INE560K07110

7) Market Price Data

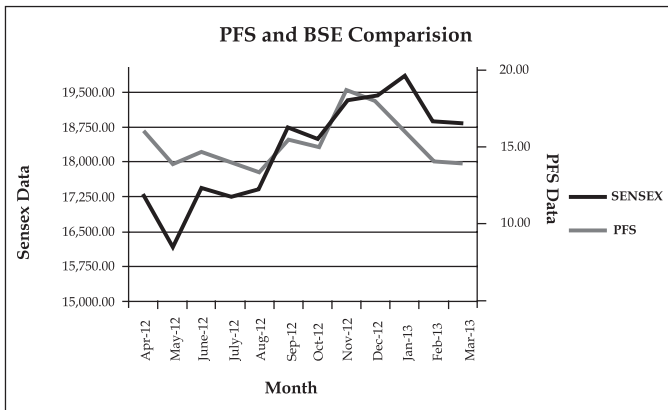
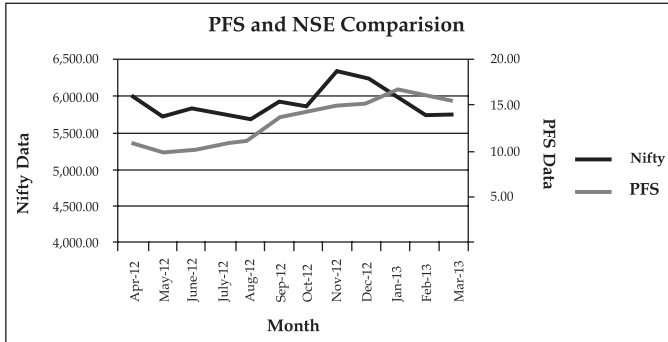
NSE

Month	High(Rs.)	Low(Rs.)	Close(Rs.)
April, 2012	17.85	15.65	16.00
May, 2012	16.75	13.80	13.85
June, 2012	15.60	13.30	14.70
July, 2012	15.60	13.30	14.05
August, 2012	14.40	13.15	13.50
September, 2012	16.25	13.25	15.45
October, 2012	16.60	14.75	14.95
November, 2012	20.35	14.85	18.70
December, 2012	19.60	17.30	17.95
January, 2013	18.70	15.75	16.05
February, 2013	17.15	14.00	14.10
March, 2013	16.80	13.45	14.00

BSE

Month	High(Rs.)	Low(Rs.)	Close(Rs.)
April, 2012	17.85	15.60	16.05
May, 2012	16.80	13.80	13.90
June, 2012	15.14	13.26	14.69
July, 2012	15.50	13.40	14.05
August, 2012	14.49	13.10	13.36
September, 2012	16.25	13.30	15.44
October, 2012	16.65	14.80	15.00
November, 2012	20.28	14.80	18.70
December, 2012	19.45	17.40	17.95
January, 2013	18.85	15.75	15.90
February, 2013	17.10	14.00	14.10
March, 2013	17.00	13.40	13.99

8 Performance in comparison to indice



9) Registrar and Transfer Agents

For Equity and Infrastructure Bonds (Series 1 and 2)

Registered Office

Karvy Computershare Private Limited
"Karvy House",
46, Avenue 4,
Street No. 1, Banjara Hills,
Hyderabad 500034, India
Tel: +91 40 23312454
Toll Free: 1800 4258282
Fax: +91 40 23311968

Communication Address

17-24, Vittal Rao Nagar,
Madhapur,
Hyderabad-500 081
Andhra Pradesh, India
Tel: +91 40 23420815-28
Fax: +91 40 23420814/59
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com

For Non-Convertible Debentures Series - 1 and 3

MCS Limited

Sri Venkatesh Bhavan,
W-40, Okhla Industrial Area Phase II,
New Delhi
Tel No. 011 - 41406149
Fax No. 011 - 41709881
E-mail:- admin@mcsdel.com
Website: www.mcsdel.com

10) Share Transfer System

The shares under physical segment are transferred through M/s Karvy Computershare Private Limited., Registrar and Share Transfer Agent.

Further pursuant to clause 47(c) of the Listing Agreement with the stock Exchanges, Certificate on half yearly basis confirming the due compliance of share transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchanges within stipulated time.

11) Distribution of shareholding

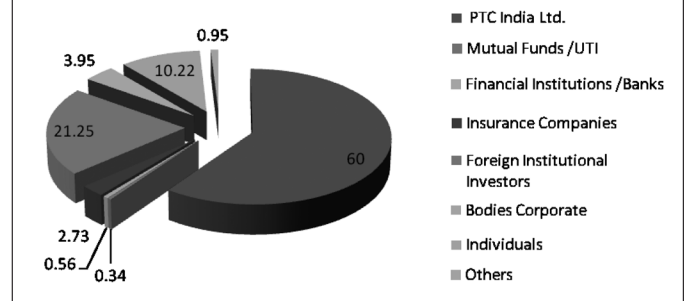
- Distribution of shareholding as on 31st March, 2013

S. No.	Number of Equity Shares Held	No. of Shareholders	% of Cases	Amount	% of Amount
1	1 - 5000	47,106	71.44	59,397,240	1.06
2	5001 - 10000	7,405	11.24	66,319,280	1.18
3	10001 - 20000	4,682	7.10	77,473,600	1.38
4	20001 - 30000	1,641	2.49	43,331,620	0.77
5	30001 - 40000	1,889	2.86	67,621,010	1.20
6	40001 - 50000	678	1.03	32,568,910	0.58
7	50001 - 100000	1,782	2.70	128,590,240	2.29
8	100001 and Above	751	1.14	5,145,531,450	91.54
Total:		65934	100.00	5,620,833,350	100.00

- Shareholding pattern as on 31st March, 2013

S. No	Description	No. of Shareholders	Total Shares	% Equity
1	Promoters	1	337,250,001	60.00%
2	Banks	6	3,168,658	0.56%
3	Clearing members	94	210,530	0.04%
4	Foreign institutional investors	26	119,459,305	21.25%
5	HUF	980	2,664,436	0.47%
6	Insurance companies	2	15,340,277	2.73%
7	Bodies corporates	640	22,179,942	3.95%
8	Mutual funds	2	1,889,882	0.34%
9	Non residents	498	2,495,459	0.44%
10	Resident individuals	63,684	57,422,095	10.22%
11	Trusts	1	2,750	0.00%
Total:		65,934	562,083,335	100%

Percentage of shareholding as a percentage of Total Shareholding (in%) as on 31st March, 2013



12) Dematerialization of shares

Number of shares held in dematerialized and physical mode as on 31st March, 2013.

S. No	Category	No. of cases	Total Shares	% To Equity
1	Physical	24,290	38,913	0.01
2	N S D L	27,488	541,039,862	96.25
3	C D S L	14,156	21,004,560	3.74
Total		65,934	562,083,335	100.00

- The status of Non-mandatory requirements as specified in Annexure ID of the Clause 49 of the Listing Agreement is given in Annexure I.

Address and Details for correspondence

Mr. Vishal Goyal
Company Secretary and Compliance Officer

Registered Office

2nd Floor, NBCC Tower,
15 Bhikaji Cama Place,
New Delhi- 110 066
Tel: +91 11 4165 9122
Fax: +91 11 4165 9144

E-mail: complianceofficer@ptcfinancial.com

Non-Mandatory Requirements

The status of non-mandatory requirements of Clause 49 of the Listing Agreement is as follows:

1. **The Board:** The Board is headed by an executive Chairman. None of the Independent Directors on the Board of the Company has been appointed for a period exceeding, in aggregate, a period of nine (9) years.
2. **Remuneration Committee:** The payment of remuneration of Directors is decided by Remuneration Committee chaired by an Independent Director.
3. **Shareholder Rights:** The quarterly financial results of the Company are published in leading newspapers as mentioned under the heading "Means of Communication" of the Corporate Governance report and also displayed on the website of the Company. These results are not separately circulated to the shareholders.
4. **Audit Qualifications:** The auditor has given unqualified report for the Financial Year ended March 31, 2013.
5. **Training to Board members:** Various seminars, conferences, training programmes etc. are attended by the Board members from time to time.
6. **Mechanism for evaluating non-executive Board Members:** Not yet adopted by the Company.
7. **Whistle Blower Policy:** The Company's Whistle Blower policy is in-built in the system of Grievance Redressal which deals with grievances of employees. A suggestion box has also been kept at the registered office of the Company. All the employees of the Company are encouraged to bring to the Managements notice concerns about suspected unethical behaviour, malpractice, wrongful conduct, fraud and violation of Company's policies without fear of reprisal.

AUDITORS' CERTIFICATE ON THE COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

TO THE MEMBERS OF PTC INDIA FINANCIAL SERVICES LIMITED

We have examined the compliance of conditions of Corporate Governance by PTC India Financial Services Limited ("the Company") for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells

Chartered Accountants
(Registration No. 015125N)

Sd/-
Jaideep Bhargava

Partner
(Membership No. 090295)

Gurgaon, June 27, 2013

CEO/CFO CERTIFICATION TO THE BOARD
(Under Clause 49(V) of Listing Agreement)

- a. We have reviewed financial statements and the cash flow statement for the year ended on 31st March 2013 and that to the best of our knowledge and belief :
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

sd/-
Deepak Amitabh
Chairman and Managing Director

sd/-
Dr. Pawan Singh
Director (Finance) & CFO

Date: 17.05.2013
Place: New Delhi

Details in respect of the PTC India Financial Services Ltd. Limited Employees Stock Option Scheme pursuant to Clause 12 of SEBI (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999 as on 31.03.2013.

Sr. No.	Description	Particulars of Employee Stock Option Scheme -2008 :-1 st tranche		Particulars of Employee Stock Option Scheme -2008 :-2 nd tranche
A.	Options granted	10,075,000		10,075,000
B.	Pricing formula	Category of Participants	Exercise Price	Exercise Price
		Founder Member Options	Rs. 10	N.A.
		Growth Options	Rs. 16	Rs. 16
C.	Options vested	2,615,000		1,039,560
	Options exercised	NIL		NIL
D.	Total number of Shares arising as a result of exercise of Options	NIL		NIL
E.	Options lapsed, surrendered and forfeited	7,460,000		8,342,400
F.	Variation of terms of Options	NIL		NIL
G.	Money realized by exercise of Options	NIL		NIL
H.	Total number of Options in force	2,615,000		1,732,600
I.	Details of options granted to :			
	i) Senior Managerial Personnel :	ESOPs granted to the Senior Management have been surrendered by them		
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil		Nil
	iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issue capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil		Nil
J.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share.	Refer note no. 27 in the Audited Financial Statements for the year ended on March 31, 2013		
K.	i) Method of calculation of employee compensation cost	Employee compensation cost in the financial statements, related to ESOPs has been calculated using the intrinsic value method of accounting .		
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	Refer note no. 27 in the Audited Financial Statements for the year ended on March 31, 2013		
	iii) The impact of this difference on Profits and on EPS of the Company.	Refer note no. 27 in the Audited Financial Statements for the year ended on March 31, 2013		
L.	Weighted average exercise price and weighted average fair value of Options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	N.A.		
M.	A description of the method and significant assumptions used during the year to estimate the fair values of options	Refer note no. 3 (d) in the Audited Financial Statements for the year ended on March 31, 2013		

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Scenario

Indian economy is the tenth largest in the world by nominal GDP and third largest by purchasing power parity (PPP). The country is one of the G-20 major economies and a member of BRICS. The per capita annual domestic electricity consumption in India in 2009 was around 96 kWh in rural areas and 288 kWh in urban areas for those with access to electricity, compared to the global per capita consumption of 2600 kWh and 6200 kWh in the European Union. The country currently suffers from a shortage of electricity generation capacity despite being world's fourth largest energy consumer. India's electricity sector is amongst world's most active players in renewable energy utilization, especially wind. The country is among the fastest growing economies globally, and has grown at a tremendous rate. Higher growth is required in the infrastructure sector to keep pace with the growing GDP. India needs to build capacity fast given that every 1 percentage point increase in GDP requires power capacity to grow by around 0.9%.

The country faces a serious challenge, of providing secure energy resources for future growth. It is felt that holistic reform of the power sector is imperative to put the sector on a strong growth path. The existing power units are running below capacity due to lack of fuel, a problem that is plaguing new projects as well. Fuel shortage is restraining the growth of power sector despite India having world's fourth largest reserves of coal and gas discoveries that are notable even by global standards. India's fuel imports have increased substantially in the past few years and are likely to continue to be so if the current situation prevails, subjecting electricity prices to volatile international fuel prices and shortages. The weakening performance of power sector, unless reversed, may impact the financial system.

Key implementation challenges for electricity sector include new project management and execution, ensuring availability of fuel quantities and qualities, lack of initiative to develop large coal and natural gas resources present in India, land acquisition, environmental clearances at state and central government level, and training of skilled manpower to prevent talent shortages for operating latest technology plants. It is felt that strong policy measures are urgently needed to reform the sector. The government has initiated steps to contain, and gradually improve, the performance of the sector. These initial measures, however, need to be sustained over a period of time and in the absence of any substantive progress over the next 12 to 18 months, the asset quality of power sector lenders may weaken.

Despite the challenges such as management and execution of power projects, availability of fuel, land acquisition, environmental clearances, financial condition of State Power Utilities, the investment climate in the power sector continues to witness investment flows and the main sources of financing are expected to be commercial banks, public financial institutions, dedicated infrastructure/power finance institutions, insurance companies, overseas markets, bilateral/multilateral credit, bond markets and equity markets. In addition, steps have been taken by Government to make available funds through Credit Enhancement Schemes and Infrastructure Debt Fund etc.

Financial and Operational Performance

The year 2012-13 saw a shift in the composition of income of PFS. Interest income increased to Rs.2,513.16 million in 2012-13 compared to Rs.1,329.54 million in 2011-12, thus, recording a growth of 89% whereas, total income decreased to Rs.2,865.22 million in 2012-13 compared to Rs.3,071.99 million in 2011-12. The reduction in total income is primarily attributed to the profit on sale of investments aggregating Rs.1,272.43 million earned during 2011-12. The proportion of interest income to total income increased to 88% in 2012-13 from 43% in 2011-12. Profit before Tax (PBT) of the Company has reduced to Rs.1,552.89 million in 2012-13 compared to Rs.2,016.41 million in 2011-12. Similarly, profit after tax (PAT) reduced by 32%, from Rs.1,540.43 million in 2011-12 to Rs.1,041.57 million in 2012-13. The above position is after consideration of the following:

- (i) Income of Rs. Nil during financial year 2012-13 on account of profit on sale of equity investments compared to Rs.1,272.43 million during financial year 2011-12.
- (ii) Finance costs for the year 2012-13 include Rs.34.37 million as a onetime expense incurred for raising funds through ECBs and loan from banks, the benefit of which shall be available in coming years compared to Rs.42.23 million during 2011-12.

- (iii) Loss on foreign currency translation amounting to Rs. 54.44 million during financial year 2012-13 compared to Rs. 12.13 million during 2011-12.
- (iv) Provision for contingencies amounting to Rs.51.64 million made during 2012-13 on standard assets in accordance with the requirements of Reserve Bank of India vide RBI Circular No. DNBS.PD.CC.No.207/03.02.002 /2010-11 dated 17th January, 2011. Though the RBI stipulates the provision equivalent to 0.25%, the Company creates a provision equivalent to 0.50% of the standard assets.

Total expenditure during the year 2012-13 increased to Rs. 1,312.33 million from Rs.1,055.58 million in 2011-12. Finance costs increased to Rs. 1,011.73 million during 2012-13 from Rs.686.12 million during 2011-12. Employee benefits expense increased to Rs.58.17 million in 2012-13 from Rs.44.14 million during 2011-12 and other expenses decreased to Rs.201.83 million in 2012-13 from Rs.237.24 million in 2011-12.

The amount of loan sanctioned during 2012-13 aggregated to Rs.40,271 million compared to Rs.36,923 million in 2011-12. The level of disbursement of debt was Rs.13,000.71 million during the year compared to Rs.6,241.75 million during 2011-12. Disbursements on account of equity investments aggregated to Rs.102.64 million during 2012-13.

The financial assistance sanctioned by PFS so far would help capacity creation of more than 30,000 MW. The Company continues to diversify its portfolio and as a result, the composition of renewable projects in the total loan assets has increased to 40% as at 31st March 2013 compared to 21% as at 31st March 2012. The company has also forayed into financing infrastructure facilities like private railway sidings, and development & operation of coal mines and power transmission projects.

The Company has complied with all the norms prescribed by the Reserve Bank of India including the Fair Practices, AML/CFT & Know Your Customer (KYC) guidelines and also all mandatory accounting standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

Risk Management

Risk management is a central part of PFS' strategic management. Being a financial institution, the Company is exposed to risks that are particular to its lending and investment activities and the environment within which it operates. PFS' goal in risk management is to ensure that it understands, measures and monitors various risks that arise and that the organization adheres to the policies and procedures which are established to address these risks.

PFS has, along with ICRA Management Consulting Services, developed various policies, guidelines for risk management. A software based Credit Rating Model to facilitate internal rating based approach for rating of borrowers and projects has also been developed. The Company follows standard processes and procedures for its various activities. A risk based internal audit function is undertaken by an independent external party to validate the implementation of the various policies and procedures.

Risk Organisation

Though the Board has the overall responsibility of risk management, there are two committees of the Board which take care of managing overall risk in the organization. In accordance with the RBI guidelines to enable NBFCs to adopt best practices and greater transparency in their operations, the Board of Directors of the Company has constituted a Risk Management Committee to review risk management in relation to various risks, namely, market risk, credit risk, and operational risk, and an Asset Liability Management Committee (ALCO). ALCO takes care of the liquidity risk, interest rate risk and foreign currency risk while Risk Management Committee looks after the overall risk of the organization with specific focus on credit risk and operational risk. In assessment of risk of credit proposals, PFS follows a multiple layer approach wherein the credit approval note prepared by appraisal officers and the internal rating assigned to a proposal is reviewed by an independent risk management team. The rating as well as approval note is further reviewed by whole time directors before being presented to the approving authority.

PFS has engaged well known and experienced consulting firms to support in the development of Risk Management Framework as well as to provide

continuous support for the sound risk management practices.

Risk Management Policies

PFS has put in place a comprehensive policy framework for management of risks. The policies include -

- **Credit Risk Management Policy:** - Credit risk management policy provides for identification and assessment of credit risk, assessment and management of portfolio credit risk, and risk monitoring and control. The issues relating to the establishment of exposure limits for various categories, for example, based on geographical regions, fuel, industry wise, rating wise are also covered. The policy also deals with rating models aiming at high quality, consistency and uniformity in the appraisal of proposals.
- **Asset Liability Management Policy:** - The objectives of Asset Liability Management Policy are to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps.
- **Foreign Exchange Risk Management Policy:** - The policy covers the management of foreign exchange risk related to existing and future foreign currency loans or any other foreign exchange risks derived from borrowing and lending. The objective of the policy is to serve as a guideline for transactions to be undertaken for hedging of foreign exchange related risks. It also provides guiding parameters within which the Asset Liability Management Committee can take decisions for managing the above mentioned risks.
- **Interest Rate Policy:** - Interest rate policy provides for risk based pricing of the debt financing by the Company. It provides the basis of pricing the debt and the manner in which it can be structured to manage credit risk, interest rate risk and liquidity risk, while remaining competitive.
- **Policy for Investment of Surplus Funds:** - The policy of investment of surplus funds i.e. treasury policy provides the framework for managing investment of surplus funds. Realizing that the purpose of mobilization of resources in the Company is to finance equity as well as loans to power sector projects, the prime focus is to deploy surplus funds with a view to ensure that the capital is not eroded and that surplus funds earn optimal returns.
- **Operational Risk Management Policy:** - The operational risk management policy recognizes the need to understand the operational risks in general, and those in specific activities of the Company. Operational risk management is not understood as a process of eliminating such risk but as a systematic approach to manage such risk. It seeks to standardize the process of identifying new risks and designing appropriate controls for these risks, minimize losses and customer dissatisfaction due to possible failure in processes.

Apart from these policies there are various guidelines to help understand and mitigate different kinds of other risks. These include, guidelines for financing bio-mass projects, guidelines for financing CERs, operational guidelines for debt financing, KYC Guidelines and the like.

Credit Risk Rating Model

The Company has developed internal risk grading software in consultation with ICRA Management Consulting Services Limited (IMaCS). Though IMaCS had the standard power project model, PFS team has customized the rating model using its domain expertise. All the proposals are rated on the rating model. There are separate rating models for balance sheet funding and SPV funding. The model is an expert judgment model wherein each proposal is evaluated on more than 100 parameters to arrive at a rating score. The model has 5 rating grades out of which only first 4 are investment grade. The interest rate offered to borrower is also dependent on the rating score.

Monitoring Mechanism

To monitor the status of funded projects, there is a robust monitoring mechanism put in place. There are separate teams for monitoring of equity and of debt projects. While monitoring of equity investments is carried out

by the portfolio managers only, there is a separate team for monitoring of debt projects.

For equity investments, there is online reporting software through which information about investee companies is received on a periodic basis. Further, a detailed status report on investments is presented periodically in the Management Information System (MIS) to whole time Directors. In all of the investee companies, PFS has nominee director on their Board who keep the company informed about various important decisions taken by the investee companies. Further, through early warning signal system, critical parameters related to financial, technical, regulatory, management and other aspects of the projects are continuously monitored.

A status report on both debt and equity projects is also presented to the Board of Directors of PFS periodically (at least quarterly) to ensure that directors are kept informed about the developments in the projects especially about any areas of concerns.

Outlook

As stated earlier, power sector requires huge investment. PFS has emerged as an organization exclusively devoted to the sector. The Company expects to continue to maintain the growth momentum. Despite facing challenges, the Company constantly endeavors to find the opportunities in those challenges.

Interest rates have not changed much during 2012-13. Despite that, PFS has been able to reduce its overall cost of borrowings. The Company will continue to broad-base its sources of funding and pursue the banks and other lenders for lowering the spread charged from PFS for on-lending. The resource mix comprises of loans from banks, external commercial borrowings, mobilization of funds by way of non convertible debentures, and tax saving infrastructure bonds. The power sector continues to face serious concerns on account of financial health of distribution companies, availability of the domestic coal, limitations on import of coal, delays in land acquisition and obtaining clearances. Many of the projects have faced problems in timely financial closure and project implementation.

The sector continues to be plagued by issues such as poor financial health of the distribution companies, availability of domestic coal, delays in land acquisition and obtaining various clearances. The Government has approved debt restructuring plan for beleaguered state electricity boards, which is expected to improve the overall Scenario of power sector. It is expected to improve the cash flows of electricity boards alongwith reduction in transmission and distribution losses and bring efficiency in the system.

PFS, being aware of the challenges faced by the sector, seeks to address these risks by remaining cautious during the due-diligence process. PFS has developed strong linkages with banks, financial institution, project developers, multilateral, bilateral institutions, equity funds, and the like, which would help in further development of business. PFS has put in place a comprehensive risk management framework and is continuously working to upscale the same to match the organizational and operational growth. PFS is not only a multi-product company but is also highly customer-focused. PFS applies a distinctive approach in structuring the financial products. Being customer-focused, emphasis is on understanding of the risks and mitigation measures required in the context of the specific needs of the project. Ensuring quality in servicing while financing power projects is the hall-mark of PFS's business strategy, operational framework and HR practices.

PFS has enhanced its focus on renewable energy as these projects do not have significant fuel and environmental clearance related risks, and receive regulatory, fiscal and non-fiscal support. The composition of renewable projects in the total loan book increased significantly in 2012-13 and stands at 40% of total loan book as at 31st March 2013 compared to 21% as at 31st March 2012. The Company has also forayed in other areas within the energy value chain such as development and operation of coal mines, development of private railway sidings, power transmission projects etc.

Cautionary Note

Certain statements in the "Management Discussion and analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PTC INDIA FINANCIAL SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PTC INDIA FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by Section 227(3) of the Act, we report that:
 - 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.
 - 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.
 - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 015125N)

Sd/-
Jaideep Bhargava
(Partner)
(Membership No. 090295)

Gurgaon, May 17, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business/activities during the year, clauses (ii), (viii) and (xiii) of 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 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 covered 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 for the purchase of fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system. There are no purchases of inventory during the year.
- (iv) According to the information and explanations given to us, there were no contracts or arrangements that were required to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975.
- (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) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (c) There are no dues in respect of Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited on account of any dispute. Details of dues of Income-tax which have not been deposited as on March 31, 2013 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved* (Rs. in lacs.)
Income-Tax Act, 1961	Income Tax	Commissioner Appeals	2009-10	968.98

* Amount as per demand orders including interest and penalty wherever indicated in the order.

- (viii) The Company does not have accumulated losses at the end of the current financial year and has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.
- (ix) 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, financial institutions and debenture holders.
- (x) In our opinion, the Company has maintained adequate documents and records where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xi) Based on our examination of the records and evaluation 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.
- (xii) In our opinion and 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 and financial institutions.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xiv) According to the information and explanations given to us and on the basis of the maturity profile of assets and liabilities with a maturity profile of one year, as given in the Asset Liability Management Report, liabilities maturing in the next one year are in excess of the assets of similar maturity by Rs. 50,915.84 lacs.
- (xv) According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvi) According to the information and explanations given to us, the Company has not issued any debentures during the year.
- (xvii) We have verified the end use of money raised by way of initial public offer disclosed by the management in note no. 35 of the financial statements.
- (xviii) 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.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 015125N)

Jaideep Bhargava
(Partner)
(Membership No. 090295)

GURGAON, May 17, 2013

PTC India Financial Services Limited
BALANCE SHEET AS AT MARCH 31, 2013

(₹ in lacs)

Particulars	Note no.	As at March 31, 2013	As at March 31, 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
a. Share capital	3	56,208.33	56,208.33
b. Reserves and surplus	4	66,405.66	60,118.96
		122,613.99	116,327.29
2 Non-current liabilities			
a. Long-term borrowings	5	94,565.79	68,796.70
b. Deferred tax liabilities (net)	6	1,426.78	503.58
c. Long-term provisions	7	1,199.97	672.92
		97,192.54	69,973.20
3 Current liabilities			
a. Short-term borrowings	8	58,679.92	2,810.00
b. Trade payables	9	346.38	656.70
c. Other current liabilities	10	8,437.21	5,793.89
d. Short-term provisions	11	2,633.13	0.86
		70,096.64	9,261.45
		289,903.17	195,561.94
B ASSETS			
1 Non-current assets			
a. Fixed assets			
-Tangible assets	12	2,179.93	2,572.05
-Intangible assets	12	3.39	10.49
-Capital work-in-progress	12	78.06	-
		2,261.38	2,582.54
b. Non-current investments	13	52,922.29	42,110.14
c. Long-term loans and advances	14	207,219.86	109,383.14
d. Other non-current assets	15	3,258.81	1,339.10
		265,662.34	155,414.92
2 Current assets			
a. Current investments	16	1,499.37	-
b. Trade receivables	17	27.79	62.28
c. Cash and cash equivalents	18	6,792.82	19,812.98
d. Short-term loans and advances	19	4,229.42	13,899.26
e. Other current assets	20	11,691.43	6,372.50
		24,240.83	40,147.02
		289,903.17	195,561.94
See accompanying notes forming part of the financial statements	1-38		

In term of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
Jaideep Bhargava
Partner

For and on behalf of the Board of Directors

Sd/-
Deepak Amitabh
Chairman and Managing Director
DIN: 01061535

Sd/-
Dr. Pawan Singh
Director and CFO
DIN: 00044987

Sd/-
Vishal Goyal
Company Secretary

Place : Gurgaon
Date : May 17, 2013

Place : New Delhi
Date : May 17, 2013

PTC India Financial Services Limited
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

Particulars	Note no.	For the year ended March 31, 2013	For the year ended March 31, 2012
1 Revenue from operations	21	28,628.12	30,681.48
2 Other income	22	24.11	38.46
3 Total revenue (1+2)		28,652.23	30,719.94
4 Expenses			
a. Cost of certified emission reduction units		-	413.80
b. Employee benefits expense	23	581.69	441.37
c. Finance costs	24	10,117.32	6,861.22
d. Depreciation and amortisation expenses	12	406.06	467.04
e. Other expenses	25	2,018.24	2,372.39
Total expenses		13,123.31	10,555.82
5 Profit before tax (3-4)		15,528.92	20,164.12
6 Tax expense :			
a. Current tax		4,190.00	4,755.00
b. Deferred tax charge		923.20	4.86
		5,113.20	4,759.86
7 Profit for the year (5 -6)		10,415.72	15,404.26
Earnings per equity share:			
- Basic	31	1.85	2.74
- Diluted	31	1.85	2.74
See accompanying notes forming part of the financial statements	1-38		

In term of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Jaideep Bhargava
Partner

Sd/-
Deepak Amitabh
Chairman and Managing Director
DIN: 01061535

Sd/-
Dr. Pawan Singh
Director and CFO
DIN: 00044987

Sd/-
Vishal Goyal
Company Secretary

Place : Gurgaon
Date : May 17, 2013

Place : New Delhi
Date : May 17, 2013

PTC India Financial Services Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
A. Cash flow from operating activities		
Profit before tax	15,528.92	20,164.12
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	406.06	467.04
Provision for diminution in non-current unquoted trade investment	214.29	439.00
Contingent provision against standard assets	516.38	463.02
Loss on foreign currency translation	544.40	121.32
Employee stock options expenses	11.49	22.65
Loss on sale of fixed assets	1.75	-
Finance costs	10,117.32	6,861.22
	27,340.61	28,538.37
Operating profit before working capital changes		
<i>Changes in working capital</i>		
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Long-term provisions	10.67	7.66
Trade payables	(310.32)	460.10
Other current liabilities	(97.74)	(15.84)
Short-term provisions	1.84	(0.02)
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Non-current investments (including advance for equity subscription)	(11,314.03)	3,816.00
Long-term loans and advances	(97,529.03)	(46,254.14)
Current investment	(1,499.37)	-
Trade receivables	34.49	(14.02)
Short-term loans and advances	9,957.44	(7,136.98)
Other current assets	(5,318.93)	(4,257.75)
Cash used in operations	(78,724.37)	(24,856.62)
Net income tax (paid)	(4,494.32)	(4,642.30)
Net cash flow from operating activities	(83,218.69)	(29,498.92)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(87.22)	(33.43)
Proceeds from sale of fixed assets	0.42	0.05
Net cash flow from investing activities	(86.80)	(33.38)
C. Cash flow from financing activities		
Redemption of equity shares of Macquarie India Holdings Ltd	-	(8,077.60)
Share application money refunded	(0.53)	(136.94)
Share issue expenses paid	-	(930.62)
Proceeds from long-term borrowings	28,904.22	35,013.24
Repayment of long-term borrowings	(4,001.36)	(19,774.94)
Proceeds from short-term borrowings (net)	55,869.92	2,810.00
Finance costs (including premium on derivative contracts)	(10,486.92)	(7,905.42)
Net cash flow from financing activities	70,285.33	997.72
Net increase/(decrease) in cash and cash equivalents	(13,020.16)	(28,534.58)
Cash and cash equivalents at the beginning of the year	19,812.98	48,347.56
Cash and cash equivalents at the end of the year	6,792.82	19,812.98

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Cheques on hand	233.51	-
Balance with banks		-
-In current accounts	595.54	1,857.53
-In deposit accounts	5,723.63	17,953.10
-In earmarked accounts *		-
i. Unclaimed share application money lying in escrow account	1.82	2.35
ii. Unclaimed interest accrued on debentures	238.32	-
	6,792.82	19,812.98
* The Company can utilise earmarked balances only towards settlement of related liabilities.		
See accompanying notes forming part of the financial statements		

In term of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Jaideep Bhargava
Partner

Sd/-
Deepak Amitabh
Chairman and Managing Director
DIN: 01061535

Sd/-
Dr. Pawan Singh
Director and CFO
DIN: 00044987

Sd/-
Vishal Goyal
Company Secretary

Place : Gurgaon
Date : May 17, 2013

Place : New Delhi
Date : May 17, 2013

PTC India Financial Services Limited

Notes forming part of the financial statement

1. Corporate information

PTC India Financial Services Limited (“PFS”) is a registered NBFC with Reserve Bank of India and has been awarded the Infrastructure Finance Company (IFC) status by RBI. 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

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Cash flow statement

Cash flows are reported using the indirect method set out in Accounting Standard-3 ‘Cash flow statement’ notified under Companies (Accounting Standard) Rules, 2006 under section 211(3C) of the Companies Act, 1956, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.4 Depreciation and amortisation

Depreciation has been provided on a pro-rata basis from the day the assets are put to use at written down value as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except for assets costing less than Rs. 5,000 each which are fully depreciated in the year of capitalisation.

Intangible assets comprising of software are amortised on a straight line method over their estimated useful life not exceeding five years.

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criteria must also be met before revenue is recognised:

- (a) Interest and other dues are accounted on accrual basis except in the case of non-performing loans where it is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.

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

- (c) Dividend is accounted when the right to receive is established.

- (d) Revenue from power supply is accounted on accrual basis.

2.6 Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.7 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are amortised on settlement / over the maturity period thereof. The unamortised exchange difference is carried in the Balance Sheet as “Foreign currency monetary item translation difference account” net of the tax effect thereon, where applicable.

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

2.8 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Costs of investments include acquisition charges such as brokerage, fees and duties.

2.9 Employee benefits

Employee benefits include provident fund, gratuity, compensated absences, etc.

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as it falls due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.10 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.11 Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised

as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss.

2.12 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward of losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.13 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes forming part of the financial statements. Contingent assets are not recognised in the financial statements.

Contingent provision against standard assets represents a general provision at 0.50% of the outstanding standard assets in accordance with the RBI guidelines.

2.14 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

PTC India Financial Services Limited

Notes forming part of the financial statements

3. Share capital

Particulars	(₹ in lacs)	
	As at March 31, 2013	As at March 31, 2012
Authorised:		
1,000,000,000 (previous year 1,000,000,000) equity shares of ₹ 10 each	100,000.00	100,000.00
Issued, subscribed and paid up:		
562,083,335 (previous year 562,083,335) equity shares of ₹ 10 each fully paid up	56,208.33	56,208.33
	56,208.33	56,208.33

a. Terms / rights attached to equity shares:

“The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and ranks *pari passu*. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting. During the year ended March 31, 2013, dividend of ₹ 0.40 per share (previous year ₹ Nil) is recognised as amount distributable to equity shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. “

b. The details of shareholders holding more than 5% shares is set out below:

Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of shares	%	No. of shares	%
PTC India Limited*	337,250,001	60.00	337,250,001	60.00
GS Strategic Investments Limited	48,666,667	8.66	48,666,667	8.66

*Holding company by virtue of holding more than one-half of equity share capital.

c. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	(₹ in lacs)	No. of shares	(₹ in lacs)
Opening balance	562,083,335	56,208.33	562,083,335	56,208.33
Add/less: Movement during the year	-	-	-	-
Closing balance	562,083,335	56,208.33	562,083,335	56,208.33

d. Employee stock options plan

The Company instituted the Employee Stock Option Plan - ESOP 2008 to grant equity based incentives to all its eligible employees. During the year ended March 31, 2009, the first tranche of ESOP 2008 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. ₹ 10 per share, representing one share for each option upon exercise. Further, during the year ended March 31, 2010, second tranche of ESOP 2008 was approved by the shareholders on October 23, 2009 and provided for grant of 10,075,000 growth options exercisable at a price of ₹ 16 per share, representing one share for each option upon exercise. Options granted under ESOP 2008 would vest

not less than one year and not more than five years from the date of grant of such options.

Movement in Stock Options	As at March 31, 2013		As at March 31, 2012	
	Growth options	Founder member options	Growth options	Founder member options
Outstanding at the beginning of the year	4,382,600	10,000	4,447,100	10,000
Less: Forfeited during the year	45,000	-	64,500	-
Outstanding as at the end of the year	4,337,600	10,000	4,382,600	10,000

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:

Particulars	Options granted during the year ended March 31, 2010	Options granted during the year ended March 31, 2009	
	Growth options	Growth options	Founder member options
Price per Option (in ₹)	16	16	10
Volatility	29.64%	73.60%	73.60%
Risk free rate of interest	7.27%	7.00%	7.00%
Option life (in 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.

4. Reserves and surplus

Particulars	(₹ in lacs)	
	As at March 31, 2013	As at March 31, 2012
a. Securities premium account		
Opening balance	38,423.57	38,423.57
Add/less: Movement during the year	-	-
Closing balance	38,423.57	38,423.57
b. Statutory reserve		
[in terms of Section 45-IC of the Reserve Bank of India Act, 1934]		
Opening balance	4,501.95	1,421.10
Add: Transferred from surplus in Statement of Profit and Loss	2,083.14	3,080.85
Closing balance	6,585.09	4,501.95
c. Special reserve		
[in term of section 36(i) (viii) of the Income Tax Act, 1961]		
Opening balance	-	-
Add: Transferred from surplus in Statement of Profit and Loss	2,000.00	-
Closing balance	2,000.00	-

d. Share options outstanding account

Opening balance	68.91	46.26
Add: Net charge for the year (refer note 23)	11.49	22.65
Closing balance	80.40	68.91

e. Surplus in Statement of Profit and Loss

Opening balance	17,993.52	5,670.11
Add: Profit for the year	10,415.72	15,404.26
Less: Transferred to statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(2,083.14)	(3,080.85)
Less: Transferred to special reserve u/s 36(i) (viii) of the Income Tax Act, 1961	(2,000.00)	-
Less: Proposed dividend on equity shares (₹ 0.40 per share (previous year ₹ Nil))	(2,248.33)	-
Less: Tax on proposed equity dividend	(382.10)	-
Closing balance	21,695.67	17,993.52

f. Foreign currency monetary items translation difference account

Opening balance (Debit)	(868.99)	-
Add/ (less): Effect of foreign exchange rate variations during the year (net)	(2,054.48)	(981.86)
Add/ (Less): Amortisation for the year	544.40	112.87
Closing balance (Debit)	(2,379.07)	(868.99)
	66,405.66	60,118.96

5. Long-term borrowings

(₹ in lacs)

Particulars	As at March 31, 2013			As at March 31, 2012		
	Non-current	Current	Total	Non-current	Current	Total
Secured						
a. Infrastructure bonds (i)	20,169.10	-	20,169.10	20,169.10	-	20,169.10
b. Debentures (ii)	12,333.34	3,333.33	15,666.67	15,666.67	3,333.33	19,000.00
c. Rupee term loans from banks (iii)	21,087.62	1,308.60	22,396.22	19,602.13	1,086.03	20,688.16
d. External commercial borrowings from financial institution (iv)	40,975.73	793.87	41,769.60	13,358.80	-	13,358.80
	94,565.79	5,435.80	100,001.59	68,796.70	4,419.36	73,216.06
e. Amount disclosed under the head "Other current liabilities" (refer note 10)	-	5,435.80	5,435.80	-	4,419.36	4,419.36
	94,565.79	-	94,565.79	68,796.70	-	68,796.70

Notes:
Details of terms of repayment and security provided on above:

- i. 84,172 (previous year 84,172) privately placed 8.25% / 8.30% secured redeemable non-convertible long-term infrastructure bonds of ₹5,000 each (Series 1) amounting to ₹4,208.60 lacs allotted on March 31, 2011 redeemable at par in 5 to 10 years commencing from March 30, 2016 are secured by way of first charge on the receivables of the assets created from the proceeds of infrastructure bonds issue and other unencumbered receivables of the Company to provide 100% security coverage.

319,210 (previous year 319,210) privately placed 8.93% / 9.15% secured redeemable non-convertible long-term infrastructure bonds of ₹ 5,000 each (Series 2) amounting to ₹15,960.50 lacs allotted on March 30, 2012 redeemable at par in 5 to 15 years commencing from March 30, 2017 are secured by way of Pari Passu charge on the receivables of the assets created from the proceeds of infrastructure bonds and other receivables of the Company to provide the 100% security coverage.

- ii. 1,000 (previous year 1,000) privately placed 10.60% secured redeemable non-convertible debentures of ₹1,000,000 each (Series 1) amounting to ₹10,000 lacs were allotted on October 1, 2009 and are redeemable at par in three equal annual installments commencing from September 30, 2012. The first installment of ₹ 3,333.33 lacs has been paid during the year.

900 (previous year 900) privately placed 10.50% secured redeemable non-convertible debentures of ₹1,000,000 each (Series 3) allotted on January 27, 2011 redeemable at par in six equal annual installments commencing from January 26, 2018.

Series 1 and Series 3 are 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 proceeds of respective debentures. Further, the same 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 to the extent of 125% of debentures.

- iii. Term loans from banks carries interest ranging from 10.75% to 11.50% p.a. The loans are repayable in 48 equal quarterly installments. The loans 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.
- iv. External Commercial Borrowings ("ECB") carries interest ranging from 3 months LIBOR+2.85% to LIBOR+3.25% p.a. The loans are repayable in 36 equal quarterly installments as per the due dates specified in the respective loan agreements. The borrowings are secured by way of first ranking exclusive charge on all present and future receivables of the eligible loan assets created by the proceeds of ECB.
- v. In terms of the RBI circular (Ref. No. DNBS(PD) CC No.279 / 03.02.001 / 2012-13 dated July 2, 2012) no borrowings remained overdue as at March 31, 2013 (previous year ₹ Nil)."

6. Deferred tax liabilities (net)

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
<i>Tax effect of items constituting deferred tax liabilities</i>		
a. Difference between book balance and tax balance of fixed assets	720.93	797.53
b. Foreign currency monetary items translation difference account	808.64	281.94
c. Special reserve under section 36(1)(viii) of Income Tax Act, 1961	679.80	-
	2,209.37	1,079.47
<i>Tax effect of items constituting deferred tax assets</i>		
a. Share issue expenses	145.18	207.87
b. Provision for employees benefits	15.47	10.71
c. Contingent provision against standard assets	393.31	207.90
d. Accrued expenses deductible on payment	56.32	54.45

e. Provision for diminution in non-current unquoted trade investments	172.31	94.96
	782.59	575.89
Deferred tax liabilities (net)	1,426.78	503.58
7. Long-term provisions		
a. Provision for gratuity (Refer note 28)	17.48	10.68
b. Provision for compensated absences (Refer note 28)	22.66	21.48
c. Provision for other employees benefits	2.69	-
d. Contingent provision against standard assets (refer note ii below)	1,157.14	640.76
	1,199.97	672.92

Notes:

- A contingent provision against standard assets has been created at 0.50% of the outstanding standard assets in terms of the RBI circular (Ref. No. DNBS(PD) CC No.279 / 03.02.001 / 2012-13 dated July 2, 2012)
- Movement in contingent provision against standard assets during the year is as under:

Opening balance	640.76	177.74
Additions during the year	516.38	463.02
Closing balance	1,157.14	640.76

8. Short-term borrowings

Secured

a. Term loans from banks	58,679.92	2,810.00
	58,679.92	2,810.00

Notes:

- Term loans from banks includes loans of ₹58,679.92 lacs (previous year ₹ Nil) are secured by pari-passu charge over current assets including book debts/Investments other than assets created by line of credit of other financial institutions/banks.

Term loans from bank includes overdraft of ₹Nil (previous year ₹2,810 lacs) which are secured by way of pledge of fixed deposits with the concerned bank.

- In terms of the RBI circular (Ref. No. DNBS(PD) CC No.279 / 03.02.001 / 2012-13 dated July 2, 2012) no borrowings remained overdue as at March 31, 2013 (previous year ₹ Nil).

9. Trade payables

Trade payables (Other than micro and small enterprises)	346.38	656.70
	346.38	656.70

Based on the information available with the Company, no supplier has been identified, who is registered under the Micro, Small and Medium Enterprise Development Act, 2006. Further, the Company has not received any claim of interest from any supplier under the said Act.

10. Other current liabilities

a. Current maturities of long term borrowings (refer note 5)	5,435.80	4,419.36
b. Interest accrued but not due on borrowings	2,703.93	1,220.34
c. Unclaimed interest accrued on debentures	238.32	-
d. Income received in advance	49.06	75.32
e. Statutory remittances	5.04	76.52
f. Payables on purchase of fixed assets	3.24	-
g. Unclaimed equity share application money	1.82	2.35
	8,437.21	5,793.89

11. Short-term provisions

a. Provision for gratuity (Refer note 28)	0.85	0.09
b. Provision for compensated absences (Refer note 28)	1.85	0.77
c. Proposed equity dividend	2,248.33	-
d. Tax on proposed equity dividend	382.10	-
	2,633.13	0.86

12. Fixed Assets

(₹ in lacs)

Assets description	Gross block				Accumulated depreciation/amortisation				Net block	
	Balance as at March 31, 2012	Additions	Disposals	Balance as at March 31, 2013	Balance as at March 31, 2012	Expense for the year	Adjustments	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
Tangible assets										
Building	11.94	-	-	11.94	1.32	0.53	-	1.85	10.09	10.62
Plant and machinery (Wind mill)	3,522.75	-	-	3,522.75	998.33	386.99	-	1,385.32	2,137.43	2,524.42
Office equipments	8.48	2.66	0.68	10.46	2.84	1.19	0.37	3.66	6.80	5.64
Computers	21.92	4.14	0.42	25.64	11.78	4.83	0.16	16.45	9.19	10.14
Furniture and fixtures	3.55	0.58	-	4.13	0.91	0.58	-	1.49	2.64	2.64
Vehicles	19.34	1.64	1.64	19.34	0.75	4.84	0.03	5.56	13.78	18.59
Sub total	3,587.98	9.02	2.74	3,594.26	1,015.93	398.96	0.56	1,414.33	2,179.93	
Previous year	3,554.63	33.43	0.08	3,587.98	551.57	464.39	0.03	1,015.93		2,572.05
Intangible assets										
Software	14.17	-	-	14.17	3.68	7.10	-	10.78	3.39	10.49
Sub total	14.17	-	-	14.17	3.68	7.10	-	10.78	3.39	
Previous year	14.17	-	-	14.17	1.03	2.65	-	3.68		10.49
Total	3,602.15	9.02	2.74	3,608.43	1,019.61	406.06	0.56	1,425.11	2,183.32	
Previous year	3,568.80	33.43	0.08	3,602.15	552.60	467.04	0.03	1,019.61		2,582.54
Capital work-in-progress									78.06	-
									2261.38	2582.54

13. Non-Current Investments

Particulars	Face Value (₹ per share)	Quantity (Nos.)	As at March 31, 2013	Quantity (Nos.)	As at March 31, 2012
Unquoted trade investments (at cost)					
a. Investments in fully paid up equity instruments of:					
i. Associate companies					
-Ind-Barath Energy (Utkal) Limited	10	-	-	105,000,000	10,500.00
-PTC Bermaco Green Energy Systems Limited	10	1,374,646	137.46	1,374,646	137.46
-R.S. India Wind Energy Private Limited (formally known as R.S. India Wind Energy Limited)	10	61,121,415	6,112.14	61,121,415	6,112.14
-Varam Bio Energy Private Limited	10	4,390,000	439.00	4,390,000	439.00
			6,688.60		17,188.60
ii. Other companies					
-Ind-Barath Energy (Utkal) Limited (ceased to be an associate w.e.f. May 25, 2012)	10	105,000,000	10,500.00	-	-
-East Coast Energy Private Limited	10	133,385,343	13,338.53	133,385,343	13,338.53
-Meenakshi Energy and Infrastructure Holding Private Limited (# ₹ 10)	10	1	#	1	#
-Meenakshi Energy Private Limited	10	124,682,340	12,468.23	114,417,873	11,441.79
-Indian Energy Exchange Limited (ceased to be an associate w.e.f. March 29, 2012)	10	1,516,431	151.64	1,516,431	151.64
			36,458.40		24,931.96
b. Investments in fully paid up optionally convertible debentures of:					
i. Associate companies					
-Varam Bio Energy Private Limited	500,000	90	428.58	90	428.58
ii. Other companies					
-Mytrah Energy (India) Limited	3,333,333	300	10,000.00	-	-
			53,575.58		42,549.14
Less: Provision for diminution in value of investments in an associate company			653.29		439.00
			52,922.29		42,110.14

14. Long-term loans and advances

Particulars	(₹ in lacs)	
	As at March 31, 2013	As at March 31, 2012
Secured, considered good		
a. Loan financing	206,036.66	108,608.26
Unsecured, considered good		
a. Capital advances	3.37	-
b. Advance to employees	33.13	-
c. Security deposits	67.50	-
d. Advance income tax (net of provision of ₹ 10,642.71 lacs (previous year ₹ 6,452.71 lacs))	1,078.32	774.00
e. Advance fringe benefit tax (net of provision of ₹ 0.28 lacs (previous year ₹ 0.28 lacs))	0.88	0.88
	207,219.86	109,383.14
Note:		
Loans are secured by:		
i. Hypothecation of assets and / or		
ii. Mortgage of property and / or		
iii. Trust and retention account and / or		
iv. Bank guarantee, Company guarantee or personal guarantee and / or		
v. Assignment of receivables or rights and / or		
vi. Pledge of shares and / or		
vii. Undertaking to create a security		
15. Other non-current assets		
a. Premium on derivative contracts	3,258.81	1,339.10
	3,258.81	1,339.10
16. Current investments		
a. Investments in unquoted non-trade mutual funds of face value of ₹ 1000 each		
Reliance liquid fund	1,499.37	-
(Repurchase price ₹ 1,503.65 lacs (previous year ₹ Nil))	1,499.37	-
17. Trade receivables		
a. Trade receivables other than outstanding for a period exceeding six months from the date they become due		
-Unsecured, considered good	27.79	62.28
	27.79	62.28
18. Cash and cash equivalents :		
a. Cheques on hand	233.51	-
b. Balance with banks		
-In current accounts	595.54	1,857.53
-In deposit accounts (refer notes i to iii below)	5,723.63	17,953.10
-In earmarked accounts		
i. Unclaimed share application money lying in escrow account	1.82	2.35
ii. Unclaimed interest accrued on debentures	238.32	-
	6,792.82	19,812.98

Notes:

- i. Balances with banks include deposits ₹785.20 lacs (previous year ₹308.50 lacs) with remaining maturity of more than 12 months from the balance sheet date.
- ii. Balances with banks include deposits ₹235.05 lacs (previous year ₹235.05 lacs) deposits as margin money against bank guarantee.
- iii. Balances with banks include deposits ₹ Nil (previous year ₹ 10,000 lacs) pledged against short-term borrowing.

Particulars	(₹ in lacs)	
	As at March 31, 2013	As at March 31, 2012
19. Short-term loans and advances		
Secured, considered good		
a. Loans financing	3,500.00	13,500.00
Unsecured, considered good		
a. Prepaid expenses	82.70	12.50
b. Security deposits	235.05	235.05
c. Advance for equity subscription	287.60	-
d. Balances with government authorities	42.91	28.62
e. Advance to employees	13.14	-
f. Other receivables	68.02	123.09
	4,229.42	13,899.26
20. Other current assets		
a. Current maturities of long term loan financing	9,629.21	4,501.98
b. Interest accrued and due on		
-Loan financing	747.24	341.11
c. Interest accrued but not due on		
-Fixed deposits	228.86	831.27
-Loan financing	1,035.82	698.14
-Debentures	50.30	-
	11,691.43	6,372.50
Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
21. Revenue from operations		
Interest income from		
a. Loan financing	24,303.06	13,236.48
b. Debentures	828.49	58.95
Other operating income		
a. Dividend income on non-current unquoted trade investments in equity shares	30.33	57.66
b. Profit on sale of investments		
- Non-current unquoted trade investments in equity shares	-	12,724.25
- Non-current quoted non-trade investments in equity shares	-	45.53
- Current unquoted non-trade investment in mutual funds	190.44	639.57
c. Interest on fixed deposits	891.21	1,963.78
d. Fee based income	1,895.66	990.86
e. Sale of certified emission reduction units	-	462.71
f. Sale of power	488.93	501.69
	28,628.12	30,681.48
22. Other income		
a. Interest on		
- Income tax refund	-	36.37
- Other income	0.88	-
b. Excess provision written back	23.23	2.09
	24.11	38.46
23. Employees benefits expense		
a. Salaries and other allowances	456.23	336.61
b. Contributions to provident fund (Refer note 28)	24.08	17.61
c. Employee stock option (ESOP) scheme	11.49	22.65
d. Gratuity expenses (Refer note 28)	7.56	4.50
e. Staff welfare expenses	82.33	60.00
	581.69	441.37

(₹ in lacs)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
24. Finance costs		
Interest expense on:		
a. Infrastructure bonds	1,795.96	458.53
b. Debentures	1,823.51	2,799.48
c. Rupee term loans from banks	4,877.26	2,914.53
d. External commercial borrowings from financial institutions	1,273.92	255.77
e. Delayed payment of income tax	-	5.23
Other borrowing cost on :		
a. Rupee term loans from banks	28.76	3.31
b. Other charges on external commercial borrowings from financial institutions	314.95	418.96
c. Bank charges	2.96	5.41
	10,117.32	6,861.22
25. Other expenses		
a. Rent	187.84	91.57
b. Repairs and maintenance		
- Plant and machinery	71.76	67.49
- Others	20.14	16.63
c. Insurance	17.88	5.80
d. Rates and taxes	6.70	84.07
e. Commission and brokerage	32.20	480.07
f. Communication	10.74	10.43
g. Travelling and conveyance	52.74	42.91
h. Advertising and business development	42.71	31.49
i. Donation	-	1.00
j. Legal and professional	175.42	398.89
k. Auditors' remuneration (Refer note below)	26.15	23.15
l. Loss on fixed assets sold	1.75	-
m. Net loss on foreign currency translation	544.40	121.32
n. Provision for diminution in non-current unquoted trade investments	214.29	439.00
o. Contingent provision against standard assets	516.38	463.02
p. Directors' sitting fees	18.67	6.12
q. Miscellaneous expenses	78.47	89.43
	2,018.24	2,372.39
Note:		
Auditors' remuneration comprise (net of service tax):		
-For statutory audit	9.50	9.00
-For limited review of quarterly unaudited results	9.00	7.50
-For tax audit	2.00	2.00
-For other certification	5.15	3.80
-For out of pocket expenses	0.50	0.85
	26.15	23.15

26. Contingent liabilities and commitments in respect of:

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Contingent liabilities		
- Income tax	997.02	31.13
Commitments		
- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	655.86	-
- Loan financing	19,006.66	7,453.71
- Equity subscription	5,244.17	6,558.21

27. Employee stock options plan

Effect of fair valuation of employee stock options on financial position

(a) Impact on profitability

(₹ in lacs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Profit for the year	10,415.72	15,404.26
Add: Employee stock compensation under intrinsic value method	11.49	22.65
Less: Employee stock compensation under fair value method	78.22	138.29
Pro forma profit	10,348.99	15,288.62

(b) Impact on basic/diluted EPS

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
- As reported (in ₹)		
Basic	1.85	2.74
Dilutive	1.85	2.74
- As pro forma (in ₹)		
Basic	1.84	2.72
Dilutive	1.84	2.72

28. Disclosures required as per Accounting Standard - 15 (Revised) "Employee Benefits"

(a) In respect of the defined contribution plans, the Company has recognised the following amounts in the Statement of Profit and Loss:

(₹ in lacs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Employer's contribution to provident fund	24.08	17.61

(b) Defined benefit plans

Changes in the present value of the defined benefit obligation:

(₹ in lacs)

Particulars	Gratuity		Compensated absences	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Opening defined benefit obligation	10.77	6.27	22.25	19.11
Current service cost	5.65	3.85	8.06	7.76
Interest cost	0.86	0.53	1.78	1.62
Benefits paid	-	-	(1.44)	(3.90)
Actuarial loss / (gain)	1.05	0.12	(6.14)	(2.34)
Closing defined benefit obligation	18.33	10.77	24.51	22.25
Disclosure of defined benefit into				
Long-term provisions	17.48	10.68	22.66	21.48
Short-term provisions	0.85	0.09	1.85	0.77

Reconciliation of present value of defined benefit obligation and fair value of plan assets

(₹ in lacs)

Particulars	Gratuity		Compensated absences	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Closing defined benefit obligation	18.33	10.77	24.51	22.25
Closing fair value of plan assets	-	-	-	-
Net asset/(liability) recognized in balance sheet	(18.33)	(10.77)	(24.51)	(22.25)

Expense recognised in the Statement of Profit and Loss:

(₹ in lacs)

Particulars	Gratuity		Compensated absences	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Current service cost	5.65	3.85	8.06	7.76
Interest cost	0.86	0.53	1.78	1.62
Net actuarial loss / (gains)	1.05	0.12	(6.14)	(2.34)
Net expense	7.56	4.50	3.70	7.04
Experience adjustment on actuarial loss/(gain) for present value obligation	1.02	0.15	(6.23)	(2.26)

The principal assumptions used in determining defined retirement obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Discounting rate	8.00%	8.50%
Future salary increase	5.50%	6.00%

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

Disclosure relating to present value of defined benefit obligation, net asset / (liability) and experience adjustments for earlier years:

(₹ in lacs)

Particulars	Year ended March 31, 2011		Year ended March 31, 2010		Year ended March 31, 2009	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Defined benefit obligation	6.27	19.11	0.57	3.76	0.53	1.76
Net asset / (liability)	(6.27)	(19.11)	(0.57)	(3.76)	(0.53)	(1.76)
Experience adjustment on actuarial (gain)/loss for present value obligation	3.30	7.78	(0.42)	(0.55)	-	-

29. 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" notified under the Companies (Accounting Standards) Rules, 2006.

30. 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	: PTC Bermaco Green Energy Systems Limited
	: R.S. India Wind Energy Private Limited (formally known as R.S. India Wind Energy Limited)
	: Varam Bio Energy Private Limited
	: Ind-Barath Energy (Utkal) Limited (ceased to be an associate w.e.f. May 25, 2012)
	: Ind-Barath PowerGencom Limited (ceased to be an associate w.e.f. September 28, 2011)
	: Indian Energy Exchange Limited (ceased to be an associate w.e.f. March 29, 2012)
Key management personnel	: Dr. Ashok Haldia
	: Dr. Pawan Singh (w.e.f. February 1, 2012)

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

(i) Transactions with holding company

(₹ in lacs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Rent paid (gross)	121.35	96.05
Expenses reimbursed *	443.82	318.10
Expenses recovered	11.73	5.47

* includes ₹102.12 lacs (previous year ₹ 58.40 lacs) towards remuneration of Directors.

(ii) Transactions with key management personnel

(₹ in lacs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Reimbursement of expenses		
Dr. Ashok Haldia	1.87	1.37
Dr. Pawan Singh	1.93	0.27
Remuneration paid		
Dr. Ashok Haldia	59.63	51.88
Dr. Pawan Singh	48.96	6.52

(iii) Transactions with associates companies

(₹ in lacs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Investment balances outstanding at the balance sheet date without considering provision for diminution:		
PTC Bermaco Green Energy Systems Limited	137.46	137.46
R.S. India Wind Energy Private Limited (formally known as R.S. India Wind Energy Limited)	6,112.14	6,112.14
Varam Bio Energy Private Limited	439.00	439.00
Investment in debentures as at the balance sheet date without considering provision for diminution:		
Varam Bio Energy Private Limited	428.58	428.58
Loan financing as at balance sheet date without considering provision for diminution:		
Varam Bio Energy Private Limited	61.78	61.78

31. Earnings per share

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Profit after tax attributable to equity shareholders (₹ in lacs) (a)	10,415.72	15,404.26
Weighted average number of equity shares outstanding during the year (Nos.) (b)	562,083,335	562,083,335
Basic earnings per share of face value ₹ 10 each (in ₹) (a) / (b)	1.85	2.74
Add: ESOP expenses (₹ in lacs) (c)	11.49	22.65
Profit after tax attributable to equity shareholders (₹ in lacs) before ESOP expenses [(d) = (a)+(c)]	10,427.21	15,426.91
Effect of potential dilutive equity shares on Employee Stock Options outstanding (e)	2,908	3,691
Weighted average number of equity shares in computing diluted earnings per share [(f) = (b)+(e)]	562,086,243	562,087,026
Diluted earnings per share of face value ₹ 10 each (in ₹) (d) / (f)	1.85	2.74

32. The percentage holding and the investment in associate companies as at March 31, 2013 is given below:

Name of the associate company	Country of incorporation	% holding	Face value (₹ per share)	As at March 31, 2013 (₹ in lacs)	As at March 31, 2012 (₹ in lacs)
PTC Bermaco Green Energy Systems Ltd.	India	26%	10	137.46	137.46
R.S. India Wind Energy Private Limited (formally known as R.S. India Wind Energy Limited)	India	37%	10	6,112.14	6,112.14
Varam Bio Energy Private Limited	India	26%	10	439.00	439.00
Total				6,688.60	6,688.60

33. Total number of electricity units generated and sold during the year 13,380,365 KWH (previous year 13,561,177 KWH).

34. Expenditure incurred in foreign currency (accrual basis)

(₹ in lacs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Fees for external commercial borrowings	122.08	418.96
Interest on external commercial borrowings	1,273.92	255.77
Travelling and other	5.77	2.02
Total	1,401.77	676.75

35. The IPO proceeds have been utilised as under:

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Share issue proceeds	35,270.32	35,270.32
Less:		
- Issue related expenses	1,136.60	1,136.60
- Repayment of term loans	2,389.03	2,389.03
- Rupee term loan for power projects	31,744.69	26,744.69
Closing balance of un-utilised proceeds as at the year end	-	5,000.00
Details of un-utilised proceeds are given below:		
- Balance in current accounts	-	-
- Balance in deposit accounts	-	5,000.00

36. The Company has entered into operating lease arrangement for office premise. The lease is non-cancellable and is for a period of 5 years. The committed lease rentals in the future are:

(₹ in lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Future minimum lease payments		
- not later than one year	292.33	-
- later than one year and not later than five years	1,234.34	-
Lease payments recognised in the Statement of Profit and Loss during the year	73.16	-

37. Previous year's figures have been recast/ regrouped, wherever necessary to conform to the current year's presentation.

Schedule to the
Balance sheet of non-deposit taking non-banking financial Company
(as required in terms of paragraph 13 of non-banking financial Non-Deposit Accepting or Holding)
Companies Prudential Norms (Reserve Bank) Direction, 2007

(₹ in lacs)

Particulars				
Liabilities side:				
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount out-standing	Amount overdue	
	(a) Debentures : Secured	35,835.77	-	
	: Unsecured	-	-	
	(other than falling within the meaning of public deposits*)			
	(b) Deferred Credits	-	-	
	(c) Term Loans	64,165.82	-	
	(d) Inter-corporate loans and borrowing	-	-	
	(e) Commercial Paper	-	-	
	(f) Other Loans (short term bank loan)	58,679.92	-	

Assets side:		Amount out-standing
(2)	Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:	
	(a) Secured	219,165.87
	(b) Unsecured	184.99
(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	1,499.37
	(iv) Government Securities	-
	(v) Others (please specify)	-

Long Term 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 (net of provisions)	42,708.00
(b) Preference	-
(ii) Debentures and Bonds (net of provisions)	10,214.29
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
Total	54,421.66

(5)	Borrower group-wise classification of assets financed as in (2) and (3) above:			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
1. Related Parties				
(a) Subsidiaries	-	-	-	
(b) Companies in the same group	-	-	-	
(c) Other related parties	61.78	-	61.78	
2. Other than related parties	219,104.09	184.99	219,289.09	
Total	219,165.87	184.99	219,350.87	

(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
	Category	Market Value / Break up or fair value or NAV	Book value (net of provisions)
1. Related Parties			
(a) Subsidiaries	-	-	
(b) Companies in the same group	-	-	
(c) Other related parties	-	6,463.89	
2. Other than related parties	-	47,957.77	
Total	-	54,421.66	

(7)	Other information	
	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 required pursuant to Reserve Bank of India notification DNBS(PD) CC No.279/03.02.001/2012-13 dated July 2, 2012

I. Capital Adequacy Ratio

(₹ in lacs)

As at March 31, 2013

Tier I Capital	122,613.99
Tier II Capital	1,157.14
Total Capital	123,771.13
Total Risk Weighted Assets	294,655.07
Capital Ratios	
Tier I Capital as a percentage of total risk assets (%)	41.62
Tier II Capital as a percentage of total risk assets (%)	0.39
Total Capital (%)	42.01

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 March 31, 2013.

III. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31, 2013.

(₹ 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	-	-	18,712.65	18,831.68	22,444.18	3,502.72	3,849.36	13,735.54	81,076.13
Market Borrowings	-	-	-	3,333.33	-	7,409.18	16,358.00	8,735.26	35,835.77
ECB	-	-	-	-	793.86	5,751.72	10,045.47	25,178.55	41,769.60
Total	-	-	18,712.65	22,165.01	23,238.04	16,663.62	30,252.83	47,649.35	158,681.50
Assets									
Receivables under financing activity	4,490.60	18.21	417.90	2,412.16	5,790.34	35,575.42	36,620.13	133,841.11	219,165.87
Investment (Gross)	18.84	4.71	4.71	14.13	28.26	10,613.03	10,113.03	32,778.87	53,575.58
Total	4,509.44	22.92	422.61	2,426.29	5,818.60	46,188.45	46,733.16	166,619.98	272,741.45

For and on behalf of Board of Directors

SD/-
Deepak Amitabh
Chairman and Managing Director
DIN: 01061535

SD/-
Dr. Pawan Singh
Director and CFO
DIN: 00044987

SD/-
Vishal Goyal
Company Secretary

Place : New Delhi
Date : May 17, 2013

BLANK

PTC INDIA FINANCIAL SERVICES LIMITED
Regd. Office: 2nd Floor, NBCC Tower, 15 Bhikaji Cama Place, New Delhi- 110066

ATTENDANCE SLIP

Members of their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

Name of Attending Person
(IN BLOCK LETTERS)

Regd. Folio no.¹

No. of Shares held

DP ID no.

Client ID No.

I, hereby record my presence at the 7th Annual General Meeting of the Company being held on 19th the day of August, 2013 at 11:30 AM at FICCI, 1 Federation House, Tansen Marg, New Delhi - 110001

Please tick (✓) in the box.

Member

Proxy

Member's / Proxy's Signature

¹ Applicable for holding shares in physical mode.

BLANK



PTC INDIA FINANCIAL SERVICES LIMITED
Regd. Office: 2nd Floor, NBCC Tower, 15 Bhikaji Cama Place, New Delhi- 110066

PROXY FORM

DP ID Client ID

No. of Shares held Regd. Folio No.¹

I/we _____, s/o _____ in the district of _____, being a member/members of PTC India Financial Services Limited, hereby appoint _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the 7th Annual General Meeting of the company to be held on 19th day of August, 2013 at 11:30 am on FICCI, 1 Federation House, Tansen Marg, New Delhi - 110001

Signed this _____ day of _____ 2013 .

(Signature)
(affix Revenue Stamp of appropriate value)

Note: - The proxy must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting.

¹Applicable for holding shares in physical mode.

BLANK

FORM FOR ECS MANDATE/BANK MANDATE

UNIT: PTC India Financial Services Limited

I/We _____ do hereby authorize the Company:-

- 1) Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Service (ECS)
- 2) Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me

Folio No: - _____

Name of the 1st Shareholder: - _____

Name of the Bank: - _____

Branch: - _____

Bank Address with Pin code: - _____

Bank Account Number: - _____

Account Type (Savings/Current/Others):- _____

9 Digit MICR Code number: - _____

(Please provide a cancelled / Photo copy cheque)

Signature of 1st holder

Signature of 2nd holder

Signature of 3rd holder

Registered Address:

(Please provide an attested copy of PAN Card of the 1st holder along with this request)

BLANK



PTC INDIA FINANCIAL SERVICES LIMITED

(A Subsidiary of PTC India Ltd.)

Tel: 011-41595122, 41595137

Fax: 011-41659144

Website: www.ptcfinancial.com