



PTC INDIA FINANCIAL SERVICES LIMITED

8TH ANNUAL REPORT 2013-2014

**EIGHTH ANNUAL GENERAL MEETING**

To be held on Friday, 26<sup>th</sup> September, 2014 at 11.30 AM  
at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya  
Vidyalaya No. 2, APS Colony, Delhi-Gurgaon Road,  
Delhi Cantt, New Delhi- 110010

**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 8th Annual General Meeting	3
Directors' Profile	10
Directors' Report	12
Report on Corporate Governance	14
Certificate on Corporate Governance	23
Management Discussion and Analysis Report	25
Auditors' Report	27
Balance Sheet	30
Statement of Profit and Loss Account	31
Cash Flow Statement	32
Notes forming part of Financial Statement	34

## Reference Information

Registered Office	:	PTC India Financial Services Limited 7th Floor, Telephone Exchange Building, 8, Bhikaji Cama Place, New Delhi - 110 066
CIN	:	L65999DL2006PLC153373
Company Secretary	:	Mr. Vishal Goyal
Statutory Auditors	:	Deloitte Haskins and Sells
Internal Auditors	:	Raj Har Gopal & Co.
Shares are listed on	:	NSE & BSE
Depository	:	NSDL & CDSL
Registrar and Transfer Agent		
• Equity & Infra Bonds	:	Karvy Computershare Private Limited
• NCDs	:	MCS Limited
Bankers	:	Canara Bank Corporation Bank Deutsche Bank HDFC Bank IDBI Bank Ltd Oriental Bank of Commerce Punjab National Bank The Jammu & Kashmir Bank Union Bank of India Yes Bank
Trustee for NCD / Bonds	:	IDBI Trusteeship Services Limited
Website	:	<a href="http://www.ptcfinancial.com">www.ptcfinancial.com</a>

## PTC India Financial Services Limited

CIN: L65999DL2006PLC153373

Registered Office : 7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi - 110 066.

Tel: +91 11 26737300 Fax: +91 11 26737373

Website: www.ptcfinancial.com E-mail: info@ptcfinancial.com

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of PTC India Financial Services Ltd will be held on 26<sup>th</sup> day of September, 2014 at 11:30 a.m. at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi-Gurgaon Road, Delhi Cantt, New Delhi- 110010 to transact the following businesses: -

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2014, 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 2013-14

To consider and if thought fit, to pass with or without modification(s), the following resolution for dividend for the Financial Year 2013-14 as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 123 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and/or Companies Act 1956, dividend at the rate of 10% (Re.1.00 per equity share of Rs.10 each) be and is hereby declared for the financial year 2013-14, out of the profits of the Company on the 562,08,3335 equity shares of Rs. 10/- each fully paid up to be paid as per the ownership as on closing hours of 19<sup>th</sup> September, 2014.”

3. To re-appoint Mr. C.R. Muralidharan (DIN: 02443277), who retires by rotation and is eligible for re-appointment.

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

4. To re-appoint Mr. Ved Kumar Jain (DIN 00485623), who retires by rotation and is eligible for re-appointment.

“RESOLVED THAT Mr. Ved Kumar Jain (DIN 00485623) 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 2014-15 as Ordinary Resolution:

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013, M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration no. 015125N), be and is hereby re-appointed as the Statutory Auditor of the Company in term of Section 139 of the Companies Act, 2013, to hold the office from conclusion of 8<sup>th</sup> Annual General Meeting of the Company until the conclusion of 9<sup>th</sup> 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. Rajender Mohan Malla (DIN: 00136657) as Managing Director & Chief Executive Officer in accordance with Sections 196, 197,

203 read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to 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. Rajender Mohan Malla 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 5 years or date of superannuation whichever occurs earlier w.e.f. September 27, 2013 and his appointment made shall be in accordance with provision of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provision of the Companies Act, 1956 read with Schedule XIII to 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 RESOLVED THAT 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.”

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

To consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT in supersession of ordinary resolution passed by the shareholders in their Annual General Meeting held on 19<sup>th</sup> August, 2013, and pursuant to Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 and Rules made there under as may be amended, from time to time, the consent of the members be and is hereby accorded to the Board of Directors to borrow monies, from time to time, whether as rupee loans, foreign currency loans, debentures, bonds and/ or other instruments or non-fund based facilities or in any other form (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) from the Banks, Financial Institutions, Investment Institutions, Mutual Funds, Trusts, other Bodies Corporate or from any other source, located in India or abroad, whether unsecured or secured, on such terms and conditions as may be considered suitable by the Board of Directors up to an amount, the aggregate outstanding of which should not exceed, at any given time, Rs. 15,000 crore over and above the aggregate of the paid up share capital and free reserves of the Company.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to negotiate and decide terms and conditions of such borrowings, finalise and execute all such deeds, documents and writings as may be necessary, desirable or expedient, settle any question, difficulty or doubt that may arise in this regard, to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to delegate all or any of these powers to any Committee of Directors or MD & CEO or Whole time Director or Director(s) or any other officer of the Company or any other person.”

8. Creation of security on the properties of the Company in favour of the lenders

To consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT in supersession of ordinary resolution passed by the shareholders in their Annual General Meeting held on 19<sup>th</sup> August, 2013, and pursuant to Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and Rules made there under as may be amended, from time to time, consent of the Company be and is hereby accorded to the Board of Directors for creation of mortgage / hypothecation / pledge/ charge/ security in any form or manner on the properties of the Company whether tangible, intangible or otherwise, both present and future, in favour of lenders of the Company including but not limited to Banks, Financial Institutions, Investment Institutions, Mutual Funds, Trusts, other Bodies Corporate, Trustees for holders of debentures/ bonds and/ or other instruments to secure all credit facilities including rupee loans, foreign currency loans, debentures, bonds and/ or other instruments or non-fund based facilities availed / to be availed by the Company and/ or for any other purpose, from time to time, together with interest, further interest thereon, compound interest in case of default, accumulated interest, liquidated damages, all other costs, charges and expenses payable by the Company in respect of such borrowings.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to negotiate and decide terms and conditions of security, finalise and execute all deeds, documents and writings as may be necessary, desirable or expedient, settle any question, difficulty or doubt that may arise in this regard, do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or desirable and to delegate all or any of these powers to any Committee of Directors or MD & CEO or Whole-time Director or Director(s) or any other officer of the Company or any other person.”

9. Increase in authorized share capital 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 pursuant to the provisions of the Articles of Association of the Company and Section 61 and other applicable provisions, if any, of the Companies Act, 2013, the Authorised Share Capital of the Company be and is hereby increased to Rs 2000,00,00,000/- (Rupees Two Thousand Crores) divided into 125,00,00,000 (One Hundred Twenty Five Crores) Equity Shares of Rs 10/- (Rupees Ten) each and 75,00,00,000 (Seventy Five Crores) Preference Shares of Rs 10/- (Rupees Ten) each.

FURTHER RESOLVED THAT pursuant to Section 13 and other applicable provisions if any, of the Companies Act, 2013, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following Clause V thereof:-

**Clause V**

“The Authorised Share Capital of the Company is Rs 2000,00,00,000/- (Rupees Two Thousand Crores) divided into 125,00,00,000 (One Hundred Twenty Five Crores) Equity Shares of Rs 10/- (Rupees Ten) each and 75,00,00,000 (Seventy Five Crores) Preference Share of Rs 10/- (Rupees Ten) each”.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to comply the legal provisions and do all ancillary and consequential matters and to take such steps and to do such acts, matters and things as they may deem proper and give/send such notices, directions as may be necessary for the purpose of giving effect to the above resolution.”

10. Issuance of non-convertible debentures on private placement basis.

To consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Section 42 and 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, as may be amended, from time to time, subject to the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India (SEBI) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into between the Company and the Stock Exchanges, where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/or sanctions if any ,of SEBI, the Stock Exchanges and other appropriate authorities, including Reserve Bank of India, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company ( hereinafter referred to as the ‘ Board’ which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred hereunder), the consent of the Company be and is hereby given to the Board for making offer(s) or Invitation(s) to subscribe to secured or unsecured redeemable Non-Convertible Debentures (NCDs), to Financial Institutions, Mutual Funds, Banks, Bodies Corporate or any other persons etc., whether Indian or foreign, on private placement basis, in one or more tranches, on such terms and conditions as it may consider proper, up to an amount, the aggregate outstanding of which should not exceed, at any given time, Rs. 15,000 crores

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to negotiate and decide upon the terms and conditions of issuance of NCDs, finalise and execute all deeds, documents and writings as may be necessary, desirable or expedient, settle any question, difficulty or doubt that may arise in this regard, do all such acts, deeds, matters and things including but not limited to delegating of its one or more powers to any Committee of Directors or MD & CEO or Whole-time Director(s) or Director or any other officer of the Company or any other person”.

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

Place: New Delhi  
Date: 29th August, 2014

(Vishal Goyal)  
Company Secretary

**Notes:**

1. AMEMBERENTITLEDTOATTENDANDVOTEATTHEANNUAL GENERALMEETING(The‘MEETING’)ISENTITLEDTOAPPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELFANDTHEPROXYNEEDNOTBEAMEMBER OFTHECOMPANY.APERSONCANACTASPROXYONBEHALF OFMEMBERSNOTEXCEEDINGFIFTY(50)ANDHOLDINGIN THEAGGREGATENOTMORETHANTENPERCENTOFTHETOTALSHARECAPITALOFTHECOMPANY.APROXYFORM IS ENCLOSED. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICEOFTHECOMPANYNOTLESSTHAN48HOURSBEFORE THE COMMENCEMENT OF THE MEETING.

2. The Companies Act, 2013 (New Act) was notified in the gazette of India on 30<sup>th</sup> August, 2013 whilst only certain sections of the New Act became effective from 12th September, 2013. Accordingly, the New Act and the

- Companies Act, 1956 co-exist and both have been mentioned in the Notice, wherever applicable.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
  4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed hereto and forms part of the notice.
  5. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out in the notice is enclosed.
  6. None of the Directors/KMPs of the Company is in anyways related to each other.
  7. The register of Members and Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September, 2014 to 26<sup>th</sup> September, 2014 (both days inclusive).
  8. Members are requested to send all correspondance concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other shares related matter and/or change in address and bank account, to Company's Registrar, Karvy Computershare Pvt. Ltd , Plot no. 17-24, Vitthal Rao Nagar, Madhapur, Hyderabad, 500081.
  9. 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.
  10. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to Karvy Computershare Private Ltd, Registrar & Transfer Agent of the Company in the nominatration form (i.e. Form no. SH 13). In case shares held in dematerilised form, the nomination has to be lodged with the respective depository participant. The nomination form can be downloaded from the Company's website www.ptcfinancial.com, under the section "Investor Relations".
  11. Members who hold shares in physical form are requested to notify immediately any change in their addresses to Karvy Computershare Pvt. Ltd, Registrar and Transfer Agent at Plot no. 17-24, Vitthal Rao Nagar, Madhapur, Hyderabad, 500081 and to their respective depository participants, in case of shares held in electronic mode.
  12. Members desirous of getting any information on any item(s) 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.
  13. 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 am to 1 pm prior to the date of Annual General Meeting.
  14. The Annual Report is also available at the Company's website www.ptcfinancial.com.
  15. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
  16. In case of joint holders attending Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  17. The Company is not providing video conferencing facility for this meeting.
  18. If the Final Dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made as under:
    - I. To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CSDL) as of the close of business hours on 19<sup>th</sup> September 2014.
    - II. To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 19<sup>th</sup> September 2014.
  19. For Electronic Clearing System (ECS) facility for crediting dividend directly to your designated bank accounts, shareholders are requested to give their mandate in the form enclosed.
  20. Members who wish to claim Dividends, which remain unpaid, are requested to correspond with our Registrar and Share Transfer Agent (RTA) i.e. Karvy Computershare Pvt. Ltd. Members are requested to note that dividend not en-cashed / claimed within seven years will be transferred to Investor Education Protection Fund of Government of India. In view of this, members are requested to send all un-cashed dividend warrants pertaining to respective years to Company/ RTA for revalidation and en-cash them before the due date.
  21. The Company has implemented the "Green Initiative" in terms of Section 101 of the Companies Act, 2013 to enable electronic delivery of notices/documents and annual report to Shareholders. 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 hard copies will be dispatched to others. In case any member desires to get hardcopy of annual report, he can write to Company at registered office address or email at [complianceofficer@ptcfinancial.com](mailto:complianceofficer@ptcfinancial.com)
  22. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and in terms of Clause 35B of the Listing Agreement, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means at the 8<sup>th</sup> AGM of the Company by electronic means and the businesses as contained in this notice may be transacted through e-voting. The Company has entered into an arrangement with Karvy Computershare Private Limited for facilitating e-voting for AGM.

#### PROCEDURE AND INSTRUCTIONS FOR E-VOTING

The procedure and instructions for e-voting are as under:

- i. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii. Enter the login credentials (i.e. user-id & password) mentioned on Attendance Slip/ E-mail forwarded through the electronic notice or physical copies sent by courier along with Annual Report and Notice calling the Annual General Meeting.

<b>User – ID</b>	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the company
<b>Password</b>	Your Unique password is printed on the cover sheet / via e-mail forwarded through the electronic notice
<b>Captcha</b>	Enter the Verification Code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.



- iii. Please contact toll free No. 1-800-34-54-001 for any further clarifications.
- iv. The e-voting period commences on 19<sup>th</sup> September, 2014 (9:00 am) and ends on 21<sup>st</sup> September, 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- v. After entering these details appropriately, click on “LOGIN”.
- vi. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-voting platform. System will prompt you to change your password and update any contact details like mobile number, e-mail ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii. You need to login again with the new credentials.
- viii. On successful login, system will prompt to select the ‘Event’ i.e., ‘PTC India Financial Services Ltd.’.
- ix. If you are holding shares in Demat form and had logged on to “https://evoting.karvy.com” and casted your vote earlier for any company, then your exiting login id and password are to be used.
- x. On the voting page, you will see Resolution Description and against the same the option ‘FOR/AGAINST/ABSTAIN’ for voting. Enter the number of shares (which represents number of votes) under ‘FOR/AGAINST/ABSTAIN’ or alternatively you may partially enter any number in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR/AGAINST’ taken together should not exceed your total shareholding. If the shareholder does not want to cast, select ‘ABSTAIN’.
- xi. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xii. Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- xiii. Corporate/Institutional Members (corporate /Fls/Flls/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to ashish Kapoor and associates@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format “Corporate Name\_ Event no.”
- xiv. Mr. Ashish Kapoor (Membership No. 20479) Prop. Ashish Kapoor & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- xv. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

#### Annexure to the Notice

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

##### Item No. 6

Mr. Rajender Mohan Malla (DIN: 00136657) is a Certificated Associate of the Indian Institute of Bankers, Mumbai. Mr. Malla holds two Master’s degrees, in Commerce and Business Administration, from the Faculty of Management Studies, University of Delhi.

Mr. Malla served as the Chairman & Managing Director of IDBI Bank Limited from July 2010 to May 31, 2013. Mr. Malla started his professional career as a Probationary Officer in Syndicate Bank in 1975. He handled various areas of core commercial banking like resource mobilisation, advances to small industries and foreign exchange, etc. He also served as Chairman of IDBI Intech Ltd., IDBI Capital Market Services Ltd, IDBI Asset Management Ltd., IDBI Trusteeship Services Ltd, IDBI Federal Life Insurance Company Ltd. and India SME Asset Reconstruction Company, Ltd. He was also a Director of Export-Import Bank of India and a Non-Executive Director at Tourism Finance Corp. of India Ltd. Mr. Malla has extensive experience in the banking and financial sector.

Present compensation of Mr. R.M. Malla is Rs. 50 Lacs per annum plus company car facility and other benefits, which are admissible as per policy of the Company to Board level position in the Company.

The total remuneration shall be subject to the applicable provisions relating to remuneration as specified under the Companies Act, 2013.

The Board or a duly constituted Committee of the Board of the Company shall be authorized to take decisions on total remuneration and perquisites, periodical increments/variable pay etc. of Mr. Malla and settle all issues relating to his remuneration.

Brief resume and other details of the Director are provided in the annexure to the Explanatory Statement attached herewith.

Mr. R.M. Malla does not have any shareholding in the Company.

No other Director/KMP or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in appointment of Mr. Rajender Mohan Malla except him. The Board recommends the resolution for approval of the shareholders.

##### Item No. 7 & 8

The shareholders of the Company had, in their meeting held on 19<sup>th</sup> August, 2013 increased the borrowing limits of the Company and authorized the Board of Directors to borrow funds, from time to time, for the business of the Company, up to an amount, the aggregate outstanding of which should not exceed, at any given time, Rs. 7500 crores and to create charge on properties of the Company to secure the repayments of the borrowings. Keeping in view, additional fund requirements of the Company, the Board of Directors had, in its meeting held on 1<sup>st</sup> August, 2014, considered and approved, subject to the approval of the shareholders, increasing the borrowing limits of the Company to Rs. 15,000 crores and creation of security on the properties of the Company and recommends Resolution no. 7 & 8 of the accompanying Notice to the shareholders for their approval by way of special resolution. Pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, approval of the shareholders by way of special resolution is required to authorize the Board of Directors to borrow monies up to the said limits and create security in respect thereof.

The Board recommends passing of this resolution in the interest of the Company.

None of the Directors, Key Managerial Personnel (KMP) of the Company and the relative of Directors and KMP is in any way concerned or interested in the proposed resolution.



**Item No. 9**

Increase in Authorized Share Capital of the Company. At present, the Authorized Share Capital of the Company is Rs. 10,00,00,00,000 (Rupees One Thousand Crore) divided into 100,00,00,000 (One Hundred Crore) Equity Shares of Rs. 10/- each. The Company being an NBFC is required to maintain its Capital Adequacy Ratio ("CAR") in line with its regulatory requirement which is 15% (as per current RBI guidelines) and to maintain the same, the Company may also explore the possibility of issuing the further share capital, therefore it needs to increase the Authorised Share Capital of the Company. As such, the Authorized Capital of the Company is proposed to be increased to Rs 2000,00,00,000/- (Rupees Two Thousand Crores) divided into 125,00,00,000 (One Hundred Twenty Five Crores) Equity Shares of Rs 10/- (Rupees Ten) each and 75,00,00,000 (Seventy Five Crores) Preference Share of Rs 10/- (Rupees Ten) each. For increase in Authorised Share Capital, approval of shareholders is required.

The Board recommends passing of this resolution in the interest of the Company.

None of the Directors, Key Managerial Personnel (KMP) of the Company and the relative of Directors and KMP is in any way concerned or interested in the proposed resolution.

**Item No. 10**

Given the Company's future growth plans the Board considers it necessary to augment the long term resources of the Company through issuance of Non-Convertible Debentures (NCDs) which has better acceptability in the market and is very competitive. In view of the same, the Board of Directors has, in its meeting held on 1<sup>st</sup> August, 2014, considered and approved, subject to the

approval of shareholders, issuance of secured/ unsecured redeemable NCDs, in one or more tranches, up to an amount, the aggregate outstanding of which, at any given time, should not exceed Rs. 15,000 crores, on private placement basis. The NCDs to be issued, from time to time, in terms of the said Resolution will be within the overall borrowing limits as may be approved by shareholders, from time to time, under Section 180(1)(c) of the Companies Act, 2013. In terms of Section 42 and 71 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 any offer or invitation for subscription of NCDs to be issued by the Company on private placement basis requires prior approval of Shareholders by way of special resolution. Approval of the shareholders will be valid for one year for all the offers or invitations for NCDs to be made during the said year.

The Board of Directors believes that the proposed offer will be in the best interest of the Company and recommends the resolution for the consideration and approval of the shareholders.

None of the Directors, Key Managerial Personnel (KMP) of the Company and the relative of Directors and KMP is in any way concerned or interested in the proposed resolution.

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

Place: New Delhi  
Date: 29th August, 2014

Sd/-  
(Vishal Goyal)  
Company Secretary

Brief Profile of Directors seeking Appointment/Re-appointment at 8<sup>th</sup> Annual General Meeting

Name	Date of Birth	Qualifications	Number of Shares Held	Expertise	Directorship in other Companies as on 31 <sup>st</sup> March, 2014	Membership/ Chairmanship of Committees other than PFS, as on 31 <sup>st</sup> March, 2014	Relationship between Directors
Mr. Rajender Mohan Malla (DIN: 00136657)	15/05/1953	M.Com, MBA	Nil	Mr. Malla served as the Chairman & Managing Director of IDBI Bank Limited from July 2010 to May 2013. Prior to this, he was Chairman & Managing Director of SIDBI from 2007 to 2010 and Chief Executive Officer of IFCI from 2005 to 2007. Mr. Malla has extensive experience in the banking and financial sector.	Nil	Nil	He is not related with Promoter and other Directors of the Company
Mr. C.R. Muralidharan (DIN: 02443277)	04/11/1947	B Sc, CAIIB	Nil	Mr. C. R Muralidharan was Whole-Time Member of Insurance Regulatory and Development Authority. Prior to joining IRDA, he worked in RBI for more than three decades in various capacities. He assisted International Monetary Fund in two overseas assignments and was associated with several High Level Working Groups on Banking Regulation.	<ol style="list-style-type: none"> <li>1. City Union Bank Ltd.</li> <li>2. ICICI Prudential Asset Management Company Ltd.</li> <li>3. Universal Somo General Insurance Company Ltd.</li> <li>4. GMR Infrastructure Ltd.</li> </ol>	<u>Chairmanship Audit Committee:</u> <ol style="list-style-type: none"> <li>1. Universal Somo General Insurance Company Ltd.</li> </ol> <u>Membership Audit Committee:</u> <ol style="list-style-type: none"> <li>1. City Union Bank Ltd.</li> </ol>	He is not related with Promoter and other Directors of the Company
Mr. Ved Kumar Jain (DIN: 00485623)	15/12/1953	Bachelor of Science, Bachelors of Law, C.A.		Shri Ved Kumar Jain, a member of the ICAI with more than 30 years of standing has held various positions like Chairman and Vice-Chairman of Fiscal Laws Committee and various other Committees. He has also been a member of Income Tax Appellate Tribunal, Ministry of Law, Justice & Company Affairs, Govt. of India. He regularly contributes articles on tax matters to various journals and newspapers. He is a Fellow Chartered Accountant and holds Bachelor's degrees in law, science and economics.	<ol style="list-style-type: none"> <li>1. PTC India Ltd</li> <li>2. IL&amp;FS Engineering and Construction Company Ltd.</li> <li>3. VJ Corporate Advisors Pvt. Ltd.</li> <li>4. Urban Improvement Company Pvt. Ltd.</li> <li>5. DLF Ltd.</li> </ol>	<u>Chairmanships Audit Committee:</u> <ol style="list-style-type: none"> <li>1. IL&amp;FS Engineering and Construction Company Ltd.</li> </ol> <u>Membership Audit Committee:</u> <ol style="list-style-type: none"> <li>1. PTC India Ltd.</li> </ol> <u>Memberships Shareholders' Grievance Committee</u> <ol style="list-style-type: none"> <li>1. PTC India Ltd.</li> <li>2. IL&amp;FS Engineering and Construction Company Ltd.</li> </ol>	He is an Independent Director on the Board of Promoter Company i.e. PTC India Ltd.

## BOARD OF DIRECTORS

The Board of Directors of PFS comprises of:



Mr. Deepak Amitabh  
Chairman



Mr. M. K. Goel  
Director



Dr. Uddesh Kohli  
Director



Mr. Ramarao Muralidharan  
Coimbatore, Director



Mr. Surinder Singh Kohli  
Director



Mr. Ved Kumar Jain  
Director



Mr. Surender Kumar Tuteja  
Director



Mr. Rajender Mohan Malla  
Managing Director & CEO



Dr. Ashok Haldia  
Whole-Time Director



Dr. Pawan Singh  
Whole-Time Director & CFO

## Brief Profile of Directors of PTC India Financial Services Limited

### ➤ Mr. Deepak Amitabh, Chairman (DIN: 01061535)

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 and PFS in the year 2011. 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. Mukesh Kumar Goel (DIN: 00239813)

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 Chairman & Managing Director (Addl. Charge) and 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.

### ➤ Dr. Uddesh Kohli (DIN: 00183409)

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. Ramarao Muralidharan Coimbatore (DIN: 02443277)

In his earlier capacity, Mr. Muralidharan was Whole-Time Member of Insurance Regulatory and Development Authority (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 International Monetary Fund in two overseas assignments and was associated with several High Level Working Groups on Banking Regulation.

### ➤ Mr. Surinder Singh Kohli (DIN: 00169907)

Mr. Kohli is an Independent Director of PFS 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 PFS, 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.

Mr. Kohli also held the chairmanship of Indian Banks' Association, a forum for promoting the interest of banks for two terms and has chaired several committees associated with financial sector policy. A recipient of several awards including the Wharton-Infosys Ltd "Enterprise Transformation Award for Technology".

### ➤ Mr. Ved Kumar Jain (DIN 00485623)

Mr. Ved Kumar Jain is a fellow member of the Institute of Chartered Accountants of India ('ICAI') and holds three Bachelor's degrees - in law, science & economics. Mr. Jain has been President of the Institute of Chartered Accountants of India (ICAI). He was also on the Board of International Federation of Accountants (IFAC) during 2008-2011, a global organization for the accountancy profession comprising of 167 members and associates in 127 countries.

He was also on the Board of Governors of the Indian Institute of Corporate Affairs of the Ministry of Corporate Affairs, Government of India. He has also held the position of 'Member of Income Tax Appellate Tribunal', in the rank of Additional Secretary, Government of India.

Post Satyam episode, Government of India appointed him on the Board of two of the Satyam related companies which he has successfully revived and put both these companies back on track.

He has more than three decades of experience on advising corporates on finance and taxation matters. Mr. Jain specializes in Direct Taxes and has handled complicated tax matters, appeals and tax planning of big corporates. A prolific writer, Mr. Jain has authored many books on direct taxes and is a regular contributor to articles on tax matters in various professional journals and newspapers.

Mr. Jain is on the Boards of IL&FS Financial Services Limited, DLF Limited and several other companies. He is Chairman of Audit Committee, member Nomination and Remuneration and member of Stakeholders Relationship Committee of IL&FS Engineering and Construction Company Limited. He is member of Audit and Stakeholders Relationship Committee of PTC India Limited and member of Nomination & Remuneration and Stakeholder Relationship Committee(s) of DLF Limited.

He is Chairman of Audit Committee and member of Nomination and Remuneration Committee of the company.

### ➤ Mr. Surender Kumar Tuteja (DIN: 00594076)

Mr. Surender Kumar Tuteja is M. Com, Member of the Institute of Company Secretaries of India.

Mr. Tuteja belongs 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

➤ **Mr. Rajender Mohan Malla, Managing Director & CEO (DIN: 00136657)**

Mr. Rajender Mohan Malla is a Certificated Associate of the Indian Institute of Bankers, Mumbai. Mr. Malla, a Commerce graduate from Shri Ram College of Commerce holds two Master's degrees, in Commerce from University of Delhi and MBA, from the Faculty of Management Studies, University of Delhi.

Mr. Malla served as the Chairman & Managing Director of IDBI Bank Limited from July 2010 to May 31, 2013. Prior to this, he was Chairman & Managing Director of SIDBI from 2007 to 2010 and Chief Executive Officer of IFCI from 2005 to 2007. Mr. Malla started his professional career as a Probationary Officer in Syndicate Bank in 1975 and handled various areas of core commercial banking. While in IDBI he also served as Chairman of IDBI Intech Ltd., IDBI Capital Market Services Ltd, IDBI Trusteeship Services Ltd, IDBI Federal Life Insurance Company Ltd., etc. and while in SIDBI, he also acted as Chairman of India SME Asset Reconstruction Company and various committees set up by RBI and Government of India and various subsidiaries of SIDBI. He also served as a Director of Export-Import Bank of India and as vice chairman of Indian Bank Association. Mr. Malla has wide and extensive experience in the banking including development banking and financial sector.

➤ **Dr. Ashok Haldia (DIN: 00818489)**

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 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 has been a member of a number of committees set up by the Government of Rajasthan, the Government of India, ICAI and other national & international bodies.

He was Technical Advisor on Board of International Federation 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 has also been a faculty member in number of management training institutions.

➤ **Dr. Pawan Singh (DIN: 00044987)**

Dr. Singh is Director (Finance) & CFO of the Company and has more than 30 years of experience in financing including infrastructure finance. He has handled high/Board level responsibilities in all areas of power sector value chain i.e. generation, transmission, distribution and financing. He has been responsible for turn around of power companies from loss making to dividend paying.

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. He has served at senior level positions in south eastern railways in the two highest loading divisions. 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 was member of the IRAS and holds MBA and Ph.D. in infrastructure finance.

## PTC India Financial Services Limited DIRECTORS' REPORT

### Dear Shareholders

The Directors have pleasure in presenting you the Eighth Annual Report together with the audited accounts of your Company for the Financial Year 2013-14.

### OVERVIEW

Power or electricity is one of the most critical components of infrastructure and one of the prime drivers of economic growth and social development. India is the fifth largest producer and consumer of electricity in the world after US, China, Japan and Russia. The Indian power sector is one of the most diversified in the world. Sources for power generation range from commercial sources such as coal, lignite, natural gas, oil, hydro and nuclear power to other viable non-conventional sources such as wind, solar and agriculture and domestic waste.

The demand for electricity in the country has been growing at a rapid rate and is expected to grow further in the years to come. Indian Power Sector recorded a capacity addition of about 20,000 MW during FY 2013-14 taking the total installed power generation capacity in the country to about 243,000 MW as at 31st March 2014. The government's policy measures aimed at improving fuel availability and the financial health of state utilities have helped revive the power sector. It is felt that Indian government's FY13 and FY14 policy measures towards solving two key issues - fuel risk and poor financial health of state power utilities are yielding positive results.

The investment climate is very positive in the power sector. Due to policy liberalization, the sector has witnessed higher investment flows than envisaged. The Power Ministry has set a target for adding about 76,000 MW of electricity generation capacity in the 12th Plan (2012-17) and about 93,000 MW in the 13th Plan (2017-2022).

The new government's resolve to pursue economic reforms is set to catalyse the power sector's revival. The stimulation is also seeing an increase in the number of foreign companies interested in participating in the Indian projects. The focus on solving the coal impasse by increasing coal production and assuring coal supply to power plants makes the government's priorities clear. The increased allocation to power in the plan outlay is crucial for sustained growth recovery. The investors have welcomed the move to extend the 10-year tax holiday and the proposed restoration of 'accelerated depreciation' which is expected to go a long way in encouraging investments into the sector. Comprehensive measures for enhancing domestic coal production, more washeries to improve the quality of delivered coal and rationalization of coal linkages are all expected to yield positive results.

India is blessed with an abundance of sunlight, water and biomass and the government is committed to increasingly tap this potential for generation of electricity. The composition of renewable power in the country's installed generation capacity is expected to increase going forward since renewable energy sources and technologies have potential to provide solutions to the long-standing energy problems. India is increasingly adopting responsible renewable energy techniques and taking positive steps towards carbon emissions, cleaning the air and ensuring a more sustainable future. The Indian government has proposed to construct four giant solar energy plants, with a capacity of 1,000MW each, as part of its efforts to accelerate the solar energy program and the Union budget has allocated a sum of Rs. 10,000 million for the solar power sector, a move that is expected to boost energy generation from renewable sources. PFS focuses on attractive opportunities across the infrastructure sector.

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 mainly for providing financial solutions to projects in the energy value chain. The Company has also been accorded the status of Infrastructure Finance Company (IFC) by the RBI in August 2010. The operational and financial performance of the Company during FY 2013-14 has maintained a robust growth momentum.

### FINANCIAL RESULTS

During the year 2013-14, your Company has recorded a total revenue of Rs. 5,461.63 million.

The highlights of the financial results are as under

Particulars	(Rs. in millions)	
	2013-14	2012-13
Income	5,461.63	2,865.22
Expenditure	2,612.77	1,312.33
Profit before tax	2,848.85	1,552.89
Tax expense	771.66	511.32
Profit after tax	2,077.19	1,041.57
Transfer to statutory reserve	415.44	208.31
Transfer to special reserve (in terms of Sec.36(1)(viii) of Income Tax Act, 1961	325.00	200.00

The operational performance was quiet robust and the interest income increased to Rs.4,199.99 million during 2013-14, thereby recording an increase of 67% compared to Rs.2,513.16 million during 2012-13. In line with the same, the borrowings also increased leading to increase in the finance costs which increased to Rs.2,209.55 million during 2013-14 compared to Rs.1,066.17 million during 2012-13. Finance costs include amortization of foreign currency translation which increased to Rs.1,257.04 million in 2013-14 compared to Rs.544.40 million during 2012-13. The Company made a profit of Rs.821.69 million during the year by divesting its equity stake in one of the company. The profit before tax (PBT) stood at Rs.2,848.85 million during 2013-14 as compared to Rs.1,552.89 million during 2012-13, thus recording a growth of 83% whereas profit after tax nearly doubled to Rs.2,077.19 million during 2013-14 as compared to Rs.1,041.57 million during 2012-13.

### OPERATIONAL PERFORMANCE

The debt assistance sanctioned to various projects during 2013-14 aggregated to Rs.25,202 million compared to Rs.40,271 million in 2012-13. However, the disbursements were quite robust at Rs.30,706 million during 2013-14 compared to about Rs.13,000 million during 2012-13. The loan book stood at Rs.49,744 million as at 31st March 2014 whereas the equity investments stood at Rs.3,054 million as on the said date. The cumulative aggregate debt assistance sanctioned as at 31st March 2014 stands at Rs.103,030 million.

The financial assistance sanctioned by PFS 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 outstanding loan book stands at around 35%, thermal projects constitute about 33%. It is worthwhile to mention that renewable portfolio constitutes a maximum portion of PFS' loan book. 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 @ 10% i.e. Re.1.00 per equity share of Rs.10/- each for the financial year 2013-14.

### SHARE CAPITAL

The paid up share capital of the Company as at 31st March 2014 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 2014. The shares of the Company are listed on the National Stock Exchange and Bombay Stock Exchange.



## RESERVES

Out of the profits earned during the financial year 2013-14, the Company has transferred an amount of Rs.415.44 million to Statutory Reserve in accordance with the requirements of Section 45-IC of the Reserve Bank of India Act, 1934. During 2013-14, the Company has also appropriated an amount of Rs.325 million to a reserve created under Section 36(1)(viii) of the Income Tax Act, 1961 in order to achieve tax efficiencies.

## RESOURCE MOBILIZATION

The growth in loan assets 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) arranged term loans aggregating to around Rs.23,083 million from various banks and financial institutions at competitive rates.
- (ii) received funding from IREDA aggregating to Rs.180 million under the "National Clean Energy Fund" (NCEF) to IREDA for on-lending to one solar project being executed in Punjab.

The total borrowings of the Company stood at Rs.38,951 million as at 31st March 2014 compared to Rs.15,868 million as at 31st March 2013. The continuous and persistent efforts made by the Company have enabled it to maintain its overall cost of borrowed funds at about 9.07% for the year and borrow from various banks at their base rates.

The Company raised external commercial borrowings (ECB) aggregating to USD 26 million and USD 50 million from Deutsche Investitions-und Entwicklungsgesellschaft mbH (DEG) and International Finance Corporation (IFC) respectively and has successfully implemented the Environmental and Social Management System (ESMS) as per the new IFC Performance Standards 2012.

PFS has entered into derivative transactions to hedge against the currency risk and interest rate risk on outstanding ECBs, using option structures and such transactions are not for trading or speculative purposes. There are no foreign currency exposures that are not hedged by a derivative instrument or otherwise. PFS has outstanding foreign currency borrowings of USD 74.55 million (Previous Year USD 76.00 million), against which the Company has taken call spread options to hedge the currency risk on principal repayments and cap spread options to hedge the interest rate risk on interest payments.

## REALISATION

The Company gives utmost priority to the realization of the amounts due towards principal and interest. During 2013-14, PFS recovered principle amount of Rs.3,922 million, and interest of Rs.4,118 million. The Company has NIL Net NPAs as at 31st March 2014. During the year 2013-14, the Company has created a provision for contingencies on standard assets amounting to Rs.165.62 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 2014, CRISIL has assigned its highest rating "CRISIL A1+" (pronounced CRISIL A one plus) rating to the proposed Short Term Debt Programme (including Commercial Paper) and "CRISIL A+" rating to the proposed Non-Convertible Debentures of PFS.

The other long term 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 Brickworks.

## 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. 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 2013-14 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 2013-14.

## 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.153.07 million (previous year Rs.140.18 million) in foreign exchange during the year ended 31st March, 2014. This includes interest in external commercial borrowings amounting to Rs.150.76 million (previous year Rs.127.39 million).

## PARTICULARS OF EMPLOYEES

During the financial year ended on 31st March, 2014, 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 2013-14 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 2014. 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 in term of Section 139 of the Companies Act, 2013, 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

Sd/-  
Date : 1st August, 2014  
Place: New Delhi

Sd/-  
Deepak Amitabh  
Chairman  
(DIN: 016061535)



## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Corporate Governance

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures 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 objective is to meet stakeholders' aspirations and societal expectations. The spirit of governance of PTC India Financial Services Limited (PFS) is derived from this philosophy and has been articulated through the Company's various policies. At PFS, we are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, governance processes and focused work environment. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

Being a finance Company, PFS has to regularly pursue businesses that optimise 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 not only adheres to the prescribed corporate governance practices as per Clause 49 of the listing agreement with the stock exchanges in India (listing agreement), but is also committed to sound corporate governance principles and practices. Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. Stakeholders' interests are taken into account, before making any business decision.

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, 2014, the Company's Board comprised of 10 (Ten) 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
2.	Mr. Rajender Mohan Malla*	Managing Director & Chief Executive Officer
3.	Dr. Ashok Haldia	Whole Time Director
4.	Dr. Pawan Singh	Whole Time Director and Chief Financial Officer
5.	Dr. Uddesh Kohli	Non – Executive Director (Independent Director)
6.	Mr. Surender Kumar Tuteja	Non – Executive Director (Independent Director)
7.	Mr. Ramarao Muralidharan Coimbatore	Non – Executive Director (Independent Director)
8.	Mr. Mukesh Kumar Goel	Non – Executive Director
9.	Mr. Ved Kumar Jain	Non – Executive Director (Independent Director)
10.	Mr. Surinder Singh Kohli	Non – Executive Director (Independent Director)

\*Appointed on: 27th September, 2013

### Number of Board Meetings

There were 8 (Eight) Meetings of the Board of Directors held during the financial year ended 31st March, 2014 i.e. on 9th May, 2013 ; 17th May, 2013 ; 27th June, 2013 ; 1st August, 2013 ; 23rd August, 2013 ; 9th October, 2013 ; 19th December, 2013 and 28th January, 2014.

### Board Meetings and Attendance:

S. No	Name	Designation	No. of meetings held	No. of meetings attended	No. of Directorships as on 31st March, 2014 (excluding PFS)	Attendance at the last AGM	Chairmanship/Membership (Audit and Investor Grievance Committee)	
							No. of Chairmanships (excluding PFS)	No. of Memberships (excluding PFS)
1.	Mr. Deepak Amitabh (Appointed as Chairman on : 27th June, 2013)	Chairman	8	8	2	Present	-	-
2.	Mr. Rajender Mohan Malla (Appointed on: 27th September, 2013)	Managing Director & Chief Executive Officer	3	3	0	Not applicable	-	-
3.	Dr. Ashok Haldia	Whole Time Director	8	6	3	Present	-	1
4.	Dr. Pawan Singh	Whole Time Director and Chief Financial Officer	8	6	1	Present	-	-
5.	Dr. Uddesh Kohli	Non – Executive Director (Independent Director)	8	8	5	Present	2	4
6.	Mr. Satya Narayan Goel (Appointed on 27th June, 2013 Resigned on: 27th September, 2013)	Former Managing Director & Chief Executive Officer	2	2	Not applicable	Present	Not applicable	Not applicable
7.	Mr. Ramarao Muralidharan Coimbatore	Non – Executive Director (Independent Director)	8	7	4	Absent	1	1
8.	Mr. Mukesh Kumar Goel	Non – Executive Director	8	4	5	Absent	-	-
9.	Mr. Surinder Singh Kohli	Non – Executive (Independent Director)	8	8	8	Absent	3	5
10.	Mr. Ved Jain	Non-Executive Director (Independent Director)	8	7	5	Present	1	3
11.	Mr. Surender Kumar Tuteja	Non-Executive Director (Independent Director)	8	6	14	Absent	4	5
12.	Mr. Ram Tirath Agarwal (Appointed on 27th June, 2013 Resigned on: 20th January, 2014)	Non – Executive Director (Independent Director)	4	2	Not applicable	Present	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 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.

Details of shareholding of Directors and their relatives as on 31st March, 2014 are as under:

Sr. No.	Name of the Director	No. of shares
1.	Mr. Deepak Amitabh	3,500
2.	Dr. Uddesh Kohli	3,500
3.	Mrs. Anita Kohli (wife of 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 of Directors.
- 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 the 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](http://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, 2014.

#### 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, 2014, 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. 50 crores)
- 9) Compensation Committee for ESOP

#### 1. 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
- 5A. 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.
6. Reviewing, with the management, performance of Statutory and Internal Auditors and adequacy of internal control systems.
7. Discussion with internal auditors any significant findings and follow up there on.
8. 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.
9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. 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.
11. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 12A. 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.

The Committee is presently chaired by Mr. Ved Jain, Independent Director during the financial year ended 31st March, 2014. The composition of Audit Committee during the financial year ended 31st March, 2014 and meeting attended by members are as follows:

S. No.	Name of Member	Designation	No.ofmeetings heldduringthe year	No.ofmeetings attended duringtheyear
1.	Mr. Ved Jain	Chairperson	4	4
2.	Mr. Ramarao Muralidharan Coimbatore	Member	4	4
3.	Dr. Uddesh Kohli	Member	4	4

The Chairperson of the Audit Committee was present at the last Annual General Meeting held on 19th August, 2013 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, 2014, 4 meetings of Audit Committee were held on 17th May, 2013; 1st August, 2013; 9th October, 2013 and 28th January, 2014.

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, 2014 the Committee comprises of the following members:

S. No.	Name of the Director	Designation	No.ofmeetings heldduringthe year	No.ofmeetings attended duringtheyear
1	Mr. Deepak Amitabh	Chairman	6	6
2.	Mr. Rajender Mohan Malla*	Member	Not applicable	Not applicable
3.	Dr. Uddesh Kohli	Member	6	6
4.	Mr. Surinder Singh Kohli	Member	6	6
5.	Mr. Ved Jain	Member	6	5
6.	Mr. Mukesh Kumar Goel	Member	6	5
7.	Mr. Surender Kumar Tuteja#	Member	3	3

\*Appointed as member on 9th October, 2013.

# Appointed as member on 27th June, 2013.

During the financial year ended 31st March, 2014, 6 meetings of Nomination Committee were held on 12th April, 2013; 27th April, 2013; 28th May, 2013; 5th July, 2013; 27th July, 2013 and 23rd August, 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, 2014, 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	3	3
2.	Mr. Rajender Mohan Malla*	Member	1	1
3.	Dr. Ashok Haldia	Member	3	3
4.	Mr. Ramarao Muralidharan Coimbatore	Member	3	3
5.	Mr. Surinder Singh Kohli	Member	3	3
6.	Dr. Pawan Singh	Member	3	3

\* Appointed as member on 9th October, 2013.

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 financial year ended 31st March, 2014, 3 meetings of Asset Liability Management Committee were held on 27th June, 2013; 24th September, 2013 and 19th December, 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, 2014 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.	Mr. Surinder Singh Kohli	Chairman	3	3
2.	Mr. Rajender Mohan Malla*	Member	1	1
3.	Dr. Ashok Haldia	Member	3	3
4.	Mr. Ramarao Muralidharan Coimbatore	Member	3	3
5.	Dr. Pawan Singh	Member	3	3

\* Appointed as member on 9th October, 2013

During the financial year ended 31st March, 2014, 3 meetings of Risk Management Committee were held on 27th June, 2013; 24th September, 2013 and 19th December, 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, 2014 comprised of the following members:

S. No.	Name of the Director	Designation
1.	Dr. Uddesh Kohli	Member
2.	Mr. Rajender Mohan Malla*	Member
3.	Dr. Ashok Haldia	Member
4.	Mr. Ramarao Muralidharan Coimbatore	Member

\* Appointed as member on 9th October, 2013

During the financial year ended 31st March, 2014, no meeting of Shareholders' and Investors Grievance Committee was held.

#### 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, 2014

S. No.	Type of investor	No. of Complaints received during the financial year ended 31st March, 2014	No. of complaints pending as on 31st March, 2014
1	Equity Shareholders	31	Nil
2	Bondholders	745	2

#### Address and Details for correspondence

##### Mr. Vishal Goyal

Company Secretary and Compliance Officer

##### Registered Office

7th Floor,  
Telephone Exchange Building,  
8 Bhikaji Cama Place,  
New Delhi - 110 066  
E-mail: [complianceofficer@ptcfinancial.com](mailto:complianceofficer@ptcfinancial.com)

#### 6. Remuneration Committee

The Remuneration Committee was constituted pursuant to Board resolution dated 13th December, 2010. During the financial year ended 31st March, 2014 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. Surinder Singh Kohli	Member	1	1
2.	Dr. Uddesh Kohli	Member	1	1
3.	Mr. Ved Jain	Member	1	1

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

During the financial year ended 31st March, 2014, 1 meeting of Remuneration Committee was held on 19th December, 2013.

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

The Chairman 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, 2014 as resolved by the Board of Directors in their meeting held on 17th May, 2012.

#### 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 including pension rights and any compensation payment.

## Remuneration to Directors

The remuneration paid to the Whole-time Directors during the financial year ended 31st March, 2014 is as under:

Name of Director	(Rs. in lacs)				
	Salary and Perquisites allowances	Contribution to provident fund	Commission	Total	ESOP
Mr. R.M. Malla#	27.13	-	1.38	-	28.51
Dr. Ashok Haldia	51.41	3.74	2.53	-	57.68
Dr. Pawan Singh	46.71	-	2.27	-	48.98

# Appointed on: 27th September, 2013

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

## 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. Rajender Mohan Malla*	Member
3.	Dr. Ashok Haldia	Member
4.	Dr. Uddesh Kohli	Member
5.	Dr. Pawan Singh	Member

\* Appointed as member on 9th October, 2013

During the financial year ended 31st March, 2014, no meeting of Committee of Directors for issuance of Bonds was held.

## 8. Investment Committee (for sanction of financial assistance upto Rs. 50 crores)

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. 50 crores, subject to an overall limit by Rs.500 crores in a financial year. During the financial year ended 31st March, 2014 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.	Mr. Deepak Amitabh	Chairman	3	3
2.	Mr. Rajender Mohan Malla*	Member	1	1
3.	Dr. Ashok Haldia	Member	3	3
4.	Dr. Uddesh Kohli	Member	3	3
5.	Dr. Pawan Singh	Member	3	3
6.	Mr. Surender Kumar Tuteja#	Member	2	2

\* Appointed as member on 9th October, 2013

# Appointed as member on 27th June, 2013.

During the financial year ended 31st March, 2014, 3 meetings of Committee of Directors were held on 12th June, 2013; 11th July, 2013 and 26th February, 2014.

## 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, 2014 the committee comprises of the following members:

S. No.	Name of the Director	Designation
1.	Mr. Deepak Amitabh	Member
2.	Mr. Rajender Mohan Malla*	Member
3.	Mr. Surinder Singh Kohli	Member
4..	Dr. Uddesh Kohli	Member

\*Appointed as member on 9th October, 2013.

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

During the financial year ended 31st March, 2014, no meetings of Compensation Committee for ESOP were held.

Disclosures stipulated under the SEBI Guidelines are mentioned as annexure and note number 3(d) forming part of the financial statements.

## 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
7th AGM	19/08/2013	Monday	11:30 AM	FICCI Auditorium, 1 Federation House, Tansen Marg, New Delhi-110001.	None
6th AGM	21/09/2012	Friday	11:30 AM	FICCI Auditorium, 1 Federation 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.	Amendment in Article of Association of Company to remove the in-operative of Article of Association.

## Special Resolution and Postal Ballot

No resolution has been passed through postal ballot during the financial year ended 31st March, 2014. 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 as on 31st March, 2014.

## Holding Companies

PTC India Limited is the holding company of the Company.

## Disclosures

- 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 30 forming part of the financial statements.
- 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.
- 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.

#### 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 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,  
Vittal Rao Nagar Madhapur,  
Hyderabad 500 081.

#### CEO/CFO certification

As required by the revised Clause 49 of the Listing Agreement, the Certificate duly signed by Mr. Rajender Mohan Malla, Managing Director & CEO and Dr. Pawan Singh, Director (Finance) & CFO was placed before the Board of Directors at the meeting held on 30th April, 2014.

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

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

#### Shareholders Information

##### 1) Annual General Meeting

Date	Time	Venue
26th September 2014	11:30 a.m.	Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi-Gurgaon Road, Delhi Cantt, New Delhi- 110010

##### 2) Financial calendar for year ended 31st March, 2014

Particulars	Date
Financial year	1st April, 2013 to 31st March, 2014
Un-audited financial results for the first three quarters	Un-audited financial results for the first three quarters were announced on 1st August, 2013; 9th October, 2013 and 28th January, 2014.
Annual financial results	30th April, 2014.

##### 3) Tentative Financial calendar for year ending 31st March, 2015

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 20th September, 2014 to 26th September, 2014 inclusive of both days.

##### 5) Payment of Dividend

Final Dividend details for financial year 2013-2014

The Board of Directors in its meeting held on 30th April, 2014 has recommended a dividend @ 10% i.e. Re. 1/- per equity share (on the face value of Rs. 10 each) for the financial year ended 31st March 2014, 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 19th September, 2014.

##### 6) Listing on Stock Exchanges

PFS shares are listed on the following stock exchanges:

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

The annual listing fees for the financial year ending 31st March, 2015 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

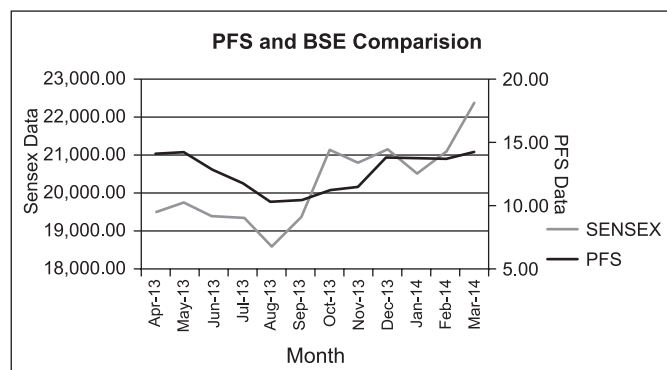
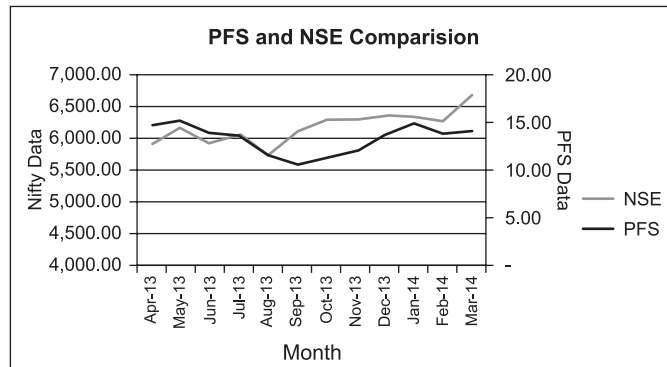
### NSE

Month	High (Rs.)	Low (Rs.)	Close (Rs.)
April, 2013	14.90	13.55	14.75
May, 2013	15.50	13.85	15.30
June, 2013	14.40	12.25	14.00
July, 2013	13.90	11.30	13.70
August, 2013	12.25	9.35	11.65
September, 2013	10.80	9.95	10.60
October, 2013	11.75	10.45	11.35
November, 2013	12.25	11.10	12.00
December, 2013	14.20	11.45	13.75
January, 2014	15.35	13.00	14.95
February, 2014	14.25	12.70	13.85
March, 2014	14.70	13.00	14.15

### BSE

Month	High (Rs.)	Low (Rs.)	Close (Rs.)
April, 2013	14.95	13.65	14.14
May, 2013	15.49	13.82	14.26
June, 2013	14.40	12.30	12.85
July, 2013	14.30	11.60	11.83
August, 2013	12.25	9.50	10.25
September, 2013	10.85	10.01	10.47
October, 2013	11.84	10.45	11.28
November, 2013	12.30	11.06	11.51
December, 2013	14.20	11.50	13.80
January, 2014	15.35	13.05	13.81
February, 2014	14.22	12.71	13.73
March, 2014	14.70	12.95	14.18

## 8) Performance in comparison to indices



## 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 Karvy Computershare Private Limited, Registrar and Share Transfer Agent. 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.

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.

The 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.

## 11) Distribution of shareholding

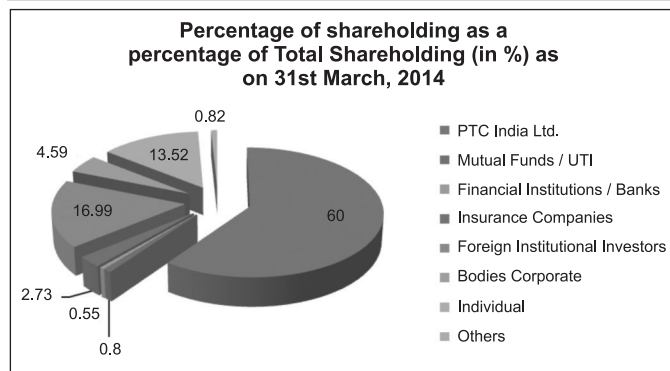
- Distribution of shareholding as on 31st March, 2014

S. No.	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	62,740	74.63	63,909,610.00	1.14
2	5001 - 10000	8,462	10.07	76,116,070.00	1.35
3	10001 - 20000	5,185	6.17	85,724,560.00	1.53
4	20001 - 30000	1,858	2.21	49,291,520.00	0.88
5	30001 - 40000	1,876	2.23	67,364,380.00	1.20
6	40001 - 50000	892	1.06	42,861,770.00	0.76
7	50001 - 100000	2,009	2.39	147,480,060.00	2.62
8	100001 & ABOVE	1,050	1.25	5,088,085,380.00	90.52
	<b>Total:</b>	<b>84,072</b>	<b>100.00</b>	<b>5,620,833,350.00</b>	<b>100.00</b>



- Shareholding pattern as on 31st March, 2014

S. No.	Description	Cases	Shares	% Equity
1	Banks	6	3,114,087	0.55
2	Clearing Members	133	507,721	0.09
3	Foreign Financial Investor	2	68,133,334	12.12
4	Foreign Institutional Investor	24	27,345,823	4.87
5	H U F	1,179	4,081,634	0.73
6	Insurance Companies	2	15,340,277	2.73
7	Bodies Corporates	704	25,806,554	4.59
8	Mutual Funds	3	4,514,316	0.80
9	Non Resident Indians	500	2,876,523	0.51
10	Promoters Bodies Corporate	1	337,250,001	60.00
11	Resident Individuals	81,517	73,110,315	13.01
12	Trusts	1	2,750	0.00
	<b>Total:</b>	<b>84,072</b>	<b>562,083,335</b>	<b>100.00</b>



## 12) Dematerialization of shares

Number of shares held in dematerialized and physical mode as on 31st March, 2014.

S. No.	Description	No of Holders	Shares	% To Equity
1	PHYSICAL	37,496	46,509	0.01
2	NSDL	30,196	531,213,791	94.51
3	CDSL	16,380	30,823,035	5.48
	<b>Total:</b>	<b>84,072</b>	<b>562,083,335</b>	<b>100.00</b>

- 13) 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

7th Floor,  
Telephone Exchange Building,  
8, Bhikaji Cama Place,  
New Delhi - 110 066  
Tel.: +91 11 26737300  
Fax: +91 11 26737373  
E-mail: [complianceofficer@ptcfincial.com](mailto:complianceofficer@ptcfincial.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 a non-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 i.e. [www.ptcfincial.com](http://www.ptcfincial.com). 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, 2014.
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, 2014, 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, 1st August, 2014

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

We Certify to the Board that --

- a. We have reviewed financial statements and the cash flow statement for the year 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/-  
**Dr. Pawan Singh**  
Director (Finance) & CFO  
(DIN: 00044987)

Sd/-  
**R.M. Malla**  
Managing Director & CEO  
(DIN: 00136657)

Place: New Delhi  
Date: April 30, 2014

**Details in respect of the PTC India Financial Services Ltd. Employees Stock Option Scheme pursuant to Clause 12 of SEBI (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999 as on 31.03.2014.**

Sr. No.	Description	Particulars of Employee Stock Option Scheme -2008 :-1” tranche		Particulars of Employee Stock Option Scheme -2008 :- 2” tranche
		Category of Participants	Exercise Price	Exercise Price
A.	Options granted	10,075,000		10,075,000
B	Pricing formula	Founder Member Options	Rs. 10	N.A.
		Growth Options	Rs. 16	Rs. 16
C	Options vested	630,000		510,000
	Options exercised	NIL		NIL
	The Total number of Shares arising as a result of exercise of Options	NIL		NIL
	Options lapsed, surrendered and forfeiture	9,445,000		9,565,000
G	Variation of terms of Options	NIL		NIL
H	Money realized by exercise of Options	NIL		NIL
I	Total number of Options in force	630,000		510,000
J	Details of options granted to :			
	i) Senior Managerial Personnel :	ESOPs granted to the Senior Management has 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.	630,000 granted to one employee (information in respect of stock options outstanding as at 31.03.2014)	510,000 granted to one employee (information in respect of stock options outstanding as at 31.03.2014)	
	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
K	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 to note no. 31 in the Audited Financial Statements for the year ended March 31, 2014		
L	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 to note no. 31 in the Audited Financial Statements for the year ended March 31, 2014		
	iii) The impact of this difference on Profits and on EPS of the Company.	Refer to note no. 31 in the Audited Financial Statements for the year ended March 31, 2014		
M	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.		
N.	A description of the method and significant assumptions used during the year to estimate the fair values of options	Refer to note no. 3 (d) in the Audited Financial Statements for the year ended March 31, 2014		

## 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 among the fastest growing economies globally. India's infrastructure sector is attracting foreign investors due to attractive valuations and various new opportunities in sectors such as renewable energy. Foreign investors and large renewable players, are either snapping up assets in this segment or setting up projects in India. India aims to add 76,000 MW by the end of the 12th Five-Year Plan, where almost three-fifths of capacity is expected to be built by private companies. The power segment is expected to get the lion's share of investment outlay in 12th Five Year Plan. Newer opportunities are coming up in power generation, transmission, distribution, equipment and servicing, government promoting private sector participation in transmission and distribution sector, privatization of distribution franchises, focus on improving efficiency etc.

### Financial and Operational Performance

The year 2013-14 saw a shift in the composition of income of PFS. Interest income increased to Rs.4,199.99 million in 2013-14 compared to Rs.2,513.16 million in 2012-13, thus, recording a growth of 67% whereas, total income increased to Rs.5,461.63 million in 2013-14 compared to Rs.2,865.22 million in 2012-13. Interest income constituted about 77% of the total income compared to 88% in the preceding year. During 2013-14, PFS earned a profit of Rs.821.69 million by way of long term capital gains on divestment of its stake in Meenakshi Energy Private Limited. Profit before Tax (PBT) of the Company increased to Rs.2,848.85 million in 2013-14 compared to Rs.1,552.89 million in 2012-13. Similarly, profit after tax (PAT) increased to Rs.2,077.19 in 2013-14 compared to Rs.1,041.57 million in 2012-13, thus registering growth of 99%. The above position is after consideration of the following:

- (i) Income of Rs.821.69 million during 2013-14 on account of profit on sale of equity investments compared to Rs. Nil during 2012-13.
- (ii) Finance costs for the year 2013-14 include Rs.15.84 million as a onetime expense incurred for raising funds through ECBs and loan from banks compared to Rs.34.37 million during 2012-13.
- (iii) Amortization of foreign currency translation amounting to Rs.125.70 million during 2013-14 compared to Rs.54.44 million during 2012-13.
- (iv) Provision for contingencies amounting to Rs.165.62 million made during 2013-14 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 2013-14 increased to Rs.2,612.77 million from Rs.1,312.33 million in 2012-13. Finance costs increased to Rs.2,209.54 million during 2013-14 from Rs.1066.17 million during 2012-13. Employee benefits expense increased to Rs.74.01 million in 2013-14 from Rs.58.17 million during 2012-13 and other expenses increased to Rs.120.49 million in 2013-14 from Rs.95.75 million in 2012-13.

The amount of debt assistance sanctioned during 2012-13 aggregated to Rs.25,202 million. The disbursements were quite robust at Rs.30,706 million during 2013-14 compared to Rs.13,000.71 million during 2012-13. The loan book stood at Rs.49,744 million as at 31st March 2014 whereas the equity investments stood at Rs.3,054 million as on the said date. The cumulative aggregate debt assistance sanctioned as at 31st March 2014 stands at Rs.103,030 million.

The financial assistance sanctioned by PFS 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 outstanding loan book stands at around 35%, thermal projects constitute about 33%. It is worthwhile to mention that renewable portfolio constitutes a maximum portion of PFS' loan book. 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.

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.

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 and 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 remained hard during 2013-14. Despite that, PFS was able to control 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 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.

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 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 stood at around 35% in the total loan book as at 31st March 2014. 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.

Indian power sector is witnessing rise of interest from global players in the European and Asian regions. The sector is attracting foreign investors due to attractive valuations, new opportunities in sectors such as renewable energy. The reasonable valuations have played a part in reviving investor interest in the power sector, and rupee's depreciation, has further sweetened such deals for foreign buyers.

Power segment is expected to get the lion's share of investment outlay in 12th Five Year Plan and NBFCs are expected to play an increasing role in overall funding. It is estimated that the contribution from NBFCs would increase significantly in the 12th Five Year Plan which provides enormous opportunities to PFS. Newer opportunities are coming up in power generation, transmission, distribution, equipment and servicing, government promoting private sector participation in transmission and distribution sector, privatization of distribution franchises, focus on improving efficiency etc.

PFS focuses on attractive opportunities across the infrastructure sector. The total debt assistance sanctioned has already crossed Rs.10,000 crore mark and the outstanding loan book has shown impressive growth during FY 2013-14. The disbursements have been quite robust during the previous financial year. PFS continues to focus its energies on lending outside coal based power projects for infrastructure facilities such as power transmission, coal mining, private railway sidings etc and will continue to evaluate niche opportunities across energy value chain.

#### **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, 2014, 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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) 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, 2014;
- (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

1. 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.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
  - (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

**Jaideep Bhargava**  
(Partner)  
(Membership No. 090295)

GURGAON, April 30, 2014



## 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 regards to size of the Company and the nature of its business with regard to purchase of fixed assets and the sale of goods and services. There are no purchases of inventory during the year. During the course of our audit, we have not observed any major weakness in such internal control system.
- (iv) 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, Sales 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, Sales Tax and other material statutory dues in arrears as at March 31, 2014 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 and Cess 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, 2014 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* (₹ in lacs.)
Income-Tax Act, 1961	Income Tax	Commissioner Appeals	2009-10	764.82
Income-Tax Act, 1961	Income Tax	Commissioner Appeals	2010-11	812.21

\*Amount as per demand orders including interest and penalty wherever indicated in the order after netting off with the amount paid under protest.

- (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, 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 give 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 ₹ 108,721.46 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) According to the information and explanations given to us, the Company has not raised money by way of public issue during the year.
- (xviii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

**Jaideep Bhargava**  
(Partner)  
(Membership No. 090295)

GURGAON, April 30, 2014

**PTC India Financial Services Limited**  
**BALANCE SHEET AS AT MARCH 31, 2014**

(₹ in lacs)

Particulars		Note no.	As at March 31, 2014	As at March 31, 2013
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	a. Share capital	3	56,208.33	56,208.33
	b. Reserves and surplus	4	78,681.34	66,405.66
			134,889.67	122,613.99
<b>2</b>	<b>Non-current liabilities</b>			
	a. Long-term borrowings	5	235,229.67	94,565.79
	b. Deferred tax liabilities (net)	6	2,487.02	1,426.78
	c. Long-term provisions	7	2,883.80	1,199.97
			240,600.49	97,192.54
<b>3</b>	<b>Current liabilities</b>			
	a. Short-term borrowings	8	141,730.00	58,679.92
	b. Trade payables	9	332.13	346.38
	c. Other current liabilities	10	17,244.70	8,437.21
	d. Short-term provisions	11	6,579.21	2,633.13
			165,886.04	70,096.64
			<b>541,376.20</b>	<b>289,903.17</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	a. Fixed assets			
	-Tangible assets	12	2,386.27	2,179.93
	-Intangible assets	12	15.36	3.39
	-Capital work-in-progress	12	129.18	78.06
			2,530.81	2,261.38
	b. Non-current investments	13	40,102.31	52,922.29
	c. Long-term loans and advances	14	453,077.58	207,219.86
	d. Other non-current assets	15	3,922.89	3,258.81
			499,633.59	265,662.34
<b>2</b>	<b>Current assets</b>			
	a. Current investments	16	-	1,499.37
	b. Trade receivables	17	26.27	27.79
	c. Cash and cash equivalents	18	3,344.17	6,792.82
	d. Short-term loans and advances	19	16,597.25	4,229.42
	e. Other current assets	20	21,774.92	11,691.43
			41,742.61	24,240.83
			<b>541,376.20</b>	<b>289,903.17</b>
	See accompanying notes forming part of the financial statements	1-37		

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

For and on behalf of the Board of Directors

Sd/-  
**Jaideep Bhargava**  
Partner

Sd/-  
**Rajender Mohan Malla**  
Managing Director and CEO  
DIN:00136657

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

Sd/-  
**Vishal Goyal**  
Company Secretary

Place: Gurgaon  
Date : April 30, 2014

Place : New Delhi  
Date : April 30, 2014

**PTC India Financial Services Limited**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

(₹ in lacs)

Particulars		Note no.	For the year ended March 31, 2014	For the year ended March 31, 2013
1	Revenue from operations	21	54,613.75	28,628.12
2	Other income	22	2.50	24.11
3	<b>Total revenue (1 + 2)</b>		<b>54,616.25</b>	<b>28,652.23</b>
4	<b>Expenses</b>			
a.	Employee benefits expense	23	740.10	581.69
b.	Finance costs	24	22,095.45	10,661.72
c.	Contingent provision against standard assets		1,656.18	516.38
d.	Depreciation and amortisation expenses	12	431.00	406.06
e.	Other expenses	25	1,204.99	957.46
	<b>Total expenses</b>		<b>26,127.72</b>	<b>13,123.31</b>
5	<b>Profit before tax (3-4)</b>		<b>28,488.53</b>	<b>15,528.92</b>
6	<b>Tax expense :</b>			
a.	Current tax		6,656.40	4,190.00
b.	Deferred tax charge		1,060.24	923.20
			<b>7,716.64</b>	<b>5,113.20</b>
7	<b>Profit for the year (5 -6)</b>		<b>20,771.89</b>	<b>10,415.72</b>
	Earnings per equity share:			
	- Basic	31	3.70	1.85
	- Diluted	31	3.70	1.85
	<b>See accompanying notes forming part of the financial statements</b>	<b>1-37</b>		

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

Sd/-  
**Jaideep Bhargava**  
Partner

For and on behalf of the Board of Directors

Sd/-  
**Rajender Mohan Malla**  
Managing Director and CEO  
DIN:00136657

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

Sd/-  
**Vishal Goyal**  
Company Secretary

Place: Gurgaon  
Date : April 30, 2014

Place : New Delhi  
Date : April 30, 2014

**PTC India Financial Services Limited**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

(₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>A. Cash flow from operating activities</b>		
Profit before tax	28,488.53	15,528.92
<u>Adjustments for:</u>		
Depreciation and amortisation expenses	431.00	406.06
Provision for diminution in non-current unquoted trade investments	214.29	214.29
Contingent provision against standard assets	1,656.18	516.38
Employee stock options expenses	(55.51)	11.49
Loss on sale of fixed assets	1.63	1.75
Finance costs	22,095.45	10,661.72
	<b>52,831.57</b>	<b>27,340.61</b>
Operating profit before working capital changes		
<u>Changes in working capital</u>		
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Long-term provisions	27.65	10.67
Trade payables	(14.25)	(310.32)
Other current liabilities	42.36	(97.74)
Short-term provisions	0.42	1.84
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Non-current investments (including advance for equity subscription)	12,393.29	(11,314.03)
Long-term loans and advances	(245,909.91)	(97,529.03)
Current investment	1,499.37	(1,499.37)
Trade receivables	1.52	34.49
Short-term loans and advances	(12,155.43)	9,957.44
Other current assets	(10,083.49)	(5,318.93)
Cash used in operations	(201,366.90)	(78,724.37)
Net income tax (paid)	(6,607.59)	(4,494.32)
<b>Net cash flow from operating activities</b>	<b>(207,974.49)</b>	<b>(83,218.69)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(701.93)	(87.22)
Proceeds from sale of fixed assets	-	0.42
<b>Net cash flow from investing activities</b>	<b>(701.93)</b>	<b>(86.80)</b>

(₹ in lacs)

Particulars		For the year ended March 31, 2014	For the year ended March 31, 2013
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Share application money refunded	-	(0.53)
	Proceeds from long-term borrowings	149,422.99	28,904.22
	Repayment of long-term borrowings	(5,526.82)	(4,001.36)
	Proceeds from short-term borrowings (net)	83,050.08	55,869.92
	Finance costs (including premium on derivative contracts)	(19,090.47)	(10,486.92)
	Dividends paid	(2,245.91)	-
	Tax on dividend	(382.10)	-
	<b>Net cash flow from financing activities</b>	<b>205,227.77</b>	<b>70,285.33</b>
	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,448.65)</b>	<b>(13,020.16)</b>
	Cash and cash equivalents at the beginning of the year	6,792.82	19,812.98
	<b>Cash and cash equivalents at the end of the year</b>	<b>3,344.17</b>	<b>6,792.82</b>
	Cheques on hand	829.01	233.51
	Balance with banks		
	-In current accounts	693.42	595.54
	-In deposit accounts	1,630.10	5,723.63
	-In earmarked accounts *		
	i. Unclaimed share application money lying in escrow account	1.82	1.82
	ii Unclaimed interest accrued on debentures	187.40	238.32
	ii Unclaimed dividend	2.42	-
		<b>3,344.17</b>	<b>6,792.82</b>
	* The Company can utilise earmarked balances only towards settlement of related liabilities.		
	See accompanying notes forming part of the financial statements		

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

Sd/-  
Jaideep Bhargava  
Partner

For and on behalf of the Board of Directors

Sd/-  
Rajender Mohan Malla  
Managing Director and CEO  
DIN:00136657

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

Sd/-  
Vishal Goyal  
Company Secretary

Place: Gurgaon  
Date : April 30, 2014

Place : New Delhi  
Date : April 30, 2014



## PTC India Financial Services Limited

### Notes forming part of the financial statements

#### 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 ₹ 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:

- 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.
- Fee based incomes are recognised when reasonable right of recovery established and the revenue can be reliably measured.
- Dividend is accounted when the right to receive is established.
- 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 Borrowing costs**

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan.

## **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 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.

## **2.13 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.

#### **2.14 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 and provision against restructured loans, in accordance with the RBI guidelines.

#### **2.15 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

### 3. Share capital

Particulars	(₹ in lacs)	
	As at March 31, 2014	As at March 31, 2013
<u>Authorised:</u>		
1,000,000,000 (previous year 1,000,000,000) equity shares of ₹ 10 each	100,000.00	100,000.00
<u>Issued, subscribed and paid up:</u>		
562,083,335 (previous year 562,083,335) equity shares of ₹ 10 each fully paid up	56,208.33	56,208.33
	<b>56,208.33</b>	<b>56,208.33</b>

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, 2014, dividend of ₹ 1.00 per share (previous year ₹ 0.40 per share) 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, 2014		As at March 31, 2013	
	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, 2014		As at March 31, 2013	
	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, 2014		As at March 31, 2013	
	Growth options	Founder member options	Growth options	Founder member options
Outstanding at the beginning of the year	4,337,600	10,000	4,382,600	10,000
Less: Forfeited/ surrendered during the year	3,197,600	10,000	45,000	-
Outstanding as at the end of the year	1,140,000	-	4,337,600	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 was no history of dividend declaration by the Company as at the grant date, hence the dividend yield had been considered as Nil.

#### 4. Reserves and surplus

Particulars	(₹ in lacs)	
	As at March 31, 2014	As at March 31, 2013
<b>a. Securities premium account</b>		
Opening balance	38,423.57	38,423.57
Add/less: Movement during the year	-	-
Closing balance	<u>38,423.57</u>	<u>38,423.57</u>
<b>b. Statutory reserve</b>		
[in terms of Section 45-IC of the Reserve Bank of India Act, 1934]		
Opening balance	6,585.09	4,501.95
Add: Transferred from surplus in Statement of Profit and Loss	4,154.38	2,083.14
Closing balance	<u>10,739.47</u>	<u>6,585.09</u>
<b>c. Special reserve</b>		
[in term of section 36(1) (viii) of the Income Tax Act, 1961]		
Opening balance	2,000.00	-
Add: Transferred from surplus in Statement of Profit and Loss	3,250.00	2,000.00
Closing balance	<u>5,250.00</u>	<u>2,000.00</u>
<b>d. Share options outstanding account</b>		
Opening balance	80.40	68.91
Add: Net charge for the year (refer note 23)	(55.51)	11.49
Closing balance	<u>24.89</u>	<u>80.40</u>
<b>e. Surplus in Statement of Profit and Loss</b>		
Opening balance	21,695.67	17,993.52
Add: Profit for the year	20,771.89	10,415.72
Less: Transferred to statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(4,154.38)	(2,083.14)
Less: Transferred to special reserve u/s 36(1) (viii) of the Income Tax Act, 1961	(3,250.00)	(2,000.00)
Less: Proposed dividend on equity shares ( ₹ 1.00 per share (previous year ₹ 0.40 per share))	(5,620.83)	(2,248.33)
Less: Tax on proposed equity dividend	(955.26)	(382.10)
Closing balance	<u>28,487.09</u>	<u>21,695.67</u>
<b>f. Foreign currency monetary items translation difference account</b>		
Opening balance (Debit)	(2,379.07)	(868.99)
Add/ (less): Effect of foreign exchange rate variations during the year (net)	(3,121.65)	(2,054.48)
Add/ (Less): Amortisation for the year (refer note 24)	1,257.04	544.40
Closing balance (Debit)	<u>(4,243.68)</u>	<u>(2,379.07)</u>
	<b>78,681.34</b>	<b>66,405.66</b>

#### 5. Long-term borrowings

Particulars	As at March 31, 2014			As at March 31, 2013		
	Non-current	Current	Total	Non-current	Current	Total
<b>Secured</b>						
a. Infrastructure bonds (i)	20,169.10	-	20,169.10	20,169.10	-	20,169.10
b. Debentures (ii)	9,000.00	3,333.33	12,333.33	12,333.34	3,333.33	15,666.67
c. Rupee term loans from banks (iii)	161,269.74	7,440.88	168,710.62	21,087.62	1,308.60	22,396.22
d. External commercial borrowings from financial institutions (iv)	43,035.83	1,734.78	44,770.61	40,975.73	793.87	41,769.60
e. Rupee term loans from financial institution (v)	1,755.00	45.00	1,800.00	-	-	-
	<u>235,229.67</u>	<u>12,553.99</u>	<u>247,783.66</u>	<u>94,565.79</u>	<u>5,435.80</u>	<u>100,001.59</u>
Less:- Amount transferred to Other current liabilities (refer note 10)	-	12,553.99	12,553.99	-	5,435.80	5,435.80
	<u>235,229.67</u>	<u>-</u>	<u>235,229.67</u>	<u>94,565.79</u>	<u>-</u>	<u>94,565.79</u>

#### 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 31, 2016 are secured by way of first charge on the receivables of the assets created from the proceeds of infrastructure bonds 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. First and second installment of ₹3,333.33 lacs each has been paid during the year ended March 31, 2013 and March 31, 2014.

900 (previous year 900) privately placed 10.50% secured redeemable non-convertible debentures of ₹1,000,000 each (Series 3) amounting to ₹ 9,000 lacs were 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 from 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 10.25% to 10.75% p.a. The loans carry various repayment schedules according to their respective sanctions and thus are repayable in 21 to 48 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) so that lenders should have at least 100%/ 110% security coverage on its outstanding loan at all times during the currency of the loan. Additionally, some 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 32/36 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. Repayment of 2 quarterly installments amounting to USD 14,44,444 (₹88,490,250) on one of the ECB loans was made during year 2013-14.
- v. Term loan from financial institution carries interest rate of 2% p.a. The loan is repayable in 40 equal quarterly installments. The loan is secured by first pari-passu charge on all present & future receivables of the loan assets of the Company (which are not specifically charged/to be charged in favor of other lenders of the Company i.e. except the charge created/to be created in favor of specific lender/s for receivables of the specific loan assets created/ to be created out of their loan proceeds), so that lenders should have at least 100% security coverage on its outstanding loan at all time during the currency of the loan.
- vi. In terms of the RBI circular (Ref. No. DNBS(PD) CC No.333 / 03.02.001 / 2013-14 dated July 1, 2013) no borrowings remained overdue as at March 31, 2014 (previous year ₹Nil).

#### 6. Deferred tax liabilities (net)

Particulars	(₹ in lacs)	
	As at March 31, 2014	As at March 31, 2013
<u>Tax effect of items constituting deferred tax liabilities</u>		
a. Difference between book balance and tax balance of fixed assets	615.44	720.93
b. Foreign currency monetary items translation difference account	1,442.43	808.64
c. Special reserve under section 36(1)(viii) of Income Tax Act, 1961	1,784.48	679.80
	<b>3,842.35</b>	<b>2,209.37</b>
<u>Tax effect of items constituting deferred tax assets</u>		
a. Share issue expenses	72.59	145.18
b. Provision for employees benefits	25.02	15.47
c. Contingent provision against standard assets	956.25	393.31
d. Accrued expenses deductible on payment	56.32	56.32
e. Provision for diminution in non-current unquoted trade investments	245.15	172.31
	<b>1,355.33</b>	<b>782.59</b>
<b>Deferred tax liabilities (net)</b>	<b>2,487.02</b>	<b>1,426.78</b>

#### 7. Long-term provisions

a. Provision for gratuity (Refer note 28)	31.35	17.48
b. Provision for compensated absences (Refer note 28)	34.12	22.66
c. Provision for other employees benefits	5.01	2.69
d. Contingent provision against standard assets (refer note i and ii below)	2,813.32	1,157.14
	<b>2,883.80</b>	<b>1,199.97</b>

#### Notes:

- i. 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.333 / 03.02.001 / 2013-14 dated July 1, 2013)
- ii. Movement in contingent provision against standard assets during the year is as under:
- |                           |                 |                 |
|---------------------------|-----------------|-----------------|
| Opening balance           | 1,157.14        | 640.76          |
| Additions during the year | 1,656.18        | 516.38          |
| Closing balance           | <b>2,813.32</b> | <b>1,157.14</b> |

#### 8. Short-term borrowings

##### Secured

a. Term loans from banks	141,730.00	58,679.92
	<b>141,730.00</b>	<b>58,679.92</b>



**Notes:**

- i. Term loans from banks are secured by first pari passu charge on all present and future receivables of the standard loan assets of the company except the charge created/ to be created in favour of specific lender(s) for receivables of the specific loan assets created/ to be created out of their loan proceeds, so that lenders should have at least 100%/ 110% security coverage on their outstanding loan at all times during the currency of the loan.
- ii. In terms of the RBI circular (Ref. No. DNBS(PD) CC No.333 / 03.02.001 / 2013-14 dated July 1, 2013) no borrowings remained overdue as at March 31, 2014 (previous year ₹Nil).

**9. Trade payables**

Particulars	(₹ in lacs)	
	As at March 31, 2014	As at March 31, 2013
Trade payables (Other than micro and small enterprises)	332.13	346.38
	<b>332.13</b>	<b>346.38</b>

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)	12,553.99	5,435.80
b. Interest accrued but not due on borrowings	4,402.61	2,703.93
c. Unclaimed interest on debentures	187.40	238.32
d. Unclaimed dividend	2.42	-
e. Income received in advance	79.50	49.06
f. Statutory remittances	16.96	5.04
g. Payables on purchase of fixed assets	-	3.24
h. Unclaimed equity share application money	1.82	1.82
	<b>17,244.70</b>	<b>8,437.21</b>

**Note:-** No amount of unclaimed dividend, unclaimed interest on debentures and unclaimed equity share application money was due for transfer to the Investor Education and Protection fund under Section 205C of the Companies Act, 1956 as at the Balance Sheet date.

**11. Short-term provisions**

a. Provision for gratuity (Refer note 28)	0.64	0.85
b. Provision for compensated absences (Refer note 28)	2.48	1.85
c. Proposed equity dividend	5,620.83	2,248.33
d. Tax on proposed equity dividend	955.26	382.10
	<b>6,579.21</b>	<b>2,633.13</b>

**12. Fixed assets**

Assets description	Gross block				Accumulated depreciation/amortisation			Net block		
	Balances at March 31, 2013	Additions	Disposals	Balances at March 31, 2014	Balances at March 31, 2013	Expense for the year	Adjustments	Balances at March 31, 2014	Balances at March 31, 2014	Balances at March 31, 2013
<b>Tangible assets</b>										
a. Leasehold improvements	-	330.06	-	330.06	-	43.95	-	43.95	286.11	-
b. Building	11.94	-	-	11.94	1.85	0.50	-	2.35	9.59	10.09
c. Plant and machinery (Wind mill)	3,522.75	-	-	3,522.75	1,385.32	327.67	-	1,712.99	1,809.76	2,137.43
d. Office equipments	10.46	137.21	2.76	144.91	3.66	13.66	1.13	16.19	128.72	6.80
e. Computers	25.64	74.98	-	100.62	16.45	22.94	-	39.39	61.23	9.19
f. Furniture and fixtures	4.13	70.96	-	75.09	1.49	9.35	-	10.84	64.25	2.64
g. Vehicles	19.34	18.29	-	37.63	5.56	5.46	-	11.02	26.61	13.78
<b>Sub total</b>	<b>3,594.26</b>	<b>631.50</b>	<b>2.76</b>	<b>4,223.00</b>	<b>1,414.33</b>	<b>423.53</b>	<b>1.13</b>	<b>1,836.73</b>	<b>2,386.27</b>	
Previous year	3,587.98	9.02	2.74	3,594.26	1,015.93	398.96	0.56	1,414.33	-	2,179.93
<b>Intangible assets</b>										
a. Software	14.17	19.44	-	33.61	10.78	7.47	-	18.25	15.36	3.39
<b>Sub total</b>	<b>14.17</b>	<b>19.44</b>	<b>-</b>	<b>33.61</b>	<b>10.78</b>	<b>7.47</b>	<b>-</b>	<b>18.25</b>	<b>15.36</b>	
Previous year	14.17	-	-	14.17	3.68	7.10	-	10.78	-	3.39
<b>Total</b>	<b>3,608.43</b>	<b>650.94</b>	<b>2.76</b>	<b>4,256.61</b>	<b>1,425.11</b>	<b>431.00</b>	<b>1.13</b>	<b>1,854.98</b>	<b>2,401.63</b>	
Previous year	3,602.15	9.02	2.74	3,608.43	1,019.61	406.06	0.56	1,425.11	-	2,183.32
Capital work-in-progress									129.18	78.06
									<b>2,530.81</b>	<b>2,261.38</b>

### 13. Non-current investments

(₹ in lacs)

Particulars	Face Value (₹ per share)	Quantity (Nos.)	As at March 31, 2014	Quantity (Nos.)	As at March 31, 2013
<b>Unquoted trade investments (at cost as reduced by diminution in value, if any)</b>					
<b>a. Investments in fully paid up equity instruments of:</b>					
<b>i. Associate companies</b>					
-R.S. India Wind Energy Private Limited (formerly known as R.S. India Wind Energy Limited)	10	61,121,400	6,112.14	61,121,415	6,112.14
-PTC Bermaco Green Energy Systems Limited (sold during the year)	10	-	-	1,374,646	137.46
-Varam Bio Energy Private Limited	10	4,390,000	439.00	4,390,000	439.00
			<b>6,551.14</b>		<b>6,688.60</b>
<b>ii. Other companies</b>					
-Ind-Barath Energy (Utkal) Limited (ceased to be an associate w.e.f. May 25, 2012)	10	105,000,000	10,500.00	105,000,000	10,500.00
-East Coast Energy Private Limited	10	133,385,300	13,338.53	133,385,343	13,338.53
-Meenakshi Energy and Infrastructure Holding Private Limited (# ₹ 10)	10	1	#	1	#
-Meenakshi Energy Private Limited (sold during the year)	10	-	-	124,682,340	12,468.23
-Indian Energy Exchange Limited	10	1,516,400	151.64	1,516,431	151.64
			<b>23,990.17</b>		<b>36,458.40</b>
<b>b. Investments in fully paid up optionally convertible debentures of:</b>					
<b>i. Associate companies</b>					
-Varam Bio Energy Private Limited	500,000	90	428.58	90	428.58
<b>ii. Other companies</b>					
-Mytrah Energy (India) Limited	3,333,333	300	10,000.00	300	10,000.00
			<b>40,969.89</b>		<b>53,575.58</b>
Less: Provision for diminution in value of investments in an associate company			867.58		653.29
			<b>40,102.31</b>		<b>52,922.29</b>

### 14. Long-term loans and advances

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Secured, considered good</b>		
a. Loan financing	471,007.85	215,665.87
Less:-Current maturities transferred to "Other current assets" (refer note 20)	19,062.53	9,629.21
	<b>451,945.32</b>	<b>206,036.66</b>
<b>Unsecured, considered good</b>		
a. Capital advances	-	3.37
b. Advance to employees	32.13	33.13
c. Security deposits	69.75	67.50
d. Advance income tax (net of provision of ₹ 17,299.11 lacs (previous year ₹ 10,642.71 lacs))	1,029.50	1,078.32
e. Advance fringe benefit tax (net of provision of ₹ 0.28 lacs (previous year ₹ 0.28 lacs))	0.88	0.88
	<b>453,077.58</b>	<b>207,219.86</b>

#### Note:

Loans are secured by:

- Hypothecation of assets and / or
- Mortgage of property and / or
- Trust and retention account and / or
- Bank guarantee, Company guarantee or personal guarantee and / or
- Assignment of receivables or rights and / or
- Pledge of shares and / or
- Undertaking to create a security

### 15. Other non-current assets

a. Premium on derivative contracts*	3,922.89	3,258.81
	<b>3,922.89</b>	<b>3,258.81</b>

\* In respect of hedging foreign currency risk.

## 16. Current investments

Particulars	(₹ in lacs)	
	As at March 31, 2014	As at March 31, 2013
a. Investments in unquoted non-trade mutual funds of face value of ₹ 1000 each		
Reliance liquid fund	-	1,499.37
(Repurchase price ₹ Nil (previous year ₹ 1,503.65 lacs))	-	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	26.27	27.79
	<b>26.27</b>	<b>27.79</b>

## 18. Cash and cash equivalents :

a. Cheques on hand	829.01	233.51
b. Balance with banks		
-In current accounts	693.42	595.54
-In deposit accounts (refer notes i to ii below)	1,630.10	5,723.63
-In earmarked accounts		
i. Unclaimed share application money lying in escrow account	1.82	1.82
ii. Unclaimed interest on debentures	187.40	238.32
iii. Unclaimed dividend	2.42	-
	<b>3,344.17</b>	<b>6,792.82</b>

### Notes:

- Balances with banks include deposits ₹ 815.10 lacs (previous year ₹ 785.20 lacs) with remaining maturity of more than 12 months from the balance sheet date.
- Balances with banks include deposits ₹ Nil lacs (previous year ₹ 235.05 lacs) deposits as margin money against bank guarantee.

## 19. Short-term loans and advances

### Secured, considered good

a. Loans financing	16,000.00	3,500.00
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### Unsecured, considered good

a. Prepaid expenses	25.01	82.70
b. Security deposits	-	235.05
c. Advance for equity subscription	-	287.60
d. Balances with government authorities	28.21	42.91
e. Advance to employees	27.34	13.14
f. Receivables from sale of investment	500.00	-
g. Other receivables	16.69	68.02
	<b>16,597.25</b>	<b>4,229.42</b>

## 20. Other current assets

a. Current maturities of long term loan financing	19,062.53	9,629.21
b. Interest accrued and due on		
-Loan financing	816.55	747.24
c. Interest accrued but not due on		
-Fixed deposits	55.93	228.86
-Loan financing	1,789.61	1,035.82
-Debentures	50.30	50.30
	<b>21,774.92</b>	<b>11,691.43</b>

## 21. Revenue from operations

(₹ in lacs)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Interest income from</b>		
a. Loan financing	40,799.93	24,303.06
b. Debentures	1,200.00	828.49
<b>Other operating income</b>		
a. Dividend income on non-current unquoted trade investments in equity shares	45.49	30.33
b. Profit on sale of investments		
- Non-current unquoted trade investments in equity shares	8,216.91	-
- Current unquoted non-trade investment in mutual funds	146.79	190.44
c. Interest on fixed deposits	621.71	891.21
d. Fee based income	3,120.53	1,895.66
e. Sale of power	462.39	488.93
	<b>54,613.75</b>	<b>28,628.12</b>
<b>22. Other income</b>		
a. Interest income	2.50	0.88
b. Excess provision written back	-	23.23
	<b>2.50</b>	<b>24.11</b>
<b>23. Employees benefits expense</b>		
a. Salaries and other allowances	666.34	463.79
b. Contributions to provident fund (Refer note 28)	31.10	24.08
c. Employee stock option (ESOP) scheme	(55.51)*	11.49
d. Staff welfare expenses	98.17	82.33
	<b>740.10</b>	<b>581.69</b>
*Due to forfeiture/ surrender of Employee Stock options		
<b>24. Finance costs</b>		
<b>Interest expense on:</b>		
a. Infrastructure bonds	1,913.21	1,795.96
b. Debentures	1,475.48	1,823.51
c. Rupee term loans from banks	15,781.10	4,877.26
d. Rupee term loans from financial institutions	0.10	-
e. External commercial borrowings from financial institutions	1,507.56	1,273.92
f. Delayed payment of income tax	1.90	-
<b>Other borrowing cost on :</b>		
a. Rupee term loans from banks	55.06	28.76
b. Other charges on external commercial borrowings from financial institutions	103.34	314.95
c. Bank charges	0.66	2.96
d. Amortisation of foreign currency translation	1,257.04	544.40
	<b>22,095.45</b>	<b>10,661.72</b>

## 25. Other expenses

Particulars	(₹ in lacs)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
a. Rent	335.20	187.84
b. Repairs and maintenance		
- Plant and machinery	74.49	71.76
- Others	51.65	20.14
c. Insurance	16.27	17.88
d. Rates and taxes	0.74	6.70
e. Commission and brokerage	0.80	32.20
f. Communication	13.87	10.74
g. Travelling and conveyance	53.53	52.74
h. Advertising and business development	34.55	42.71
i. Donation	0.45	-
j. Legal and professional	201.81	175.42
k. Auditors' remuneration:-		
-For statutory audit	9.50	9.50
-For limited review of quarterly unaudited results	9.00	9.00
-For tax audit	2.00	2.00
-For other certification	5.39	5.15
-For out of pocket expenses	0.50	0.50
l. Loss on fixed assets sold	1.63	1.75
m. Provision for diminution in non-current unquoted trade investments	214.29	214.29
n. Advances written off	61.78	-
o. Directors' sitting fees	20.61	18.67
p. Miscellaneous expenses	96.93	78.47
	<b>1,204.99</b>	<b>957.46</b>

## 26. Contingent liabilities and commitments in respect of:

Particulars	(₹ in lacs)	
	As at March 31, 2014	As at March 31, 2013
Contingent liabilities		
- Income tax	2,605.81	997.02
Commitments		
- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	86.30	655.86
- Loan financing	34,931.02	19,006.66
- Equity subscription	-	5,244.17

## 27. Employee stock options plan

Effect of fair valuation of employee stock options on financial position

### (a) Impact on profitability

Particulars	(₹ in lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
Profit for the year	20,771.89	10,415.72
Add: Employee stock compensation under intrinsic value method	(55.51)	11.49
Less: Employee stock compensation under fair value method	(599.58)	78.22
Pro forma profit	<b>21,315.96</b>	<b>10,348.99</b>

### (b) Impact on basic/diluted EPS

Particulars		
	Year ended March 31, 2014	Year ended March 31, 2013
- As reported (in ₹)		
Basic	3.70	1.85
Dilutive	3.70	1.85
- As pro forma (in ₹)		
Basic	3.80	1.84
Dilutive	3.80	1.84

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, 2014	Year ended March 31, 2013
Employer's contribution to provident fund	31.10	24.08

(b) Defined benefit plans

Changes in the present value of the defined benefit obligation:

(₹ in lacs)

Particulars	Gratuity		Compensated absences	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Opening defined benefit obligation	18.33	10.77	24.51	22.25
Current service cost	7.68	5.65	9.52	8.06
Interest cost	1.47	0.86	1.96	1.78
Benefits paid	-	-	-	(1.44)
Actuarial loss / (gain)	4.51	1.05	0.61	(6.14)
<b>Closing defined benefit obligation</b>	<b>31.99</b>	<b>18.33</b>	<b>36.60</b>	<b>24.51</b>
<b>Disclosure of defined benefit into</b>				
Long-term provisions	31.35	17.48	34.12	22.66
Short-term provisions	0.64	0.85	2.48	1.85

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

(₹ in lacs)

Particulars	Gratuity		Compensated absences	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Closing defined benefit obligation	31.99	18.33	36.60	24.51
Closing fair value of plan assets	-	-	-	-
<b>Net asset/(liability) recognised in balance sheet</b>	<b>(31.99)</b>	<b>(18.33)</b>	<b>(36.60)</b>	<b>(24.51)</b>

Expense recognised in the Statement of Profit and Loss:

(₹ in lacs)

Particulars	Gratuity		Compensated absences	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Current service cost	7.68	5.65	9.52	8.06
Interest cost	1.47	0.86	1.96	1.78
Net actuarial loss / (gains)	4.51	1.05	0.61	(6.14)
<b>Net expense</b>	<b>13.66</b>	<b>7.56</b>	<b>12.09</b>	<b>3.70</b>
Experience adjustment on actuarial loss/(gain) for present value obligation	4.49	1.02	(0.59)	(6.23)

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

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Discounting rate	8.50%	8.00%
Future salary increase	6.00%	5.50%

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

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, 2012		Year ended March 31, 2011		Year ended March 31, 2010	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Defined benefit obligation	10.77	22.24	6.27	19.11	0.57	3.76
Net asset / (liability)	(10.77)	(22.24)	(6.27)	(19.11)	(0.57)	(3.76)
Experience adjustment on actuarial (gain)/loss for present value obligation	(0.14)	(2.26)	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 (ceased to be an associate w.e.f. March 31, 2014)
	:	R.S. India Wind Energy Private Limited (formerly 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)
Key management personnel	:	Shri Rajender Mohan Malla (w.e.f. September 27, 2013)
	:	Dr. Ashok Haldia
	:	Dr. Pawan Singh

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

##### (i) Transactions with holding company

Particulars	(₹ in lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
Rent paid (gross)	41.10	121.35
Expenses reimbursed *	23.46	443.82
Expenses recovered	17.43	11.73

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

##### (ii) Transactions with key management personnel

Particulars	(₹ in lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
Reimbursement of expenses		
Shri Rajender Mohan Malla	0.67	-
Dr. Ashok Haldia	2.35	1.87
Dr. Pawan Singh	1.95	1.93
Remuneration paid		
Shri Rajender Mohan Malla	28.51	-
Dr. Ashok Haldia	57.68	59.63
Dr. Pawan Singh	48.98	48.96

##### (iii) Transactions with associates companies

Particulars	(₹ in lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
<b>Provision for diminution in investment in debenture</b>		
Varam Bio Energy Private Limited	214.29	214.29
<b>Loan financing written off</b>		
Varam Bio Energy Private Limited	61.78	-
<b>Investment balances outstanding at the balance sheet date without considering provision for diminution:</b>		
PTC Bermaco Green Energy Systems Limited	-	137.46
R.S. India Wind Energy Private Limited (formerly known as R.S. India Wind Energy Limited)	6,112.14	6,112.14
Varam Bio Energy Private Limited	439.00	439.00
<b>Investment in debentures as at the balance sheet date without considering provision for diminution:</b>		
Varam Bio Energy Private Limited	428.28	428.58
<b>Loan financing as at balance sheet date without considering provision for diminution:</b>		
Varam Bio Energy Private Limited	-	61.78

31. Earnings per share

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit after tax attributable to equity shareholders (₹ in lacs) (a)	20,771.89	10,415.72
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)	3.70	1.85
Add: ESOP expenses (₹ in lacs) (c)	(55.51)	11.49
Profit after tax attributable to equity shareholders (₹ in lacs) before ESOP expenses [(d) = (a) + (c)]	20,716.38	10,427.21
Effect of potential dilutive equity shares on Employee Stock Options outstanding (e)	-	2,908
Weighted average number of equity shares in computing diluted earnings per share [(f) = (b) + (e)]	562,083,335	562,086,243
Diluted earnings per share of face value ₹ 10 each (in ₹) (d) / (f)	3.70	1.85

32. The percentage holding and the investment in associate companies as at March 31, 2014 is given below:

Name of the associate company	Country of incorporation	% holding	Face value (₹ per share)	Asat March 31, 2014 (₹ in lacs)	Asat March 31, 2013 (₹ in lacs)
PTC bermaco Green Energy Systems Ltd.	India	26%	10	-	137.46
R.S. India Wind Energy Private Limited (formerly 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				6,551.14	6,688.60

33. Total number of electricity units generated and sold during the year 12,698,361 KWH (previous year 13,380,365 KWH).

34. Expenditure incurred in foreign currency (accrual basis)

(₹ in lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Fees for external commercial borrowings	17.09	122.08
Interest on external commercial borrowings	1,507.56	1,273.92
Travelling and other	6.07	5.77
<b>Total</b>	<b>1,530.72</b>	<b>1,401.77</b>

35. 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, 2014	As at March 31, 2013
<b>Future minimum lease payments</b>		
- not later than one year	307.81	292.33
- later than one year and not later than five years	926.50	1,234.34
Lease payments recognised in the Statement of Profit and Loss during the year	292.33	73.16

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

Schedule to the  
Balance Sheet of a 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) Directions, 2007

(₹ in lacs)

Particulars			
<b>Liabilities side:</b>			
(1)	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>	<b>Amount out-standing</b>	<b>Amount overdue</b>
	(a) Debentures : Secured	32,502.43	-
	: Unsecured		
	(other than falling within the meaning of public deposits*)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	215,281.23	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (short term bank loan)	141,730.00	-

Assets side:		Amount out-standing
(2)	<b>Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:</b>	
	(a) Secured	487,007.85
	(b) Unsecured	725.40
(3)	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	
	(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)	<b>Break-up of Investments:</b>	
	Current Investments:	
	1. Quoted:	
	(i) Shares: (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	2. Unquoted:	
	(i) Shares: (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-

Long Term investments:	
1. Quoted:	
(i) Shares: (a) Equity	-
(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)	30,102.31
(b) Preference	-
(ii) Debentures and Bonds (net of provisions)	10,000.00
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
<b>Total</b>	<b>40,102.31</b>

(5)	<b>Borrower group-wise classification of assets financed as in (2) and (3) above:</b>			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties	487,007.85	725.40	487,733.25
	<b>Total</b>	<b>487,007.85</b>	<b>725.40</b>	<b>487,733.25</b>

(6)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>		
	Category	Market Value / Break up or fair	Book value (net of provisions)
	1. Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	6,112.14
	2. Other than related parties	-	33,990.17
	<b>Total</b>	<b>-</b>	<b>40,102.31</b>

(7)	<b>Other information</b>	
	Particulars	Amount
	(i) Gross Non-Performing Assets	
	(a) Related parties	428.58
	(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.333 / 03.02.001 / 2013-14 dated July 1, 2013

**I. Capital Adequacy Ratio**

	(₹ in lacs)
	<b>As at March 31, 2014</b>
Tier I Capital	134,889.67
Tier II Capital	2,813.32
<b>Total Capital</b>	<b>137,702.99</b>
Total Risk Weighted Assets	545,710.59
<b>Capital Ratios</b>	
Tier I Capital as a percentage of total risk assets (%)	24.72
Tier II Capital as a percentage of total risk assets (%)	0.51
<b>Total Capital (%)</b>	<b>25.23</b>

**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, 2014.

**III. Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as at March 31, 2014.

(₹ 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
<b>Liabilities</b>									
Borrowings from banks	5,000.00	9,800.00	1,860.22	64,190.22	68,320.44	27,423.43	40,715.10	93,131.21	310,440.62
Market Borrowings	-	-	-	3,333.33	45.00	19,295.15	4,461.20	7,167.75	34,302.43
ECB	-	-	433.69	433.69	867.40	10,037.52	10,975.81	22,022.50	44,770.61
<b>Total</b>	<b>5,000.00</b>	<b>9,800.00</b>	<b>2,293.91</b>	<b>67,957.24</b>	<b>69,232.84</b>	<b>56,756.10</b>	<b>56,152.11</b>	<b>122,321.46</b>	<b>389,513.66</b>
<b>Assets</b>									
Receivables under financing	5,525.63	87.54	13,595.02	4,064.15	11,790.19	95,698.49	87,003.04	269,243.79	487,007.85
Investment (Gross)	-	-	-	10,500.00	-	10,000.00	-	19,602.31	40,102.31
<b>Total</b>	<b>5,525.63</b>	<b>87.54</b>	<b>13,595.02</b>	<b>14,564.15</b>	<b>11,790.19</b>	<b>105,698.49</b>	<b>87,003.04</b>	<b>288,846.10</b>	<b>527,110.16</b>

For and on behalf of Board of Directors

Sd/-  
Rajender Mohan Malla  
Managing Director & CEO  
DIN:00136657

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

Sd/-  
Vishal Goyal  
Company Secretary

Place: New Delhi  
Date : April 30, 2014

## PTC India Financial Services Limited

CIN: L65999DL2006PLC153373

Registered Office: 7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi - 110 066

Tel: +91 11 26737300 Fax: +91 11 26737373

Website: www.ptcfinancial.com E-mail: info@ptcfinancial.com

### PROXY FORM

(Pursuant to Section 105(6) of the Companies Act and Rule 19(3) of the Companies (Management and Administration) Rules, 2014  
8<sup>th</sup> Annual General Meeting- 26<sup>th</sup> September 2014

Name of the Member(s):	
Registered Address:	
E-mail:	
Folio No./Client ID No.:	
DP ID No.:	

I/We, being the member(s) of M/s ..... holding ..... shares of the above named Company, hereby appoint:

Name:	Address:
E-mail Id:	Signature:

or falling him/her

Name:	Address:
E-mail Id:	Signature:

or falling him/her

Name:	Address:
E-mail Id:	Signature:

or falling him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8<sup>th</sup> Annual General Meeting of the company, to be held on Friday, 26<sup>th</sup> September 2014 at 11:30 a.m., at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi-Gurgaon Road, Delhi Cantt, New Delhi- 110 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number.	Resolution
<b>Ordinary Business</b>	
1.	To receive, consider and adopt the audited Balance Sheet as at 31 <sup>st</sup> March 2014, 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 2013-14
3.	To re-appoint Mr. C.R. Muralidharan (DIN: 02443277), who retires by rotation and is eligible for re-appointment.
4.	To re-appoint Mr. Ved Kumar Jain (DIN: 00485623), who retires by rotation and is eligible for re-appointment.
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 2014-15 as Ordinary Resolution
<b>Special Business</b>	
6.	To appoint Mr. Rajender Mohan Malla (DIN: 00136657) as Managing Director & Chief Executive Officer in accordance with Sections 196, 197, 203 read with Schedule V to the Companies Act, 2013
7.	Increase in borrowing power of the Board of Directors of the Company
8.	Creation of security on the properties of the Company in favour of the lenders
9.	Increase in authorized share capital of the Company
10.	Issuance of non-convertible debentures on private placement basis.

Signed this ..... day of ..... 2014

Signature of Member .....

Signature of Proxy holder(s) .....

**Note:**

- This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.

Affix  
Revenue  
Stamp not  
less than  
Re. 0.15





## PTC India Financial Services Limited

CIN: L65999DL2006PLC153373

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Tel: +91 11 26737300 Fax: +91 11 26737373

Website: www.ptcfinancial.com E-mail: info@ptcfinancial.com

### ATTENDANCE SLIP

Regd. Folio No./DP Client ID	No. of shares
------------------------------	---------------

I certify that I am member / proxy for the member of the company.

I hereby record my presence at the 8<sup>th</sup> Annual General Meeting of the Company to be held on 26<sup>th</sup> September, 2014 at 11.30 a.m. at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi-Gurgaon Road, Delhi Cantt, New Delhi- 110010.

.....  
Name of member / proxy  
(in BLOCK Letters)

.....  
Signature of member / proxy

**Note:** Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint holders may obtain attendance slip on request.





## PTC India Financial Services Limited

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### 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 1 <sup>st</sup> 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 1<sup>st</sup> holder

\_\_\_\_\_  
Signature of 2<sup>nd</sup> holder

\_\_\_\_\_  
Signature of 3<sup>rd</sup> holder

Registered Address: \_\_\_\_\_

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











## **PTC INDIA FINANCIAL SERVICES LIMITED**

(A Subsidiary of PTC India Limited)

CIN: L65999DL2006PLC153373

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8 Bhikaji Cama Place, New Delhi - 110 066

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