



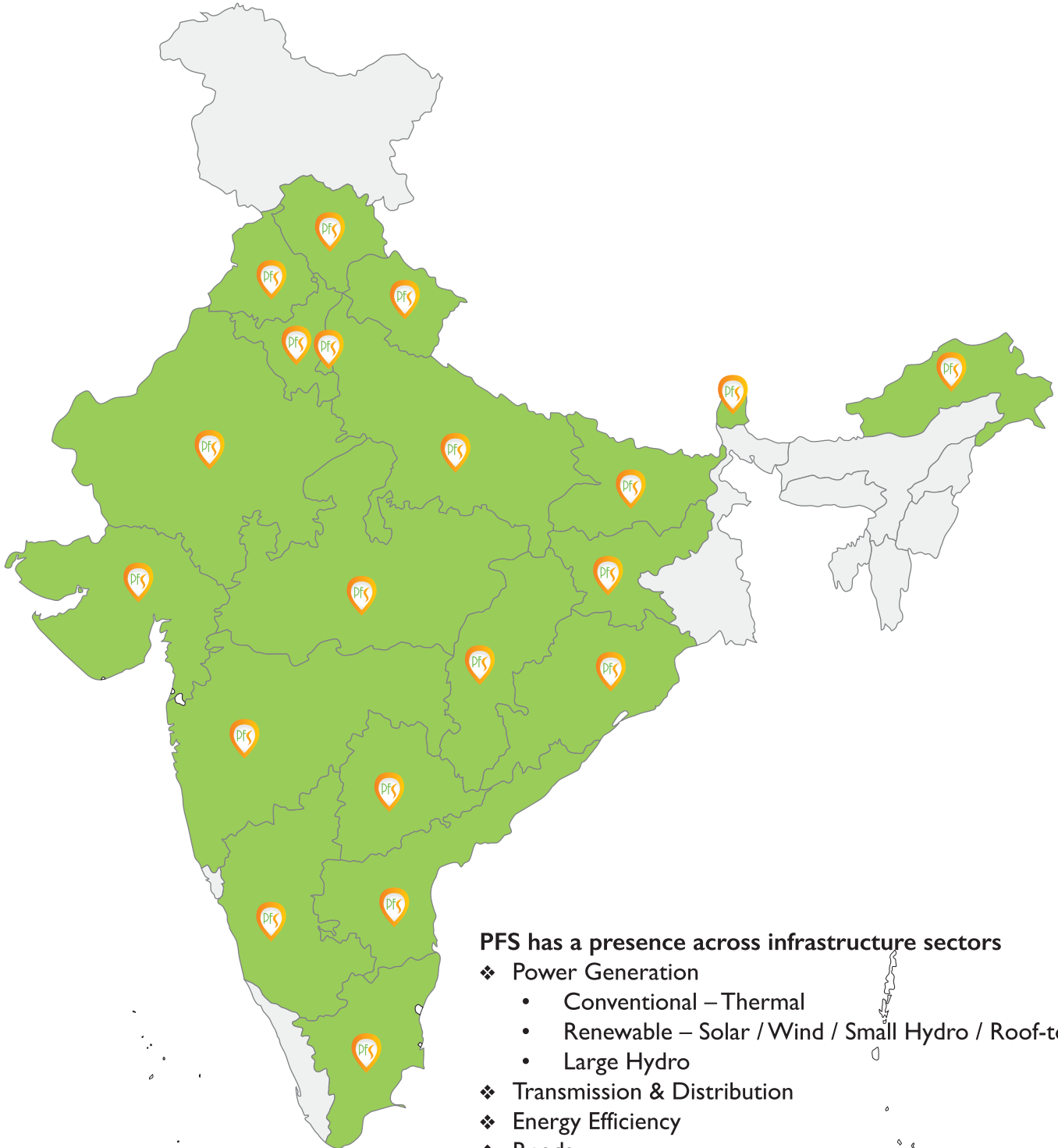
Enabling the World for Green Energy



11<sup>th</sup> Annual Report 2016-17

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## PFS Presence across India



### PFS has a presence across infrastructure sectors

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  - Large Hydro
- ❖ Transmission & Distribution
- ❖ Energy Efficiency
- ❖ Roads
- ❖ Ports
- ❖ Other Related Economic Infrastructure

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## Reference Information

|  |  |
|--|--|
| Registered Office  | : PTC India Financial Services Limited<br>7th Floor, Telephone Exchange Building<br>8, Bhikaji Cama Place<br>New Delhi - 110 066<br>Tel : (011) 26737300, Fax : (011) 26737373   |
| CIN  | : L65999DL2006PLC153373  |
| Company Secretary  | : Mr. Vishal Goyal   |
| Statutory Auditors   | : Deloitte Haskins and Sells   |
| Internal Auditors  | : Grant Thornton India LLP   |
| Shares are listed on   | : National Stock Exchange of India Limited (NSE)<br>BSE Limited (BSE)  |
| Depository   | : National Securities Depository Limited<br>Central Depository Services Limited  |
| Registrar and Share Transfer Agent<br>(for Equity and Bonds) | : Karvy Computershare Private Limited<br>Karvy Selenium Tower B<br>Plot 31-32, Gachibowli<br>Financial District, Nanakramguda<br>Hyderabad – 500 032<br>Tel : (040) 67162222, Fax : (040) 23001153   |
| Bankers  | : Axis Bank<br>Bank of India<br>BNP Paribas<br>Canara Bank<br>Central Bank of India<br>Corporation Bank<br>Dena Bank<br>HDFC Bank<br>IDBI Bank Ltd.<br>ICICI Bank Ltd.<br>IndusInd Bank<br>Oriental Bank of Commerce<br>Punjab National Bank<br>State Bank of India<br>Syndicate Bank<br>The Jammu & Kashmir Bank<br>Union Bank of India<br>Yes Bank |
| Debenture Trustee  | : IDBI Trusteeship Services Limited<br>Asian Building, Ground Floor<br>17 R. Kamani Marg, Ballard Estate<br>Mumbai- 400001<br>Tel : (022) 40807000, Fax : (022) 66311776   |
| Website  | : <a href="http://www.ptcfinancial.com">www.ptcfinancial.com</a>   |
| E-mail   | : <a href="mailto:complianceofficer@ptcfinancial.com">complianceofficer@ptcfinancial.com</a><br><a href="mailto:info@ptcfinancial.com">info@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 / 26737400 Fax: 26737373

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

### NOTICE OF 11<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 11<sup>th</sup> (Eleventh) Annual General Meeting of the Members of PTC India Financial Services Ltd. will be held on Monday, the 25<sup>th</sup> day of September, 2017 at 11 : 00 a.m. at Dr. S R KVS Auditorium (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

- To receive, consider and adopt the (a) Audited Standalone Financial Statements of the Company for the year ended 31st March, 2017, together with Board's Report, and report of Auditor's thereon and (b) Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2017 and report of Auditor's thereon.

- To consider declaration of dividend for the Financial Year 2016-17

To consider and if thought fit, to pass with or without modification (s), the following resolution for dividend for the Financial Year 2016-17 as an ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 123 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, dividend at the rate of 15% (₹ 1.50 per equity share of ₹10/- each) be and is hereby declared for the financial year 2016-17, out of the profits of the Company on the 64,22,83,335 equity shares of ₹ 10/- each fully paid up to be paid as per the ownership as on closing hours of 14<sup>th</sup> September, 2017."

- To re-appoint Dr. Ashok Haldia (DIN: 00818489) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment in this regard to consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Dr. Ashok Haldia (DIN: 00818489) who retires by rotation and who is eligible for re-appointment as per his existing terms be and is hereby re-appointed."

- To ratify the appointment of the Statutory Auditors and to fix their remuneration

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

**"RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s Deloitte Haskins & Sells Chartered Accountants (ICAI Registration no.015125N), 7<sup>th</sup> Floor, Building 10B, DLF Cyber City Complex, DLF City Phase II, Gurgaon - 122002, as the Statutory Auditor of the Company for FY 2017-18 be and is hereby ratified and M/s Deloitte Haskins & Sells, Chartered Accountants shall hold office from the conclusion of this Annual General Meeting till the conclusion of the 12<sup>th</sup> Annual General Meeting on such remuneration as may be determined by the Board of Directors or the Audit Committee of the Company.

**RESOLVED FURTHER THAT** the Board of Directors/ Audit Committee of the Company be and is hereby authorized to do all acts and

take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### SPECIAL BUSINESS

- To appoint Shri Arun Kumar (DIN: 01853255) as Nominee Director

To consider and, if thought fit, to pass, with or without modification(s), the resolution for appointment Shri Arun Kumar (DIN: 01853255) as Nominee Director of the Company as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 152, 161 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment), Shri Arun Kumar ((DIN: 01853255) who was appointed as Nominee (Additional) Director of PTC India Limited by the Board of Directors w.e.f. 30<sup>th</sup> September, 2016 and with respect to whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Non- Executive Nominee Director of the Company and shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

- To appoint Shri Kulamani Biswal (DIN: 03318539) as Nominee Director

To consider and, if thought fit, to pass, with or without modification(s), the resolution for appointment Shri Kulamani Biswal (DIN: 03318539) as Nominee Director of the Company as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 152, 161 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment), Shri Kulamani Biswal (DIN: 03318539) who was appointed as Nominee (Additional) Director of PTC India Limited by the Board of Directors w.e.f. 8<sup>th</sup> May, 2017 and with respect to whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Non- Executive Nominee Director of the Company and shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

- To appoint Dr. Rajib Kumar Mishra (DIN: 06836268) as Nominee Director

To consider and, if thought fit, to pass, with or without modification(s), the resolution for appointment Shri Rajib Kumar Mishra (DIN: 06836268) as Nominee Director of the Company as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 152, 161 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment), Dr. Rajib Kumar Mishra (DIN: 06836268) who was appointed as Nominee

(Additional) Director of PTC India Limited by the Board of Directors w.e.f. 23<sup>rd</sup> June, 2017 and with respect to whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Non- Executive Nominee Director of the Company and shall be liable to retire by rotation

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

**8. To appoint Dr. Pawan Singh (DIN : 00044987) as Whole-Time Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 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, the consent of the company be and is hereby accorded to the appointment of Dr. Pawan Singh (DIN: 00044987) as Whole- Time Director with designation as “Director”, PFS for the period from 1<sup>st</sup> August, 2017 till 31<sup>st</sup> October, 2017 and his powers, responsibilities and terms of appointment as Whole- Time Director shall be decided by the Board or a Committee duly constituted by the Board from time to time. The Nomination and Remuneration Committee of the Company shall be authorized to take decisions on the total remuneration and perquisites, periodical increments/ Performance Related Pay etc. and settle all issues relating to remuneration of Dr. Pawan Singh.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all acts, deeds, matters and things as it may deem necessary, expedient and desirable for the purpose of giving effect this resolution including settling of any question regarding his appointment.”

**9. 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 earlier resolution passed by the shareholders in their Annual General Meeting held on 26<sup>th</sup> September, 2014, 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, ₹30,000 crores over and above the limits as prescribed in that Section of the Act.

**RESOLVED FURTHER 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.”

**10. 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 earlier resolution passed by the shareholders in their Annual General Meeting held on 26<sup>th</sup> September, 2014 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.

**RESOLVED FURTHER 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 power 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.”

**11. Issuance of Non-Convertible Debentures on private placement basis.**

To consider and if deemed fit, to pass with or without modification (s), 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 Securities including but not limited to Non-Convertible Debentures (NCDs) and Commercial Papers (CPs) 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/series, 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, ₹30,000 crores.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board 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 any other officer of the Company or any other person”.

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

Sd/-  
(Vishal Goyal)

Place: New Delhi

Date: 14<sup>th</sup> August, 2017

Company Secretary  
M.No. A19124

Address: 7<sup>th</sup> Floor, Telephone Exchange Building,  
8 Bhikaji Cama Place,  
New Delhi-110066

**Notes:**

1. THE STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 WITH RESPECT TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE IS ANNEXED.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM i.e. MGT-11 FOR THE MEETING IS ENCLOSED.
3. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
4. Any member who is entitled to vote on any resolution may make requisition to the Company in writing at least three days before the commencement of Annual General Meeting and such member can inspect the proxies during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with conclusion of the meeting.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of the Board Resolutions authorizing their representative to attend and vote on their behalf at the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained u/s 170 of the Companies Act, 2013 and Register of contracts or arrangements in which directors are interested, maintained u/s 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
7. Relevant documents referred to in the accompanying notice and the explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturdays, between 11:00 a.m. and 1:00 p.m. upto the date of Annual General Meeting.
8. Additional information, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking appointment and re-appointment at the AGM, is furnished as annexure to the Notice and forms part of the notice. The Directors have furnished consent/declarations for their appointment/re-appointment as required under the Companies Act, 2013 and the rules thereunder.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 15<sup>th</sup> September, 2017 to 25<sup>th</sup> September, 2017 (both days inclusive).
10. If the Final Dividend on equity shares as recommended by the Board of Directors, if declared at the meeting, payment of such dividend will be made within 30 days from the date of declaration.
  - 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 (CDSL) as of the close of business hours on 14<sup>th</sup> September, 2017.
  - 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 14<sup>th</sup> September, 2017.
11. The Shareholders/ Proxies/ Authorized Representatives are requested to produce at the Registration Counter(s) the attendance slip duly completed and signed, for admission to the meeting hall.
12. Members/ proxies should bring their copy of the Annual Report for reference at the meeting.
13. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
14. 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 Pvt. Ltd., Registrar & Transfer Agent of the Company in the nomination form (i.e. Form No. SH. 13). In case, shares held in dematerialised 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.
15. The communication address of our Registrar and Share Transfer Agent (RTA) is M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli,, Financial District, Nanakramguda, Hyderabad – 500 008.
16. Members are requested to notify immediately any change of address and change in bank details etc.:
  - i) to their DP in respect of Shares held in dematerialized form
  - ii) to RTA i.e. M/s Karvy Computershare Pvt. Ltd. in respect of their physical shares, if any, quoting their folio number.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to RTA i.e. M/s Karvy Computershare Private Limited.
18. 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. Members are encouraged to utilize the Electronic Clearing System for receiving Dividends. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the RTA of the Company and correspond with them directly regarding share transfer/transmission/transposition, Demat/Remat, change of address, issue of duplicate share certificates, ECS and nomination facility. Further they are required to submit old certificates for exchange with split share certificate.
19. Members may also note that the Notice of 11<sup>th</sup> AGM and PFS Annual Report 2016-2017 will be available on the Company's website [www.ptcfinancial.com](http://www.ptcfinancial.com). The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days.
  20. None of the Directors/KMPs of the Company is in anyways related to each other.
  21. Members are requested to send all correspondence 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 RTA, Karvy Computershare Pvt. Ltd, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
  22. 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.
  23. 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.
  24. The Company is not providing video conferencing facility for this meeting but the voting at the meeting shall be conducted through polling and polling papers will be made available in the meeting. Further, the members attending the meeting who have not already caste their voting by remote e-voting will be able to exercise their voting at the meeting. Moreover, the members who have caste vote through e-voting may attend the meeting but they are not eligible to vote in the meeting.
  25. 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 and 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 due date.
  26. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and in terms of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means at the 11<sup>th</sup> AGM of the Company 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.
  27. (a) This Notice is being sent to all the members whose name appears as on 19<sup>th</sup> August, 2017 in the Register of members or beneficial owner as received from Karvy Computershare Private Limited (RTA).
    - (b) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 18<sup>th</sup> September, 2017 being cut-off date. Members are eligible to cast vote through remote e-voting or voting in the AGM only if they are holding shares as on that date.
  28. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.
  29. The Annual Report 2016-2017, the Notice of 11<sup>th</sup> AGM and instructions for e-voting, along with the Attendance Slip and Proxy form, are being sent by electronic mode to all members whose e-mail address are registered with the Company/ Depository Participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
  30. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents can not act on may request directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
  31. Non-Resident members are requested to inform RTA, immediately of:
    - (a) Change in their residential status on return to India for permanent settlement.
    - (b) Particulars of their bank account maintained in India with complete name branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
    - (c) In terms of notification issued by Securities and Exchange Board of India (SEBI), equity shares if the Company are under compulsory demat trading by all investors. Members are therefore, advised to dematerialize their shareholding to avoid inconvenience in trading in shares of the Company.
  32. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. 25<sup>th</sup> September, 2017.
  33. Road map showing directions to reach the venue of the AGM is given at the end of this notice.

#### PROCEDURE AND INSTRUCTIONS FOR EVOTING

Members may cast their votes through electronics means by using an electronics voting system from a place other than the venue of AGM (Remote E-voting) in the manner provided below during the e-voting period as mentioned below:

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/ Email 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:-<br>a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID<br>b) For CDSL :- 16 digits beneficiary ID<br>For Members holding shares in Physical Form:-<br>Event no. followed by Folio Number registered with the company |
| <b>Password</b>  | Your Unique password is printed on the E-voting Form / via email 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. 1-800-34-54001 for any further clarifications.
- iv) The e-voting period commences on 22<sup>nd</sup> September, 2017(9:00 am) and ends on 24<sup>th</sup> September, 2017 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18<sup>th</sup> September, 2017, 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 M/s. **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 do not wants to cast, select 'ABSTAIN'
- xi) After selecting the resolution to vote, 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 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) If you are already registered with Karvy Computershare Private Limited (KCPL) for e-voting then you can use your existing user ID and password for casting your vote. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s)
- xv) Mr. Ashish Kapoor (Membership No. 8002) Prop. M/s. Ashish Kapoor & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The scrutinizer shall forward the consolidated report of total votes cast in favour or against through remote e-voting and voting at the venue of the AGM immediately. The Chairman shall within 48 hours of conclusion of AGM declare the result and such result along with the scrutinizer shall be displayed on the website of the Company and on the website of the agency.
- xvi) The Results declared along with Scrutinizer's Report(s) will be available on the website of the Company (www.ptcfinancial.com) and on Service Provider's website (https://evoting.karvy.com) within two (2) days of passing of the resolutions and communication of the same to the BSE Limited and the National Stock Exchange of India Limited.
- xvii) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two persons not in the employment of the Company.
- xviii) At the venue of AGM, voting shall be done through ballot paper and the members attending the AGM, who have not casted their votes by Remote e-voting shall be entitled to cast their votes through ballot paper.
- xix) A member may participate in the AGM even after exercising his right to vote through Remote E-voting but shall not be allowed to vote again at the venue of the AGM. If a member casts votes through Remote e-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.
- xx) Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares on the cut-off date i.e 14<sup>th</sup> September, 2017, may obtain the User ID and password as mentioned below:
- If the mobile number of the member is registered against Folio No./ DPID Client ID, the member may send SMS : MYEPWD E-Voting Even Number+ Folio No. or DPID Client ID to 921993399.
  - If e-mail address or mobile number of the member is registered against folio no. DP ID, Client ID then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter folio no. or DP ID, Client ID and PAN to generate a password.

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

### Item no.5

Shri Arun Kumar aged about 61 years is a Science Graduate and Fellow member of Institute of Cost Accountants of India. He also holds a Post Graduate Diploma in I.T. and Management from Indian Institute of Public Administration, Delhi. He has a total of 41 years of experience, out of which more than 25 years is in the power sector. His experience has been in the areas of Corporate Finance, control functions, resource mobilization and investment management.

Subsequent to the last AGM, Shri Arun Kumar was appointed as Additional Director on the Board of the Company w.e.f 30<sup>th</sup> September, 2016 as Nominee of PTC India Ltd. and holds office upto the date of the ensuing AGM.

The Company has received a notice in writing as per Section 160 of the Companies Act, 2013, signifying intention to propose Shri Arun Kumar as Non- Executive Director on the Board of the Company.

The above appointment of Shri Arun Kumar, as Director being liable to retire by rotation in terms of Section 152 of Companies Act, 2013 requires approval of the Members in the General Meeting. Brief resume of Shri Arun Kumar is annexed.

Shri Arun Kumar has confirmed that he is not disqualified from being appointed as Director under Section 164 of Companies Act, 2013 and given his consent to act as Director.

Shri Arun Kumar 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 Shri Arun Kumar except him. The Board recommends the resolution as set out in item no. 5 of the notice for approval of the shareholders.

### Item no.6

Shri Kulamani Biswal aged about 56 years is holding the position of Director (Fin.) in NTPC Limited (NTPC). Subsequent to the last AGM, Shri Kulamani Biswal was appointed as Additional Director on the Board of the Company w.e.f 8<sup>th</sup> May, 2017 as Nominee of PTC India Ltd. and holds office upto the date of the ensuing AGM.

The Company has received a notice in writing as per Section 160 of the Companies Act, 2013, signifying intention to propose Shri Kulamani Biswal as Non- Executive Director on the Board of the Company.

The above appointment of Shri Kulamani Biswal, as Director being liable to retire by rotation in terms of Section 152 of Companies Act, 2013 requires approval of the Members in the General Meeting. Brief resume of Shri Kulamani Biswal is annexed.

Shri Biswal has confirmed that he is not disqualified from being appointed as Director under Section 164 of Companies Act, 2013 and given his consent to act as Director.

Shri Biswal 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 Shri Kulamani Biswal except him. The Board recommends the resolution as set out in item no. 6 of the notice for approval of the shareholders.

### Item no.7

Dr. Rajib Kumar Mishra aged about 54 years is Ph. D (Business Admin.) from Aligarh Muslim University. He was accorded Visiting Scholar status by University of Texas, Austin in 2008 for his Post-doc research. He graduated

in Electrical Engineering from NIT, Durgapur and did his post graduation from NTNU, Norway under NORAD Fellowship. Subsequent to the last AGM, Dr. Rajib Kumar Mishra was appointed as Additional Director on the Board of the Company w.e.f 23<sup>rd</sup> June, 2017 as Nominee of PTC India Ltd. and holds office upto the date of the ensuing AGM.

The Company has received a notice in writing as per Section 160 of the Companies Act, 2013, signifying intention to propose Dr. Rajib Kumar Mishra as Non- Executive Director on the Board of the Company.

The above appointment of Dr. Rajib Kumar Mishra, as Director being liable to retire by rotation in terms of Section 152 of Companies Act, 2013 requires approval of the Members in the General Meeting. Brief resume of Dr. Rajib Kumar Mishra is annexed.

Dr. Rajib Kumar Mishra has confirmed that he is not disqualified from being appointed as Director under Section 164 of Companies Act, 2013 and given his consent to act as Director.

Dr. Rajib Kumar Mishra 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 Dr. Rajib Kumar Mishra except him. The Board recommends the resolution as set out in item no. 7 of the notice for approval of the shareholders.

### Item No. 8

Consequent to the completion of tenure of Dr. Pawan Singh as Whole Time Director on 31<sup>st</sup> July, 2017, the Board of Directors has re-appointed him as a Director in terms of Section 196 of the Companies Act, 2013 till 31<sup>st</sup> October 2017, based on the recommendation of Nomination & Remuneration Committee, in view of certain aspects under consideration of a Committee of the Board. Accordingly, the Board recommends the Shareholders to approve his re-appointment until 31<sup>st</sup> October 2017.

Dr. Pawan Singh was member of the IRAS and holds MBA and Ph.D. in infrastructure finance and has more than 30 year 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.

Present compensation of Dr. Pawan Singh is ₹54.85 lacs p.a., plus car and other benefits which are admissible to the Board level posts in PFS. 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/performance related pay, etc of Dr. Pawan Singh and settle all issues relating to his remuneration. Brief profile and other details of the Director are provided in the annexure to the Explanatory Statement attached herewith.

Dr. Pawan Singh 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 Dr. Pawan Singh except him. The Board recommends the resolution for approval of the shareholders

### Item No. 9 & 10

The shareholders of the Company had, in their meeting held on 26<sup>th</sup> September, 2014 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, ₹15,000 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 9<sup>th</sup> August, 2017, considered and approved, subject to the approval of the shareholders, increasing the borrowing limits of the Company to ₹30,000 crores and creation of security on the properties of the Company and recommends Resolution no. 10 & 11 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. 11**

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 Securities, including but not limited to Non-Convertible Debentures (NCDs) and Commercial Papers (CPs) 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 9<sup>th</sup> August, 2017, considered and approved, subject to the approval of shareholders, issuance of secured/unsecured redeemable Non-Convertible Securities including but not limited to Non-Convertible Debentures (NCDs), and Commercial Papers (CPs) in one or more tranches/series, up to an amount, the aggregate outstanding of which, at any given time, should not exceed ₹30,000 crores on private placement basis.

The Non-Convertible Securities 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 Non-Convertible Securities to be issued by the Company on private placement basis requires prior approval of Shareholders by way of special resolution. Approval of the shareholders of the Company will be valid for one year for all the offers or invitations for Non-Convertible Securities to be made during the said year.

The pricing of Non-Convertible Securities will depend primarily upon the then prevailing market conditions and regulatory scenario. The pricing for each of the issuance would be approved by the Board of Directors or any of its Committee duly authorised in this regard.

None of the Directors or key Managerial Personnel and/or their relatives are in any way, financial or otherwise, interested or concerned in this resolution.

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.

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

Place: New Delhi  
Date: 14<sup>th</sup> August, 2017

Sd/-  
(Vishal Goyal)  
Company Secretary

**Brief Profile of Directors seeking Appointment/Re-appointment at the 11<sup>th</sup> Annual General Meeting in pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set forth as below:-**

|  |   |  |  |  |
|--|---|--|--|--|
| <b>Name</b>  | Shri Arun Kumar   | Shri Kulamani Biswal   | Dr. Rajib Kumar Mishra   | Dr. Pawan Singh  |
| <b>Date of birth</b>   | 13/12/1955  | 09/04/1961   | 01/03/1963   | 19/10/1961   |
| <b>DIN No.</b>   | 01853255  | 03318539   | 06836268   | 00044987   |
| <b>Date of appointment/ re-appointment</b>   | 30/09/2016  | 08/05/2017   | 23/06/2017   | 01/08/2017   |
| <b>Qualification</b>   | Science Graduate and Fellow member of Institute of Cost Accountants of India and holds a Post Graduate Diploma in I.T. and Management from Indian Institute of Public Administration, Delhi | Commerce Graduate from Utkal University and is a fellow in Cost Accountancy along with having distinct professional qualifications of MBA from New Port University, California, USA; LLB from Sambalpur University and Diploma in Financial Management from IGNOU          | PhD (Business Admin.) from Aligarh Muslim University                     | Member of the IRAS and holds MBA and Ph.D. in Management                 |
| <b>Details of remuneration sought to be paid</b>   | NA  | NA   | NA   | NA   |
| <b>Nationality</b>   | INDIAN  | INDIAN   | INDIAN   | INDIAN   |
| <b>Experience</b>  | More than 30 years  | More than 30 years   | More than 30 years   | More than 30 years   |
| <b>Expertise in specific functional areas</b>  | Power sector  | Power sector   | Power Sector   | Power Sector   |
| <b>Date of first appointment on the Board of the Company</b>   | 30/09/2016  | 08/05/2017   | 23/06/2017   | 01/08/2017   |
| <b>Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid</b>  | Nominee Director  | Nominee Director   | Nominee Director   | Details given in the Explanatory Statement to the Notice of AGM          |
| <b>Last drawn remuneration, if applicable</b>  | NA  | NA   | NA   | Details given in Board Report  |
| <b>Details of remuneration sought to be paid</b>   | NA  | NA   | NA   | Details given in the Explanatory Statement to the Notice of AGM          |
| <b>No. of Board meetings attended during the year 2016-17</b>  | Details given in Corporate Governance report  | NA   | NA   | Details given in Corporate Governance report                             |
| <b>Name(s) of the other Companies in which Directorship held including membership/ chairman of any committee Membership/ Chairmanship of Committees in the Companies</b> | 1. PTC India Limited<br>2. PTC Energy Limited<br>3. Teesta Urja Limited   | 1. NTPC Limited<br>2. Meja Urja Nigam Private Limited<br>3. NTPC Electric Supply Company Limited<br>4. NTPC Vidyut Vyapar Nigam Limited<br>5. PTC India Limited<br>6. Patraru Vidyut Utpadan Nigam Limited<br>7. Bangladesh-India Friendship Power Company Private Limited | 1 PTC India Limited<br>2. PTC Energy Limited                             | 1. IIFCL Asset Management Company Limited                                |
| <b>Number of Shares held in the company</b>  | NIL   | NIL  | NIL  | NIL  |
| <b>Relationship with other directors, Manager, key managerial personnel of the Company</b>   | Not related to any Directors and Key Managerial Personnel of the Company  | Not related to any Directors and Key Managerial Personnel of the Company   | Not related to any Directors and Key Managerial Personnel of the Company | Not related to any Directors and Key Managerial Personnel of the Company |

## PTC India Financial Services Limited BOARD'S REPORT

### BOARD'S REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the 11<sup>th</sup> Annual Report together with the Audited Financial Statements of PTC India Financial Services Limited ("the Company" or "PFS") for the financial year ended March 31, 2017.

#### 1. Financial Performance

The summarized standalone results of your Company are given in the table below.

|  | (₹ in millions) |           |
|--|-----------------|-----------|
|  | FY2016-17       | FY2015-16 |
| Total Income   | 13,518.81       | 11,869.29 |
| Profit/(loss) before Interest, Depreciation & Tax (EBITDA) | 11,767.53       | 10,658.47 |
| Finance Charges  | 6,446.93        | 5,301.08  |
| Depreciation and amortization                              | 33.78           | 42.96     |
| Provision for Income Tax (including for earlier years)     | 1,833.49        | 1,403.46  |
| Net Profit/(Loss) After Tax                                | 3,453.33        | 3,910.97  |
| Profit/(Loss) brought forward from previous year           | -               | -         |
| Amount transferred consequent to Scheme of Merger          | -               | -         |
| Profit/(Loss) carried to Balance Sheet                     | 3,453.33        | 3,910.97  |

\*previous year figures have been regrouped/rearranged wherever necessary.

The operational and financial performance significantly improved during the year and was robust. The interest income for the FY 2016-17 increased by 21% to ₹11,136.92 million as compared to ₹9,214.08 million during 2015-16. The composition of total revenue witnessed a change during the year. The Company earned an amount of ₹1,426.07 million during the year by way of profit on sale of investments as compared to ₹2,069.28 million during FY2015-16. The profit from sale of investments accounted for about 11% of the total income as compared to 17% during the previous year. The share of interest income in the total income increased to 82% during FY2016-17 as compared to 78% during FY2015-16.

The operational costs also increased during the year. The finance charges for FY2016-17 increased by about 22% to ₹6,446.93 million as compared to ₹5,301.08 million during 2015-16. The finance charges for FY2016-17 include amortization of foreign currency translation aggregating to ₹144.08 million compared to ₹228.72 million during 2015-16. The operational and financial parameters remained healthy during the year. The overall yield on loan assets for FY2016-17 stood at 12.10%, whereas cost of borrowed funds reduced to 8.79% during FY2016-17 compared to 9.05% in FY2015-16. The return on net worth is about 18.69% during FY2016-17.

The profit before tax (PBT) for FY2016-17 stood at ₹5,286.81 million compared to ₹5,314.43 million during 2015-16. It may be mentioned that during FY2016-17, the company earned a profit of ₹1,426.07 million by way of profit on sale of investments as compared to ₹2,069.28 million during FY2015-16. The profit after tax (PAT) for FY2016-17 stood at ₹3,453.33 million.

#### 2. Summary of Operations and State of Company's Affairs

The debt assistance sanctioned to various projects during 2016-17 increased by 58% and aggregated to ₹102,970 million compared to ₹65,283 million in 2015-16. The disbursements also maintained an upward trend during FY2016-17 and fund based disbursements increased by about 18%. However, the disbursements pattern saw a shift during the year as a result of increased action in the solar power based projects. These projects are opting for non-fund based disbursements in form of letter of comfort and are able to get suppliers credit for the imports made. The fund based disbursements increased by 18% to ₹41,787 million during 2016-2017 compared to ₹35,550 million during 2015-16 and the Non fund based disbursements aggregated to ₹14,590 million during FY2016-17. The gross portfolio stood at ₹123,420 million as at 31st March 2017 as compared to ₹89,070 million as at the end of FY2015-16. The fund based portfolio stood at ₹106,100 million as at 31st March 2017 as compared to ₹86,340 million as at 31st March 2016 and the non fund based portfolio stood at ₹17,320 million as at 31st March 2017 as against ₹2,730 million as at 31st March 2016. The outstanding equity investments by the Company aggregated to another ₹2,086 million as at the year end. The cumulative aggregate debt assistance sanctioned by the Company as at 31st March 2017 aggregated to ₹205,100 million. The composition of the debt sanctioned by the Company is also witnessing a change with renewable projects comprising about 63% of the aggregate debt sanctioned by the Company as at 31st March 2017. The renewable projects accounted for about 78% of the total debt sanctioned during FY2016-17. The Company continues to explore and look for attractive opportunities in other areas for further diversification of its portfolio and has forayed into power transmission projects, energy efficiency projects, annuity based road project in addition to private railway sidings, and development & operation of coal mines etc. These constitute about 21% of the total sanction made during FY2016-17.

The financial assistance sanctioned by PFS would help in capacity addition of close to 18,000 MW. PFS is constantly working with new as well as existing developers and is focused towards diversifying its portfolio. As at 31st March 2017, the renewable portfolio constitutes the highest proportion in the outstanding loan book at around 53%, thermal projects constitute about 23%.

The power sector is witnessing stress particularly in case of thermal projects. Several thermal projects in the country (both operational and under construction) are facing challenges related to fuel price and availability, power tariff, time and cost overruns alongwith equity infusion by promoters specially in case of under construction projects. PFS is also faced with challenges in respect of such projects. As at 31st March 2017, the non-performing loans portfolio stood at ₹5,847 million and projects having aggregate loan outstanding of ₹8,519 million faced delays in commencement of commercial operations and have been classified as Standard Restructured. The Company continues to regularly monitor the progress and operations of the assisted projects through its comprehensive project monitoring mechanism.

#### 3. Industry Scenario

India's power sector continues to be a critical enabler for economic growth and welfare. It is one of the most diversified power sector in the world and the sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. The sector is undergoing a significant change that is redefining the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the

country. At the same time, the competitive intensity is increasing at both the market and supply sides

The Government of India has identified power sector as a key sector of focus so as to promote sustained industrial growth. The sector has tremendous investment potential, thereby providing immense opportunities in power generation, distribution, transmission, and equipment. India has set an ambitious plan to add 175 GW of renewable energy generation capacity by 2022 and is being counted globally as a country leading investments in renewable energy.

#### 4. Outlook

The Indian economy is under a transformational change led by the Union Government. The power sector has always been the lifeline of the economy and is one of the prime drivers of economic growth and social development. The development of power sector has been given due importance in the national planning and resource allocation process. The private participation in the sector is continuously increasing, thereby indicating confidence and support. The sector is receiving attention at the topmost level and as a result of persistent efforts, Moody's has upgraded the outlook for India's power sector to stable from negative. The total installed capacity in the country crossed the 325 GW mark as at 31<sup>st</sup> March 2017. The renewable power sector saw record capacity additions during FY2017. The total generation capacity addition in respect of renewable projects aggregated to about 11 GW during FY2017 surpassing the capacity addition in thermal sector. The renewable capacity is poised to see further capacity additions in line with the Government's vision of installed capacity of 175GW by 2022. In addition to renewable sector, other areas such as power transmission, roads and highways, ports etc. are also witnessing action. Infrastructure sector is the key driver for the economy and possesses the potential for propelling overall development of the country. The sector continues to enjoy focus from Government both in terms of policy related initiatives and development of infrastructure in the country. New projects are being undertaken and government is poised to ensure all round development of the infrastructure sector of the country.

PFS focuses on attractive opportunities across the infrastructure sector especially the renewable energy projects. The aggregate debt sanctioned by the Company has crossed ₹20,000 crore mark and the portfolio has crossed ₹12,000 crore mark as at 31<sup>st</sup> March 2017. The power sector holds tremendous investment potential and requires huge investment. PFS, is devoted to meet the challenges to take advantages of the potential opportunities. The Company is focused on attractive opportunities across the infrastructure sector and constantly eyes opportunities in the sector. The Company expects the growth momentum to continue. The debt commitments and disbursements have been robust during the year, thereby maintaining the increasing trend. The trend of non-fund based disbursements has been increasingly witnessed during the year as solar projects are getting suppliers' credit for the imports and are in turn opting for letter of comfort facility during such credit period. The Company continues to explore opportunities in other related infrastructure.

PFS believes that the development activities and the interest in the renewable area offers good potential and the Company continues to evaluate business proposals for these projects in line with the developments taking place in the sector and the initiatives undertaken at the government level.

The power and infrastructure sector is witnessing stress and several projects in the country (both operational and under construction) are facing challenges. The Company is continuously engaged in resolution of such loans and is working proactively with the consortium members. Regular lenders' meetings are conducted, detailed feedback obtained from lenders' independent engineers and financial advisors to see that project development activities may be continued unhindered. Discussions are held with promoters' and other stakeholders to work out a financially viable solution. The Company also engages consultants / professional

agencies for working out effective solution / resolution for such cases. The Company continues to partner with credible players in the industry.

#### 5. Net Owned Funds and Earnings Per Share (EPS)

The Net Owned Funds of the Company aggregated to ₹23,918.88 million as at 31<sup>st</sup> March 2017 and the total Capital Funds aggregated to ₹24,879.95 million as at that date. The percentage of aggregate risk weighted assets on balance sheet and risk adjusted value of off balance sheet items to net owned funds is 24.09% as at 31<sup>st</sup> March 2017. During the year, Company raised a sum of ₹3,087.70 million by way of Preferential Allotment of equity shares to PTC India Limited, the Holding Company.

EPS of the Company for the year ended 31.03.2017 stands at ₹ 5.86 per share in comparison to ₹ 6.96 per share for the year ended 31.03.2016. It may be noted that during the year, the no. of shares and the paid up share capital of the Company increased and the Company earned an amount of ₹1,426.07 million by way of profit on sale of investments as compared to ₹2,069.28 million during FY2015-16 which had a bearing on the earnings per share for the year.

#### 6. Reserves

Out of the profits earned during the financial year 2016-17, the Company has transferred an amount of ₹690.67 million to Statutory Reserve in accordance with the requirements of Section 45-IC of the Reserve Bank of India Act, 1934. During 2016-17, the Company has also appropriated an amount of ₹708.98 million to the reserve created under Section 36(i) (viii) of the Income Tax Act, 1961 in order to achieve tax efficiencies.

#### 7. Dividend

Based on Company's performance, the Board of Directors are pleased to recommend for your consideration and approval, a dividend at the rate of 15% (which is higher by 25% from the last year) i.e. ₹1.50/- per equity share of ₹10/- for the FY 2016-2017. The dividend on equity shares, if approved by the members at ensuing Annual General Meeting, would involve the cash outflow of ₹1,159.56 million including dividend distribution tax amounting to ₹196.13 million.

The dividend will be paid to the members whose names appear in the Register of Members as on a record date and in respect of shares held in dematerialized form whose names are furnished by National Securities Depositories Limited and Central Depository (India) Limited as beneficial owners as on record date.

#### 8. Fixed Deposits/Public Deposits

Your Company has not accepted any deposits during the year from public in terms of provisions of Companies Act, 2013. Further, at the end of the year, there were no unclaimed, unpaid or overdue deposits.

#### 9. Capital adequacy ratio

The Capital Adequacy Ratio as on 31<sup>st</sup> March 2017 stood at 24.09% compared to 21.77% as on 31<sup>st</sup> March, 2016. No adverse material changes affecting the financial position of the Company have occurred during the financial year.

#### 10. Material changes and commitments, if any, affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relates (i.e. March 31, 2017) and the date of the report. No adverse Material changes affecting the financial position of the Company have occurred during the Financial Year.

#### 11. Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

## 12. Capital/ Finance

During the period under review, the Company has made the preferential allotment of 8,02,00,000 equity shares to PTC India Limited (Promoter Company) on a price of ₹ 38.50 /- per share (including security premium of ₹ 28.50/- per share).

The paid up share capital of the Company as at 31<sup>st</sup> March 2017 aggregates to ₹6422.83 million comprising of 64,22,83,335 equity shares of ₹10 each fully paid up. PTC India Limited holds 64.99% of the paid up share capital of the Company as at 31<sup>st</sup> March 2017. The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

## 13. Extract of Annual Return

As provided under section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is given in **Annexure – I in the prescribed Form MGT-9**, which forms part of this report.

## 14. Directors and Key Managerial Personnel

In accordance with provisions of the Companies Act, 2013 and Articles of Association of the Company, Dr. Ashok Hdalia, MD & CEO of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Details of changes in the composition of Board during the period under review has been specifically mentioned in the report on the Corporate Governance which is annexed with this report.

## 15. Dividend Distribution Policy

As per regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 500 listed companies shall formulate a dividend distribution policy. Accordingly, the policy was adopted to set out the parameters and circumstances that will be taken in to account by the Board while determining the distribution of dividend to its shareholder. The policy is enclosed as **Annexure—II** to the Board Report and is also available on Company's website, at :

<http://www.ptcfinancial.com/upload/pdf/Dividend%20Distribution%20Policy-PFS.pdf>

## 16. Details of Board meetings

Twelve Board Meetings were held during the financial year ended on 31<sup>st</sup> March, 2017 and gap between two meetings did not exceed one hundred twenty days, details of which are given below:

| Sl. No. | Date of the meeting              | No. of Directors attended the meeting |
|---------|----------------------------------|---------------------------------------|
| 1       | 12 <sup>th</sup> May, 2016       | 9                                     |
| 2       | 8 <sup>th</sup> July, 2016       | 10                                    |
| 3       | 12 <sup>th</sup> August, 2016    | 9                                     |
| 4       | 26 <sup>th</sup> September, 2016 | 9                                     |
| 5       | 30 <sup>th</sup> September, 2016 | 9                                     |
| 6       | 19 <sup>th</sup> October, 2016   | 9                                     |
| 7       | 8 <sup>th</sup> November, 2016   | 10                                    |
| 8       | 27 <sup>th</sup> December, 2016  | 7                                     |
| 9       | 30 <sup>th</sup> January, 2017   | 8                                     |
| 10      | 13 <sup>th</sup> February, 2017  | 6                                     |
| 11      | 16 <sup>th</sup> March, 2017     | 8                                     |
| 12      | 31 <sup>st</sup> March, 2017     | 8                                     |

Further, the attendance of each director is more specifically mentioned in the report on the Corporate Governance which is annexed with this report.

## 17. Committees of Board

The Company's Board has the following Committees:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Asset Liability Management Committee
- 4) Risk Management Committee
- 5) Stakeholders' Relationship Committee
- 6) Corporate Social Responsibility Committee
- 7) Committee of Directors for Bond issuance
- 8) Investment Committee

The details of the Committees, their meetings and other disclosures are mentioned in the corporate governance report which forms part of this report.

## 18. Corporate Social Responsibility

As a good corporate citizen, the Company is committed to ensuring its contribution to the welfare of the communities in the society where it operates, through its Corporate Social Responsibility ("CSR") initiatives.

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The objective of PFS's CSR Policy is to consistently pursue the concept of integrated development of the society in an economically, socially and environmentally sustainable manner and at the same time recognize the interests of all its stakeholders.

To attain its CSR objectives in a professional and integrated manner, PFS shall undertake the CSR activities as specified under the Companies Act, 2013. The composition and other disclosures are mentioned in the corporate governance report which forms part of this report.

The report on CSR activities/initiatives is enclosed at **Annexure III and is also available at website of the Company**, at [http://www.ptcfinancial.com/upload/pdf/corporate\\_social\\_responsibility\\_policy.pdf](http://www.ptcfinancial.com/upload/pdf/corporate_social_responsibility_policy.pdf)

## 19. Vigil mechanism

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. In compliance with requirements of Companies Act, 2013 & Listing Regulations, the Company has established a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. 'Whistleblowing' is the confidential disclosure by an individual of any concern encountered in the workplace relating to a perceived wrongdoing. The policy has been framed to enforce controls so as to provide a system of detection, reporting, prevention and appropriate dealing of issues relating to fraud, unethical behavior etc. The policy provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. During the year under review, no complaint has been received.

The Whistle Blower policy is available at [http://www.ptcfinancial.com/upload/pdf/whistle\\_blower\\_policy.pdf](http://www.ptcfinancial.com/upload/pdf/whistle_blower_policy.pdf)

## 20. Directors' Responsibility Statement

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 read with section 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 financial year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 21. Statutory Auditors, their Report and Notes to Financial Statements

M/s. Deloitte Haskins & Sells, Chartered Accountants were ratified in the last Annual General Meeting of the Company as statutory auditors of the Company for FY 2016-17 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 2017. Audited Financial Statements (both standalone and consolidated) comprising Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the cash flow Statement along with a summary of significant accounting policies & other explanatory information together with Auditor's Report thereon are annexed to this report. The Auditors' Report does not contain any qualification, reservation or adverse mark.

Further, the Auditors of the Company while performing their duties as such has not found any fraud which was required to be reported to the Board of Director or Central Government.

The Board of Directors has recommended the ratification of appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as statutory auditors of the Company for FY 2017-18 to shareholders in the ensuing annual general meeting.

#### 22. Secretarial audit

Pursuant to provisions of Section 204 of Companies Act, 2013 and rules mentioned thereto, the Board of Directors of the Company appointed M/s. Agarwal S. and Associates, Practicing Company Secretary, to conduct the Secretarial Audit of records and documents of the Company. The Secretarial Audit Report is enclosed as **Annexure IV**. The observations set out in Secretarial Audit report and its reply of the same is as under:-

| Observation by Secretarial Auditor  | Reply by the Company  |
|---|---|
| "We further report that the Board of Directors of the Company is not duly constituted in terms of Regulation 17 (1) (b) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 at least half of the Board of Directors should comprise of Independent Directors. However, the Company was compliant in terms of provisions under Section 149 (4) of the Companies Act, 2013 as out of 8 Board of Directors there were 3 Independent Directors on the Board of Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act." | PFS has initiated the process and same shall be complied in due course. |

#### 23. Related party transactions

During the financial year 2016-2017, the Company has not entered into any other related party transactions which attracts the provision of Section 188 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing obligations and Disclosures Requirements) Regulations 2015. The details of transactions entered into with the Related Parties is given in schedule no. 29 of the Audited Accounts of the Company. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions as approved by the Board is available on the Company's website at the link:

[http://ptcfinancial.com/statutory\\_policies/20150629\\_Policy\\_materiality\\_of\\_Related\\_Party\\_Transactions.pdf](http://ptcfinancial.com/statutory_policies/20150629_Policy_materiality_of_Related_Party_Transactions.pdf)

Further, all the transactions are made in the ordinary course of business and on arm's length basis.

Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure - V** in Form AOC-2 and the same forms part of this report.

#### 24. Human Resources

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A holistic assessment of manpower needs led to fresh recruitment at various level. A number of individual employee specific, group of employee specific and organisational wise programs that provide focused people attention are currently underway. Your Company's thrust is on the development of talent internally through job enlargement, rotation and development.

#### 25. Industrial Relations

Your Company has always maintained healthy, cordial and harmonious industrial relations at all levels. Despite of competition, the enthusiastic efforts of the employees have enabled the Company to grow at a steady pace.

#### 26. Risk Management Policy

PFS has put in place a comprehensive policy framework for management of risks. These are currently under holistic review with the help of CRISIL for enabling comprehensive integrated risk management system. The policies include -

- **Risk Management Policy:** - The risk management policy provides a framework for credit risk management as well as operational risk management. The framework for Credit risk management 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 specific, industry and rating are also covered. It also deals with rating models aiming at high quality, consistency and uniformity in the appraisal of proposals. The framework for operational risk management recognizes the need to understand the operational risks in general, and those in specific activities of the Company. Operational risk management is understood 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.
- **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.

#### 27. Employees' Stock Option Scheme

Shareholders' approval was obtained at the Annual General Meeting held on 27th October 2008 for introduction of Employee Stock Option Plan at PTC India Financial Services Ltd. All the ESOPs made under the Employees' Stock Option Scheme-2008, have been surrendered and as on date no claim is outstanding.

#### 28. Declaration given by independent directors

Mr. Ved Kumar Jain, Mrs. Pravin Tripathi and Mr. Harbans Lal Bajaj are Independent Directors on the Board of your Company as on date of this report. In the opinion of the Board and based upon the declaration furnished by the said Independent Directors, they fulfill the conditions specified in section 149 of the Companies Act, 2013 and the Rules made thereunder Regulation 25 of Securities and Exchange Board of India (Listing obligations and Disclosures Requirements) Regulations 2015 about their status as Independent Directors of the Company.

#### 29. Company's policy on appointment and remuneration of Senior Management and KMPs

As per the requirements of the Companies Act 2013, the Board of Directors of your Company has constituted a 'Nomination and Remuneration Committee'. The Committee's role is to be supported by a policy for nomination of Directors and Senior Management Personnel including Key Managerial Personnel as also for remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees. Further, a policy on Board Diversity is also to be adopted.

The Policy of the Company on Nomination and Remuneration & Board Diversity is attached herewith and marked as **Annexure – VI**.

#### 30. Formal Annual Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Company pays performance linked remuneration to its WTDs/MD. It is ensured that the remuneration is determined in a way that there exists a fine balance between fixed and incentive pay. On the basis of Policy for Performance Evaluation of Independent Directors, a process of evaluation is being followed by the Board for its own performance and that of its Committees and individual Directors. The performance evaluation process and related tools are reviewed by the "Nomination & Remuneration Committee" on need basis, and the Committee may periodically seek independent external advice in relation to the process. The Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination & Remuneration Committee.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc. The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

#### 31. Disclosure under the Sexual Harassment of Women at the work place (Prevention, Prohibition and Redressal) Act, 2013

A group level Internal Complaints Committee has been constituted to look into grievance/complaints of sexual harassment lodged by women employees as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, no complaints were received during the year and no complaint is pending on 31<sup>st</sup> March, 2017.

#### 32. Internal financial controls and Internal Auditor

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. The Company has appointed M/s Grant Thornton India LLP as Internal Auditors of the Company. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee. The Audit Committee has the responsibility for establishing the audit objectives and determines the nature, timing and extent of audit procedures as well as the locations where the work needs to be carried out.

The Internal Auditor monitors and evaluates the efficacy & adequacy of internal financial controls & internal control system in the Company that has been put in place to mitigate the risks faced by the organization and thereby achieve its business objective. Broadly the objectives of the project assigned are:-

- Review the adequacy and effectiveness of the transaction controls;
- Review the operation of the Control Supervisory Mechanisms;
- Recommend improvements in processes management;
- Review the compliance with operating systems, accounting procedures and policies

The internal control and compliance is on ongoing process. Based on the findings and report of internal auditor, process owners undertake corrective action that may be required in their respective areas for further strengthening the controls and control environment. Significant audit observations and corrective actions thereon are presented to the Audit Committee. The internal auditors also independently carry out the design evaluation and testing of controls related to requirements of Internal Financial Controls. The evaluation of design effectiveness and testing of controls for various business activities, processes and sub processes was carried out and found satisfactory.

### 33. Cost Auditors

Cost Audit is not applicable to the Company.

### 34. Holding, Subsidiaries, Associates and Joint Ventures

Your Company continues to be the subsidiary of PTC India Limited (PTC). Further, the Company has two associate companies namely M/s. R.S. India Wind Energy Private Limited and M/s. Varam Bio Energy Private Limited. The statement of company's associate companies is given in Form AOC-1 as **Annexure – VII**.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website following link:

link:[http://www.ptcfinancial.com/upload/pdf/20150629\\_Policy\\_on\\_determining\\_Material\\_Subsiidiaries.pdf](http://www.ptcfinancial.com/upload/pdf/20150629_Policy_on_determining_Material_Subsiidiaries.pdf)

### 35. Management Discussion and Analysis

Management Discussion and Analysis comprising an overview of the financial results, operations / performance and the future prospects of the Company form part of this Annual Report.

### 36. Business Responsibility Report

Pursuant to the Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the

Company from an environmental, social and governance perspective in the format as specified by the SEBI is given as **Annexure- VIII**.

### 37. Particulars of Employees

A. The information pertaining to the remuneration and other details as required under Section 197 of Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2016-17; (₹ in Lacs)

| Name of Director | Director's Remuneration | Median Remuneration of employees | Ratio      |
|------------------|-------------------------|----------------------------------|------------|
| Dr. Ashok Haldia | 97.10                   | 17.16                            | 5.66 times |
| Dr Pawan Singh   | 75.65                   | 17.16                            | 4.41 times |

b. the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

| Name              | %age Increase |
|-------------------|---------------|
| Dr. Ashok Haldia* | 11.00%        |
| Dr Pawan Singh#   | 11.00%        |
| Vishal Goyal      | 10.70%        |

\* excluding the impact of leave encashment made during FY 2016-17 in respect of accumulated leave to the credit

# excluding the impact of arrear of salary paid during FY 2015-16

c. The median remuneration of the employees has increased to ₹17.16 lakhs during FY 2016-17 from ₹14.08 lakhs during FY 2015-16.

d. 45 permanent employees are on the rolls of Company;

e. The average percentile increase in the salary of employees other than the managerial personnel is from ₹18.18 lakhs in FY 2015-16 to ₹19.44 lakhs in FY 2016-17, resulting in an increase of 6.93%. Whereas, the average percentile increase in the managerial remuneration is from ₹ 77.23 lakhs in FY 2015-16 to ₹ 86.38 lakhs in FY 2016-17 resulting in increase of 11.85% (excluding remuneration paid to Sh. Rajender Mohan Malla during FY 2015-16 for 1.5 months upto his superannuation with effect from 15<sup>th</sup> May 2015.

As per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is Annexed as **Annexure – IX**.

B. Particulars of Top 10 employees in terms of remuneration

| Sl. No. | Name & Designation  | Nature of Employment | Remuneration Received (amount in ₹) | Qualification and Experience        | Date of Commencement of Employment in the Company | Age               | Last Employment  | Number of shares held in the Company | If relative of any director or manager, name of such director or manager |
|---------|---------------------|----------------------|-------------------------------------|-------------------------------------|---|-------------------|--|--------------------------------------|--|
| 1       | Dr. Ashok Haldia    | Fixed Term           | 97,10,479                           | M.Com. Ph D, CA, CS, ICWA/ 37 years | 13.08.2008  | 60 yrs 6 months   | The Secretary in The Institute of Chartered Accountants of India       | Nil                                  | NA   |
| 2       | Dr. Pawan Singh     | Fixed Term           | 75,65,167                           | MBA, Ph D/ 34 years                 | 01.02.2012  | 55 yrs 5 months   | Dir-F in Indraprastha Power Generation Co Ltd, Pragati Power Corpn Ltd | Nil                                  | NA   |
| 3       | Vijay Singh Bisht   | Regular              | 58,44,586                           | BE & MBA/ 30 years                  | 01.08.2008  | 54 years          | DGM in PFC   | 100                                  | NA   |
| 4       | Sitesh Kumar Sinha  | Regular              | 54,89,024                           | B.E & PGDBM/ 19 years               | 22.03.2011  | 41 years 3 months | Design Engineer in Lahmeyer International (India) Pvt Ltd              | Nil                                  | NA   |
| 5       | Gaurav Kaushik      | Regular              | 45,29,467                           | B.Com & CA /13 years                | 01.06.2011  | 37 years          | Manager in Lovelock & Lewes, Chartered Accountants                     | Nil                                  | NA   |
| 6       | Vishal Goyal        | Regular              | 37,23,444                           | CS, LLB & MBA/ 13 years             | 25.02.2008  | 36 yrs 8 months   | Company Secretary cum Fin. Manager in International Print -O- Pac Ltd. | Nil                                  | NA   |
| 7       | Rakesh Kalsi        | Regular              | 35,81,091                           | BE & MBA/ 11 years                  | 16.08.2010  | 36 years 4 months | Dy Manager in Feedback Ventures Pvt. Ltd.                              | Nil                                  | NA   |
| 8       | Devesh Singh        | Regular              | 34,99,480                           | B.Com & MBA/ 12 years               | 03.10.2011  | 38 years          | Manager in PTC India   | Nil                                  | NA   |
| 9       | Saurabh Kaura       | Regular              | 34,14,142                           | B.E & PGDISEM/ 8 years 8 months     | 27.06.2011  | 32 years 5 months | Manager in InRhythm Energy Solutions                                   | 300                                  | NA   |
| 10      | Shray Kumar Shikhar | Regular              | 30,71,627                           | BE & PGDBM/ 14 years 8 months       | 15.10.2015  | 37 years          | Manager in Sembcorp Green Infra  | Nil                                  | NA   |

C. No employees who was in receipt of remuneration of not less than one crore and two lakh rupees if employed throughout the year or eight lakh and fifty thousand per month in case employed for part of the year

D. It is affirmed that:-

- The remuneration is as per the remuneration policy of the company; and
- There was no employee in the Company who was in receipt of the remuneration more than that of its managing director/ whole time director and holds by himself or through his/ her relatives not less than two percent of equity shares.

38. Details of conservation of energy, technology absorption

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

39. Foreign Exchange earnings & outgo

The Company has incurred expenditure of ₹217.93 million (previous year ₹215.34 million) in foreign exchange during the financial year ended 31<sup>st</sup> March 2017. This includes interest on external commercial borrowings amounting to ₹211.12 million (previous year ₹148.07 million).

40. Significant and material orders

There were no significant or material orders passed by Regulators or Courts or Tribunals which impacts the going concern status and Company's future operations. .

41. Transfer of Amounts to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has

already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e.28<sup>th</sup> September, 2016), with the Ministry of Corporate Affairs.

42. General

Your Directors state that no disclosure or reporting in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme; and
- Neither Managing Director nor the Whole time Directors of the Company receive any remuneration or commission from any of other Company.

43. Acknowledgement

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

For and on behalf of the Board  
PTC India Financial Services Limited

Sd/-  
Deepak Amitabh  
Chairman  
DIN: 01061535

Date : 9<sup>th</sup> August 2017  
Place : New Delhi

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's philosophy on Corporate Governance

Corporate governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders' expectations. Good governance practices stem from the culture and mindset of the organisation and at PTC India Financial Services Limited (PFS) we are committed to meet the aspirations of all our stakeholders and believes in adopting best corporate practices for ethical conduct of business. 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.

The Company has adopted a Code of Conduct for its employees including Directors. Apart from the performance evaluation of regular employees, PFS has formed the Performance evaluation mechanism for its Executive and Non- Executive Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("Act"). These codes are available on the Company's website. PFS has also established a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

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. As a financial institution, PFS has to regularly pursue businesses that maximise returns while effectively managing the inherent risks. Decision making and execution is driven by its governance structure, ethics and value systems. Corporate Governance ensures transparency and accountability. 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.

The Company is in compliance with the requirements stipulated under regulation 17 to 27 read with para C and D of Schedule V and clauses (b) to (i) to Sub-Regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR" or "SEBI Listing Regulations, 2015 with regard to corporate governance. 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.

### 2. 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.

#### a) Composition and Category of Directors

As on 31<sup>st</sup> March, 2017, the Company's Board comprised of eight Directors. Of the eight Directors, 3 are non-executive nominee directors, 3 are Independent Directors and 2 are whole-time directors. The Company's Board has an optimum combination

of executive, non-executive and independent directors with one woman Director, as per the requirements of Regulation 17 of SEBI (listing Obligation and Disclosure requirements) Regulations, 2015 (SEBI Listing Regulations). The Composition of the Board of the Company meets the criteria mandated by SEBI Listing Regulations and the Companies Act, 2013 except the number of independent directors as prescribed in explanation to proviso of Regulation 17(1) (b) of LODR Regulations, 2015 is less than half of the total number of the Board of directors. The Company has initiated the process to comply with the said regulation and same shall be complied in due course.

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

As on 31<sup>st</sup> March, 2017, the Board strength comprises of the following:

| S. No. | Name of Director            | Category  |
|--------|-----------------------------|---|
| 1      | Mr. Deepak Amitabh          | Chairperson and Non- Executive Director (Nominee Director)* |
| 2      | Dr. Ashok Haldia            | Managing Director & Chief Executive Officer                 |
| 3      | Dr. Pawan Singh             | Whole-time Director   |
| 4      | Mr. Ved Kumar Jain          | Non- Executive Independent Director                         |
| 5      | Mr. Ajit Kumar              | Non- Executive (Nominee Director)*                          |
| 6      | Mrs. Pravin Tripathi        | Non- Executive Independent Woman Director                   |
| 7      | Mr. Harbans Lal Bajaj**     | Non- Executive Independent Director                         |
| 8      | Mr. Arun Kumar <sup>#</sup> | Non- Executive (Nominee Director)*                          |

\*Nominee Director of PTC India Limited (the holding company)

\*\*Appointed as Director w.e.f. 28<sup>th</sup> September, 2016

<sup>#</sup> Appointed as Nominee Director by the holding Company w.e.f. 30<sup>th</sup> September, 2016

Subsequent to the year end, the Company has appointed Mr. Kulamani Biswal and Dr. Rajib Kumar Mishra in place of Mr. Ajit Kumar (who ceased to be a director w.e.f 27<sup>th</sup> May 2017) w.e.f. 8<sup>th</sup> May, 2017 and 23<sup>rd</sup> June, 2017 respectively as Nominee Directors of the holding Company.

#### b) Appointment of Directors

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and terms and conditions of appointment as approved by the Board of Directors or shareholders, as the case may be. The Company has issued letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the Company's website www.ptcfinancial.com.

#### c) Board Meetings

The Board meets at least once in every quarter to discuss and decide on, inter-alia, business strategies/policies and review the financial performance of the Company.

There were twelve (12) Meetings of the Board of Directors held during the financial year ended 31<sup>st</sup> March, 2017 i.e. on 12<sup>th</sup> May, 2016, 8<sup>th</sup> July, 2016, 12<sup>th</sup> August, 2016, 26<sup>th</sup> September, 2016, 30<sup>th</sup> September, 2016, 19<sup>th</sup> October, 2016, 8<sup>th</sup> November, 2016, 27<sup>th</sup> December, 2016, 30<sup>th</sup> January, 2017, 13<sup>th</sup> February, 2017, 16<sup>th</sup> March, 21<sup>st</sup> and 31<sup>st</sup> March, 2017. The maximum interval between any two meetings was within the maximum allowed gap of 120 days.

d) Attendance of Directors

Attendance of Directors at Board Meetings and at Annual General Meeting (AGM) during the financial year ended March 31, 2017:

| S. No. | Name of the Director           | Designation                                      | No. of meetings held | No. of meetings attended | Directorships in other Companies | Attendance at the last Annual General Meeting | Chairman/ Membership (Audit and Stakeholder Relationship Committee) |                                 |
|--------|--------------------------------|--|----------------------|--------------------------|----------------------------------|---|---|---------------------------------|
|        |                                |  |                      |                          |                                  |   | No. of Chairmanships <sup>#</sup>                                   | No. of Memberships <sup>#</sup> |
| 1      | Mr. Deepak Amitabh             | Chairperson, Non- Executive and Nominee Director | 12                   | 12                       | 2                                | Present                                       | -   | -                               |
| 2      | Dr. Ashok Haldia               | Managing Director & Chief Executive Officer      | 12                   | 12                       | 1                                | Present                                       | -   | -                               |
| 3      | Dr. Pawan Singh                | Whole-Time Director                              | 12                   | 12                       | 1                                | Present                                       | -   | 1                               |
| 4      | Mr. Ved Kumar Jain             | Non- Executive Independent Director              | 12                   | 12                       | 5                                | Present                                       | -   | 4                               |
| 5      | Mr. Ajit Kumar                 | Non- Executive Nominee Director                  | 12                   | 10                       | 2                                | Present                                       | -   | -                               |
| 6      | Mrs. Pravin Tripathi           | Non- Executive Independent Director              | 12                   | 11                       | 3                                | Present                                       | -   | 3                               |
| 7      | Mr. Harbans Lal Bajaj          | Non- Executive Independent Director              | 11                   | 10                       | 1                                | Absent  | -   | -                               |
| 8      | Mr. Arun Kumar *               | Non- Executive Nominee Director                  | 9                    | 8                        | 3                                | Not applicable                                | -   | -                               |
| 9      | Mr. Radhakrishnan Nagarajan ** | Non- Executive Nominee Director                  | 3                    | 2                        | Not applicable                   | Not applicable                                | Not applicable  | Not applicable                  |
| 10     | Mr. Surender Kumar Tuteja ^    | Non- Executive Independent Director              | 7                    | 7                        | Not applicable                   | Absent  | Not applicable  | Not applicable                  |
| 11     | Mr. Suriender Singh Kohli ^ ^  | Non- Executive Independent Director              | 7                    | 7                        | Not applicable                   | Absent  | Not applicable  | Not applicable                  |

\* Appointed as Director w.e.f. 30<sup>th</sup> September, 2016

\*\* Ceased to be the Director w.e.f 12<sup>th</sup> August, 2016

^ Ceased to be the Director w.e.f 26<sup>th</sup> November, 2016

^ ^ Ceased to be the Director w.e.f 12<sup>th</sup> December, 2016

#Excluding Directorship, Membership and Chairmanship in PFS.

None of the Directors on the Board is a member of more than ten committees or act as chairperson of more than five committees across all public limited companies as specified under Regulation 26 of SEBI LODR Regulations, 2015.

For the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered and companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 have not been considered.

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

f) Detail of shareholding of Non- Executive Directors and their relatives in the Company as on 31<sup>st</sup> March, 2017 are as under:

| S. No. | Name of the Director | No. of Shares |
|--------|----------------------|---------------|
| 1      | Mr. Deepak Amitabh   | 3,500         |

g) Familiarization program for independent directors

The Company has familiarization program for independent directors. Web link to the program is given below:

[http://www.ptcfinancial.com/upload/pdf/2015062\\_FAMILIARISATION\\_PROGRAMME\\_MODULE.pdf](http://www.ptcfinancial.com/upload/pdf/2015062_FAMILIARISATION_PROGRAMME_MODULE.pdf)

All independent directors inducted into the Board attended an orientation program organised by the Company from time to time. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The terms and conditions of appointment of Independent Directors is available on the Company's website [www.ptcfinancial.com](http://www.ptcfinancial.com).

h) Availability of information to Board Members

The required information, including information as enumerated in regulation 17(7) read together with Part A of Schedule II of the SEBI (LODR) Regulations, 2015 is made available to the Board of Directors, for discussion and consideration at the Board Meetings.

i) Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Company pays performance linked remuneration to its WTDs/ MD. It is ensured that the remuneration is determined in a way that there exists a fine balance between fixed and incentive pay. On the basis of Policy for Performance Evaluation of Independent Directors, a process of evaluation is being followed by the Board for its own performance and that of its Committees and individual Directors. The performance evaluation process and related tools are reviewed by the "Nomination & Remuneration Committee" on need basis, and the Committee may periodically seek independent external advice in relation to the process. The Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination & Remuneration Committee.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc. The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated

**j) Meetings of Independent Directors**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI Listing Regulations, separate meeting of the Independent Directors of the Company was held on June 7, 2016 in calendar year 2016 and on June 28, 2017 and July 15, 2017 in calendar year 2017 without the attendance of non-independent directors and members of management to:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

k) The Board annually reviews compliance reports of all laws applicable to the Company, prepared by the Company.

**l) Code of Conduct**

In compliance with the Listing Regulations and the Companies Act, 2013, a code of conduct for Board Members and Senior Officials is in place. It is a comprehensive code applicable to all Directors and Members of Senior Management of the Company. It is in alignment with Company's vision and values to achieve the Mission and Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code is available on the website of the Company i.e. [www.ptcfinc.com](http://www.ptcfinc.com). Based on affirmation received from Board members and Senior Management Personnel, declaration regarding compliance of Code of Conduct made by the Managing Director and CEO is given below:

**Declaration**

All the Board members and Senior Management Personnel have affirmed compliance of Code of Conduct for financial year ended on 31<sup>st</sup> March, 2017.

**m) Code for Prevention of Insider Trading**

In terms of Securities and Exchange Board of India (Prohibition of

Insider Trading) Regulations, 2015, 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 and their relatives not to deal in the shares of the Company when the window is closed.

The code has been intimated to Stock Exchanges where the shares of the Company are listed and has also been duly published on the website of the Company ([www.ptcfinc.com](http://www.ptcfinc.com)) as prescribed by SEBI.

**n) 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 31<sup>st</sup> March, 2017 the Board had eight (8) committees:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders' Relationship Committee
- 4) Asset Liability Management Committee
- 5) Risk Management Committee
- 6) Corporate Social Responsibility Committee
- 7) Committee of Directors for Bond issuance
- 8) Investment Committee

**3. Audit Committee**

The constitution, role and terms of reference of the Audit Committee of Directors of the Company are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015, with all members being financially literate and most having accounting or related financial management expertise.

**Terms of Reference**

The broad terms of reference of Audit Committee are as follows:

- a) 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;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - I. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

- II. Changes, if any, in accounting policies and practices and reasons for the same;
  - III. Major accounting entries involving estimates based on the exercise of judgment by management;
  - IV. Significant adjustments made in the financial statements arising out of audit findings;
  - V. Compliance with listing and other legal requirements relating to financial statements;
  - VI. Disclosure of any related party transactions;
  - VII. Modified opinions in the draft audit report;
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - f) 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;
  - g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - h) Approval or any subsequent modification of transactions of the Company with related parties;
  - i) Scrutiny of inter-corporate loans and investments;
  - j) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - k) Evaluation of internal financial controls and risk management systems;
  - l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - n) Discussion with internal auditors of any significant findings and follow up there on;
  - o) 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;
  - p) 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;
  - q) 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;
  - r) To review the functioning of the Whistle Blower mechanism;
  - s) 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;
  - t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Committee was chaired by Mr. Ved Kumar Jain, Non-Executive Independent Director, during the financial year ended on 31<sup>st</sup> March, 2017. The composition of Audit Committee during the financial year ended 31<sup>st</sup> March, 2017 and meeting attended by the members are as follows:

| Sr. No. | Name of Member                          | Status                               | Designation | No. of meetings held | No. of meetings attended |
|---------|---|--------------------------------------|-------------|----------------------|--------------------------|
| 1.      | Mr. Ved Kumar Jain                      | Non-Executive - Independent Director | Chairperson | 5                    | 5                        |
| 2.      | Mrs. Pravin Tripathi                    | Non-Executive - Independent Director | Member      | 5                    | 5                        |
| 3.      | Mr. Arun Kumar <sup>#</sup>             | Non-Executive - Nominee Director     | Member      | 3                    | 3                        |
| 4.      | Mr. Surinder Singh Kohli <sup>*</sup>   | Non-Executive - Independent Director | Member      | 3                    | 3                        |
| 3.      | Mr. Surender Kumar Tuteja <sup>**</sup> | Non-Executive - Independent Director | Member      | 3                    | 3                        |

<sup>#</sup> Appointed as the Director and member of the Audit Committee w.e.f. 30<sup>th</sup> September, 2016

<sup>\*</sup> Ceased to be the Director w.e.f. 12<sup>th</sup> December, 2016.

<sup>\*\*</sup> Ceased to be the Director w.e.f. 26<sup>th</sup> November, 2016

The Meetings of the Audit Committee are also attended by the Managing Director & Chief Executive Officer (CEO), Director (Finance), Chief Financial Officer (CFO), Internal Auditors and Statutory Auditors as special invitees as required. The Company Secretary acts as secretary to the Committee. The Minutes of each Audit Committee are placed in the next Meeting of the Board.

During the financial year ended 31<sup>st</sup> March 2017, 5 (Five) meetings of Audit Committee were held on 12<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 8<sup>th</sup> November, 2016, 13<sup>th</sup> February, 2017 and 3<sup>rd</sup> March, 2017. The necessary quorum was present for all the meetings. The maximum interval between any two meetings was within the maximum allowed gap of 120 days.

The Chairperson of the Audit Committee was present at the last Annual General Meeting held on 28<sup>th</sup> September, 2016 to answer the queries of the shareholders.

#### 4. Nomination and Remuneration Committee

The Board originally constituted Nomination cum Remuneration Committee on 5<sup>th</sup> August, 2008 and subsequently renamed it to its present name on 30<sup>th</sup> April, 2014. 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, Companies Act, 2013 and SEBI Listing Regulations, 2015

The broad terms of reference of the nomination and remuneration committee are as under:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Composition of Nomination and Remuneration Committee during the financial year ended 31<sup>st</sup> March, 2017 and meeting attended by the members are as follows:

| Sr. No. | Name of Committee Member     | Designation                          | Status      | No. of meetings held | No. of meetings attended |
|---------|------------------------------|--------------------------------------|-------------|----------------------|--------------------------|
| 1.      | Mr. Ved Kumar Jain           | Non-Executive - Independent Director | Chairperson | 8                    | 8                        |
| 2.      | Mr. Deepak Amitabh           | Non-Executive - Nominee Director     | Member      | 8                    | 8                        |
| 3.      | Mr. Arun Kumar               | Non-Executive - Nominee Director     | Member      | 4                    | 4                        |
| 4.      | Mr. Harbans Lal Bajaj        | Non-Executive - Independent Director | Member      | 3                    | 3                        |
| 5.      | Mr. Surender Kumar Tuteja*   | Non-Executive - Independent Director | Member      | 5                    | 5                        |
| 6.      | Mr. Suriender Singh Kohli**  | Non-Executive - Independent Director | Member      | 5                    | 5                        |
| 7.      | Mr. Radhakrishnan Nagarajan# | Non-Executive - Nominee Director     | Member      | 3                    | 3                        |

\*Ceased to be member w.e.f 26th November, 2016

\*\*Ceased to be member w.e.f 12th December, 2016

# Ceased to be member w.e.f 12<sup>th</sup> August, 2016

\$Appointed as member w.e.f. 22<sup>nd</sup> May, 2017

Mr. Vishal Goyal, Company Secretary acts as the Secretary to the Committee. The Committee meets as per the requirement.

During the financial year ended 31<sup>st</sup> March, 2017, eight (8) meetings of Nomination and Remuneration Committee were held on 9<sup>th</sup> May, 2016, 21<sup>st</sup> May, 2016, 7<sup>th</sup> June, 2016, 26<sup>th</sup> September, 2016, 27<sup>th</sup> October, 2016, 12<sup>th</sup> January, 2017, 25<sup>th</sup> January, 2017 and 31<sup>st</sup> March, 2017.

#### Performance Evaluation Criteria for all the Directors

The performance evaluation criteria for all directors (including Independent Directors) are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

#### 5. Remuneration of 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 MD and WTDs is 3 (three) months.

The non-executive Directors in PFS are entitled/ paid sitting fee of an amount of ₹ 40,000/- per Board and Committee meeting(s) during the financial year ended 31<sup>st</sup> March, 2017 as resolved by the Board of Directors in their meeting held on 31<sup>st</sup> January, 2015.

#### 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, 2013 and any guidelines / circulars issued by the 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.

The remuneration paid to Managing Director & CEO and Whole- Time Directors during the financial year ended 31<sup>st</sup> March, 2017 is as under:

#### A. Executive Directors

| Name of Director | Salary (₹ in Lacs) | Performance linked incentives (₹ in Lacs) | Total (₹ in Lacs) | Service Contract | Notice period    |
|------------------|--------------------|---|-------------------|------------------|------------------|
| Dr. Ashok Haldia | 78.94              | 18.16                                     | 97.10             | NIL              | 3 months' notice |
| Mr. Pawan Singh  | 60.47              | 15.18                                     | 75.65             | NIL              | 3 months' notice |

No sitting fee has been paid and no stock option have been granted to the executive directors during the financial year ended March 31, 2017.

#### B. Details of payments made towards sitting fee to the Non-Executive Directors for Board/Committee Meetings during FY 2016-2017

The Independent directors and Non- Executive Directors are paid remuneration by way of sitting fees for each meeting of the Board and Committee of directors attended by them.

The Independent Directors do not have any pecuniary relationship or transactions with the Company. The Nomination and Remuneration Policy of the Company which is given as Annexure- IX to the Board's Report and is also disclosed on the website of the Company [http://www.ptcfinancial.com/upload/pdf/nomination\\_and\\_remuneratin\\_board\\_diversity\\_policy.pdf](http://www.ptcfinancial.com/upload/pdf/nomination_and_remuneratin_board_diversity_policy.pdf).

The details of payments made to non-executive directors during the financial year ended 31<sup>st</sup> March 2017 are as under:

| S. No. | Name of Director             | Sitting Fee (in ₹) | Conveyance (in ₹) |
|--------|------------------------------|--------------------|-------------------|
| 1      | Mr. Ved Kumar Jain           | 1,240,000          | 42,000            |
| 2      | Mr. Harbans Lal Bajaj        | 480,000            | 12,000            |
| 3      | Mrs. Pravin Tripathi         | 1,040,000          | 34,000            |
| 4      | Mr. Deepak Amitabh*          | 960,000            | 2,000             |
| 5      | Mr. Arun Kumar*              | 680,000            | 2,000             |
| 6      | Mr. Ajit Kumar*              | 440,000            | 2,000             |
| 7      | Mr. Surinder Singh Kohli     | 800,000            | 26,000            |
| 8      | Mr. Surender Kumar Tuteja    | 880,000            | 26,000            |
| 9      | Mr. Radhakrishnan Nagarajan* | 240,000            | 10,000            |
|        | TOTAL                        | 67,60,000          | 156,000           |

\*Sitting Fee has been paid to PTC India Limited (the holding company) /Power Finance Corporation Limited.



## 6. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee of the Board consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, and non-receipt of declared dividends.

The composition of the Committee during the financial year ended March 31, 2017 and meetings attended by the members are as follows is as follows:

| Sl. No. | Name of Member        | Designation | Status                               | No. of meetings held | No. of meetings attended |
|---------|-----------------------|-------------|--------------------------------------|----------------------|--------------------------|
| 1       | Mrs. Pravin Tripathi* | Chairperson | Non-Executive - Independent Director | 1                    | 1                        |
| 2       | Dr. Ashok Haldia      | Member      | Executive Director                   | 1                    | 1                        |
| 3       | Shri S.K.Tuteja ^     | Member      | Non-Executive - Independent Director | 1                    | 1                        |
| 4       | Shri Ajit Kumar#      | Member      | Non-Executive - Nominee Director,    | Not applicable       | Not applicable           |

\* Appointed as member w.e.f 12<sup>th</sup> May, 2016

^ Appointed as member w.e.f 12<sup>th</sup> May, 2016 and ceased to be member w.e.f. 26<sup>th</sup> November, 2016

# Appointed as member w.e.f. 27<sup>th</sup> December, 2016

During the financial year ended 31st March, 2017, 1(one) meeting of Stakeholders' Relationship Committee was held on 7th June, 2016. The Members shall elect a Chairman (a Non-executive Director) amongst themselves and the Committee is chaired by an Independent Director.

Mr. Vishal Goyal, Company Secretary designated and act as the Compliance Officer of the Committee.

### Terms of Reference

The Committee looks into redressing of investors complaint like delay in transfer of shares, Demat, Remat, non- receipt of declared dividends, non- receipt of Annual Reports etc. and such other related work as may be assigned by the Board from time to time. The Committee oversees the performance of Registrar and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

### Investor Complaints received and resolved during the year

Status of Complaints from investors for the financial year ended 31st March, 2017

| Sl. No. | Type of Investor       | No. of complaints pending at the beginning of the year | No. of Complaints received during year | No. of Complaints pending as at the end of year |
|---------|------------------------|--|--|---|
| 1.      | Equity and Bondholders | -  | 1101                                   | -   |

All the complaints have been resolved to the satisfaction of the shareholders/bondholders.

### Other Committees

#### A. Asset Liability Management Committee

The Asset Liability Management Committee (ALCO) was originally constituted pursuant to Board resolution dated 30<sup>th</sup> March, 2009. It has been constituted for the purpose of performing functions as required under the Asset Liability Management Policy of the Company.

### Composition and Meetings

The composition of Asset Liability Management Committee during the financial year ended 31<sup>st</sup> March, 2017 and meeting attended by members are as follows:

| Sl. No. | Name of Member            | Designation | Status                               | No. of meetings held | No. of meetings attended |
|---------|---------------------------|-------------|--------------------------------------|----------------------|--------------------------|
| 1       | Mr. Deepak Amitabh        | Chairman    | Non-Executive - Nominee Director,    | 1                    | 1                        |
| 2       | Dr. Ashok Haldia          | Member      | Executive Director,                  | 1                    | 1                        |
| 3       | Mr. Surinder Singh Kohli* | Member      | Non-Executive - Independent Director | 1                    | 1                        |
| 4       | Dr. Pawan Singh           | Member      | Executive Director                   | 1                    | 1                        |
| 5       | Mrs. Pravin Tripathi      | Member      | Non-Executive - Independent Director | 1                    | 1                        |

\*Ceased to be member w.e.f. 12<sup>th</sup> December, 2016.

During the year financial ended 31<sup>st</sup> March, 2017, 1 (one) meeting of Asset Liability Management Committee was held on 8<sup>th</sup> July, 2016.

### Scope, Terms and References

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.

#### B. Risk Management Committee

The Risk Management Committee was constituted by Board on 7<sup>th</sup> 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.

### Composition

The composition of Risk Management Committee during the financial year ended 31st March, 2017 and meeting attended by the members are as follows:

| Sl. No. | Name of Director           | Designation | No. of meetings held | No of meetings attended |
|---------|----------------------------|-------------|----------------------|-------------------------|
| 1       | Mr. Surinder Singh Kohli*  | Chairman    | 3                    | 3                       |
| 2       | Dr. Ashok Haldia           | Member      | 3                    | 3                       |
| 3       | Dr. Pawan Singh            | Member      | 3                    | 3                       |
| 4       | Mr. Surender Kumar Tuteja# | Member      | 3                    | 3                       |
| 5       | Mr. Arun Kumar ^           | Member      | 1                    | 1                       |

\*Ceased to be member w.e.f 12<sup>th</sup> December, 2016 due to completion of tenure

#Ceased to be member w.e.f 26<sup>th</sup> November, 2016 due to his resignation.

^ Appointed as member w.e.f.30<sup>th</sup> September, 2016

### Number of Committee Meetings held during the Financial Year

During the financial year ended 31<sup>st</sup> March 2017, 3(three) meetings of Risk Management Committee were held on 30<sup>th</sup> May, 2016, 28<sup>th</sup> September, 2016 and 27<sup>th</sup> October, 2016.

### C. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted pursuant to Board resolution dated 30<sup>th</sup> April, 2014.

#### Composition

The composition of Corporate Social Responsibility Committee during the financial year ended 31<sup>st</sup> March, 2017 and meeting attended by the members are as follows:

| Sl. No. | Name of Director           | Designation | No. of meetings held | No of meetings attended |
|---------|----------------------------|-------------|----------------------|-------------------------|
| 1       | Mr. Deepak Amitabh         | Chairman    | 2                    | 2                       |
| 2       | Mr. Ved Kumar Jain         | Member      | 2                    | 2                       |
| 3       | Mrs Pravin Tripathi        | Member      | 2                    | 2                       |
| 4       | Mr. Surender Kumar Tuteja* | Member      | 1                    | 1                       |

\*Ceased to be member w.e.f 26<sup>th</sup> November, 2016 due to his resignation.

#### Number of Committee Meetings held during the Financial Year

During the financial year ended 31<sup>st</sup> March, 2017, 2 (two) meetings of Corporate Social Responsibility Committee were held on 27<sup>th</sup> October, 2016 and 16<sup>th</sup> March, 2017.

The Board in its meeting held on 27<sup>th</sup> March, 2015 has approved the Corporate Social Responsibility policy of the Company and the same has been disclosed on the website of the Company i.e. [www.ptcfinancial.com](http://www.ptcfinancial.com).

### D. Committee of Directors for Issuance of Bonds

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

#### Composition

The composition of Committee of Directors for Issuance of Bonds during the financial year ended 31<sup>st</sup> March, 2017 and meeting attended by the members are as follows:

| Sl. No. | Name of Director   | Designation | No. of meetings held | No of meetings attended |
|---------|--------------------|-------------|----------------------|-------------------------|
| 1       | Mr. Deepak Amitabh | Chairman    | 0                    | 0                       |
| 2       | Dr. Ashok Haldia   | Member      | 0                    | 0                       |
| 3       | Dr. Pawan Singh    | Member      | 0                    | 0                       |

#### Number of Committee Meetings held during the Financial Year

During the financial year ended 31<sup>st</sup> March, 2017, no meetings of Committee of Directors for issuance of Bonds was held.

### E. Investment Committee (for sanction of financial assistance up to ₹ 100 crores)

The Investment Committee was originally constituted by Board on 21<sup>st</sup> 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 up to ₹ 100 crores, subject to an overall limit by ₹500 crores in a financial year.

### Composition

The composition of Investment Committee during the financial year ended 31<sup>st</sup> March, 2017 and meeting attended by the members are as follows:

| Sl. No. | Name of the Director        | Designation | No. of meetings held | No. of meetings attended |
|---------|-----------------------------|-------------|----------------------|--------------------------|
| 1       | Mr. Deepak Amitabh          | Chairman    | 3                    | 3                        |
| 2       | Dr. Ashok Haldia            | Member      | 3                    | 2                        |
| 3       | Dr. Pawan Singh             | Member      | 3                    | 3                        |
| 4       | Mrs. Pravin Tripathi*       | Member      | 3                    | 3                        |
| 5       | Mr. Surender Kumar Tuteja ^ | Member      | 1                    | 1                        |

\*Appointed as member w.e.f. 12<sup>th</sup> May, 2016

^ Ceased to be Member w.e.f 26<sup>th</sup> November, 2016 due to his resignation

#### Number of Committee Meetings held during the Financial Year

During the financial year ended 31<sup>st</sup> March, 2017, 3 (three) meetings of Investment Committee were held on 8<sup>th</sup> July, 2016, 6<sup>th</sup> January, 2017 and 28<sup>th</sup> March, 2017.

### 7. General Body Meeting (s)

#### a) Details of last three Annual General Meetings (AGM) are as under:

| Year ended                   | AGM                  | Date                             | Day       | Time       | Location   | Special Resolution |
|------------------------------|----------------------|----------------------------------|-----------|------------|--|--------------------|
| 31 <sup>st</sup> March, 2016 | 10 <sup>th</sup> AGM | 28 <sup>th</sup> September, 2016 | Wednesday | 10:30 A.M. | Dr. SRKV Auditorium, Kendriya Vidyalaya No.2, APS Colony, Gurgaon Road, Delhi Cantt., New Delhi-110010 | None               |
| 31 <sup>st</sup> March, 2015 | 9 <sup>th</sup> AGM  | 24 <sup>th</sup> September, 2015 | Thursday  | 10:30 A.M. | Dr. SRKV Auditorium, Kendriya Vidyalaya No.2, APS Colony, Gurgaon Road, Delhi Cantt., New Delhi-110010 | One                |
| 31 <sup>st</sup> March, 2014 | 8 <sup>th</sup> AGM  | 26 <sup>th</sup> September, 2014 | Friday    | 11:30 A.M. | Dr. SRKV Auditorium, Kendriya Vidyalaya No.2, APS Colony, Gurgaon Road, Delhi Cantt., New Delhi-110010 | Three              |

No Extra-Ordinary General Meeting(s) were held during last three years.

#### b) Special Resolutions passed through Postal Ballot

During the financial year ended March 31, 2017, the Company approached the shareholders through postal ballot. The details of the postal ballot for the year is as follows:

|                                   |                                     |   |  |
|-----------------------------------|-------------------------------------|---|--|
| Date of Postal Ballot Notice      | : October 10, 2016                  | Voting period   | : Starts from 10.00 a.m. on Saturday, October 15, 2016 and end on 5.00 p.m. on Sunday, November 13, 2016 (inclusive of both the days). |
| Date of declaration of result     | : November 15, 2016                 | Date of approval  | : November 13, 2016  |
| Scrutinizer for the postal ballot | : M/s. Ashish Kapoor and Associates | Cut-off record date for reckoning members eligible to receive Notice and Vote | : September 30, 2016   |

| Name of the resolution  | Type of resolution | No. of votes polled | Votes cast in favour |       | Votes cast against |      |
|---|--------------------|---------------------|----------------------|-------|--------------------|------|
|   |                    |                     | No. of votes         | %     | No. of votes       | %    |
| Issuance of Equity Shares on Preferential Basis to the person belonging to promoter group | Special            | 355380503*          | 355245256            | 99.96 | 134547             | 0.04 |
| Issuance of Bonds on Private Placement basis  | Special            | 355380503*          | 350340598            | 98.58 | 5039205            | 1.42 |

\*Out of the above 700 votes were invalid votes

#### c) Procedure of Postal Ballot

In compliance with Regulation 44 of the Listing Regulation, 2015 and Sections 108, 110 and other applicable provisions of the Act, read with related Rules, the Company provided electronic voting facility to all its Members, to enable them to cast their votes electronically besides voting through ballot forms. The Company engaged the services of Karvy Computershare Private Limited for the purpose of providing e-facility to all its Members.

The Company dispatched the postal ballot notices and forms along with postage pre-paid business reply envelopes to its Members whose names appeared in the Register of Members/the List of beneficiaries as on a cut-off date. The Postal Ballot Notice was sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's Registrar and Transfer Agents (in case of physical shareholding). The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the applicable Rules.

Voting rights are reckoned on the paid-up value of shares registered in names of Members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms duly completed and signed to the Scrutinizer on or before the end of the voting period. Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last day of e-voting.

The Scrutinizer submitted his report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Chairman. The results were also displayed on the website of the Company besides being communicated to the Stock Exchanges, Depositories and the Registrar and Transfer Agent.

#### d) Special Resolution proposed to be conducted

There are 3 (three) resolutions which are proposed to be passed in the ensuing AGM as Special Resolution.

#### 8. Subsidiary Companies

The Company does not have any subsidiary company.

#### 9. Holding Company

PTC India Limited holding 64.99% of the paid up equity share capital of the Company is the holding company of PFS.

#### 10. Means of Communication & Website

PFS recognizes communication as a key element of the overall Corporate Governance framework and therefore emphasizes continuous, efficient and relevant communication to all external constituencies. Quarterly/annual financial results are usually published in financial and national

newspapers like Financial Express / Business Standard in English and Jansatta in Hindi.

The same are also available on the website of the Company viz. [www.ptcfinancial.com](http://www.ptcfinancial.com) and have also been submitted to stock exchanges as per requirement of the listing regulations. 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](http://www.ptcfinancial.com)**. Further, official news releases have also been posted on the website of the Company and presentations are made to institutional investors and analysts on the Company's audited annual financial results.

#### 11. General Shareholder information

##### i. Annual General Meeting

| Date                             | Time         | Venue  |
|----------------------------------|--------------|--|
| 25 <sup>th</sup> September, 2017 | 11 : 00 a.m. | Dr. SRKV Auditorium, Kendriya Vidyalaya No.2, APS Colony, Gurgaon Road, Delhi Cantt., New Delhi-110010 |

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given in the Explanatory Statement annexed to the Notice of the AGM to be held on 25<sup>th</sup> September, 2017.

##### ii. Financial calendar for financial year ended on 31<sup>st</sup> March, 2017

| Particulars   | Date  |
|---|---|
| Financial year  | 1 <sup>st</sup> April 2016 to 31 <sup>st</sup> March, 2017  |
| Un-audited financial results for the first three quarters | Un-audited financial results for the first three quarters were announced on 12 <sup>th</sup> August, 2016, 8 <sup>th</sup> November, 2016 and 13 <sup>th</sup> February, 2017 respectively. |
| Annual Financial Results                                  | 22 <sup>nd</sup> May, 2017  |

##### B. Tentative Financial calendar for year ending on 31<sup>st</sup> March, 2018

| Particulars   | Date  |
|---|---|
| Un-audited financial results for the first three quarters | 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   |

##### iii. Payment of Dividend

###### a. Dividend Distribution Policy

As per regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the top 500 listed companies shall formulate a dividend distribution policy. Accordingly, the policy was adopted to set out the parameters and circumstances that will be taken in to account by the Board while determining the distribution of dividend to its shareholder. The policy is enclosed to the Board Report and is also available on Company's website at:

<http://www.ptcfinancial.com/upload/pdf/Dividend%20Distribution%20Policy-PFS.pdf>

**b. Final Dividend details for financial year 2016-2017**

The Board of Directors in their meeting held on 22<sup>nd</sup> May, 2017 has recommended a dividend @ 15% i.e. ₹ 1.50 per equity share (on the face value of ₹ 10/- per share) for the financial year ended on 31<sup>st</sup> March, 2017, subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

**c. Dividend History for the last five years**

| Sr. No. | Financial Year | Total Paid up Capital in ₹ | Rate of Dividend (%) |
|---------|----------------|----------------------------|----------------------|
| 1       | 2015-16        | 5620833350                 | 12%                  |
| 2       | 2014-15        | 5620833350                 | 10%                  |
| 3       | 2013-14        | 5620833350                 | 10%                  |
| 4       | 2012-13        | 5620833350                 | 4%                   |
| 5       | 2011-12        | 5620833350                 | Nil                  |

**d. Date of Book Closure**

The book closures dates of the Company are from 15<sup>th</sup> September, 2017 to 25<sup>th</sup> September, 2017 (both days inclusive) for the purpose of payment of dividend for the FY 2016-17.

**e. 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 123 of Companies Act, 2013, if approved by the members at ensuing Annual General Meeting (AGM) of the Company, shall be paid to those shareholders whose name appears in the Register of Members as on the first date of book closure or in the list of beneficial holders provided by NSDL/ CDSL on the closing hours of 14<sup>th</sup> September, 2017.

**f. Unclaimed Dividend**

Section 124 of Companies Act, 2013 mandates that companies transfer Dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years will be transferred to IEPF:

| Year      | Type of dividend | Dividend per share (₹) | Date of declaration              | Amount remain unpaid(₹) |
|-----------|------------------|------------------------|----------------------------------|-------------------------|
| 2015-2016 | Final            | ₹ 1.20 per share       | 28 <sup>th</sup> September, 2016 | 596,668                 |
| 2014-2015 | Final            | ₹ 1 per share          | 24 <sup>th</sup> September, 2015 | 478,876                 |
| 2013-2014 | Final            | ₹ 1 per share          | 26 <sup>th</sup> September, 2014 | 522,108                 |
| 2012-2013 | Final            | ₹ 0.40 per share       | 19 <sup>th</sup> August, 2013    | 233,528                 |

**iv. Listing of Stock Exchanges and Stock Codes**

PFS equity shares are listed on the following stock exchanges:

| Sr. No. | Name of the Stock Exchange                     | Address of the Stock Exchange   | Stock Code | ISIN No.     |
|---------|--|---|------------|--------------|
| 1       | National Stock Exchange of India Limited (NSE) | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051 | PFS        | INE560K01014 |
| 2       | BSE Limited (BSE)                              | Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001                         | 533344     |              |

**v. Listing Fee**

The annual listing fee for the financial year 2017 - 18 has been paid by the Company to NSE and BSE. Further the Company has also

paid the annual Custody Fee to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

**vi. Infrastructure Bonds**

PFS has also issued Non- Convertible debenture, Infrastructure Bonds and Commercial Papers carrying the following ISIN codes as on 31st March, 2017:

| Sr. No. | Name                             | ISIN Code    |                                    |
|---------|----------------------------------|--------------|------------------------------------|
| 1       | NCD Series 3                     | INE560K07037 |                                    |
| 2       | NCD Series 4                     | INE560K07128 |                                    |
| 3       | NCD Series 5                     | INE560K07136 |                                    |
| 4       | Infra Bond series 1 (option I)   | INE560K07045 |                                    |
| 5       | Infra Bond series 1 (option II)  | INE560K07052 |                                    |
| 6       | Infra Bond series 1 (option III) | INE560K07060 |                                    |
| 7       | Infra Bond series 1 (option IV)  | INE560K07078 |                                    |
| 8       | Infra Bond series 2 (option I)   | INE560K07086 |                                    |
| 9       | Infra Bond series 2 (option II)  | INE560K07094 |                                    |
| 10      | Infra Bond series 2 (option III) | INE560K07102 |                                    |
| 11      | Infra Bond series 2 (option IV)  | INE560K07110 |                                    |
| 12      | Commercial Paper                 | INE560K14751 | ISIN Extinguished on July 14, 2017 |
|         |                                  | INE560K14769 | ISIN Extinguished on July 14, 2017 |
|         |                                  | INE560K14777 | ISIN Extinguished on July 14, 2017 |
|         |                                  | INE560K14785 | ISIN Extinguished on June 01, 2017 |

**vii. Market Price Data**

**a. Market price of PFS's shares for the year ended March 31, 2017 on NSE**

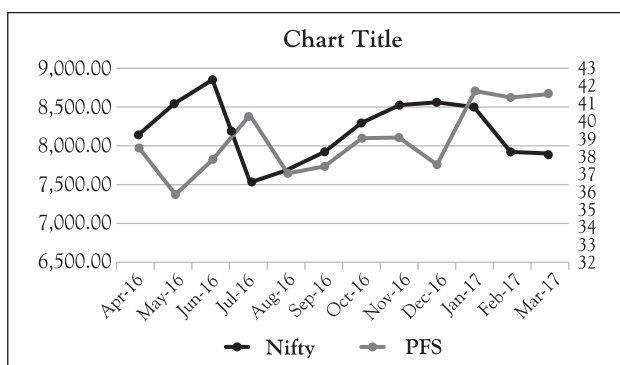
| Month    | Open (₹) | High (₹) | Low (₹) | Close (₹) |
|----------|----------|----------|---------|-----------|
| Apr-16   | 34.25    | 41.50    | 33.50   | 38.50     |
| May-16   | 38.55    | 41.25    | 34.50   | 35.85     |
| Jun-16   | 35.95    | 39.95    | 35.00   | 37.85     |
| Jul-16   | 38.35    | 42.70    | 38.10   | 40.35     |
| Aug-16   | 40.10    | 41.90    | 34.95   | 37.00     |
| Sep-16   | 37.35    | 40.20    | 35.30   | 37.45     |
| Oct-16   | 37.55    | 39.80    | 37.55   | 39.05     |
| Nov-16   | 39.10    | 42.85    | 33.00   | 39.05     |
| Dec-16   | 39.30    | 40.70    | 36.10   | 37.55     |
| Jan-17   | 37.75    | 44.75    | 37.30   | 41.70     |
| Feb-17   | 41.50    | 43.45    | 39.30   | 41.35     |
| March-17 | 41.15    | 42.10    | 38.35   | 41.55     |

**b. Market price of PFS's shares for the year ended March 31, 2017 on BSE**

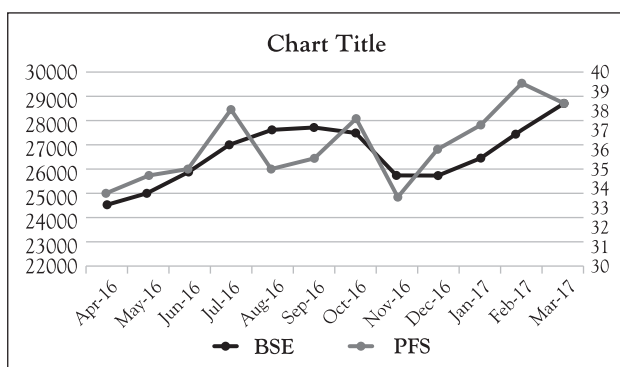
| Month    | Open (₹) | High (₹) | Low (₹) | Close (₹) |
|----------|----------|----------|---------|-----------|
| Apr-16   | 34.00    | 41.30    | 33.75   | 38.90     |
| May-16   | 38.70    | 41.20    | 34.65   | 35.85     |
| Jun-16   | 36.00    | 39.50    | 34.95   | 37.90     |
| Jul-16   | 39.00    | 42.80    | 38.05   | 40.25     |
| Aug-16   | 41.40    | 41.85    | 35.00   | 36.95     |
| Sep-16   | 36.95    | 40.15    | 35.50   | 37.40     |
| Oct-16   | 38.00    | 39.85    | 37.55   | 39.15     |
| Nov-16   | 39.20    | 42.80    | 33.60   | 38.95     |
| Dec-16   | 39.05    | 40.90    | 36.05   | 37.50     |
| Jan-17   | 37.85    | 44.75    | 37.30   | 41.70     |
| Feb-17   | 41.65    | 43.50    | 39.40   | 41.25     |
| March-17 | 41.45    | 42.20    | 38.45   | 41.50     |

viii. Performance in comparison to indices

a. PFS and Nifty Comparison



a. PFS and SENSEX Comparison



ix. Registrar and Transfer Agents

For Equity and Infrastructure Bonds

| Name                      | Karvy Computershare Private Limited   |
|---------------------------|---|
| Registered Office Address | Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad 500034, India<br>Tel: +91 40 23312454  |
| Communication Address     | Karvy Computershare Pvt Ltd., Karvy Selenium, Tower-B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032<br>Tel: +91 40 67162222, Fax: +91 40 23001153<br>Toll Free No : 1800-345-4001 |
| E-mail                    | <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>  |
| Website                   | <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a>  |

x. Share Transfer System

The shares under physical segment are transferred through M/s 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. A Share Transfer Committee has also been constituted to take note and approve the transfer of shares of the Company.

Further pursuant to Regulation 40(9) of SEBI Listing Regulations, 2015, 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.

Reconciliation of Share Capital Audit Report for the quarter ended 31st March, 2017, confirming 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 as on 31st March, 2017, was obtained from Practicing Company Secretary and submitted to the Stock Exchanges with in stipulated time.

xi. Distribution of shareholding

> Distribution by size

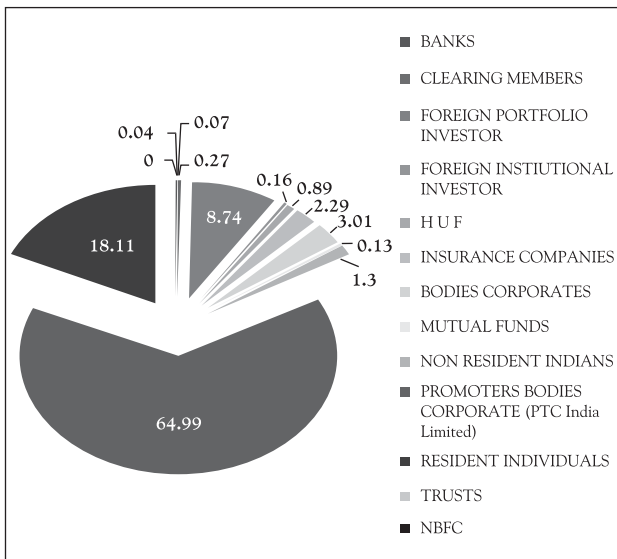
| PTC INDIA FINANCIAL SERVICES LTD               |                |              |            |            |             |
|--|----------------|--------------|------------|------------|-------------|
| Distribution Schedule As on 31/03/2017 (Total) |                |              |            |            |             |
| Sr. No.  | Category       | No. of Cases | % of Cases | Amount     | % of Amount |
| 1  | up to 1 - 5000 | 88056        | 73.50      | 126540570  | 1.97        |
| 2  | 5001 - 10000   | 13127        | 10.96      | 112973440  | 1.76        |
| 3  | 10001 - 20000  | 7584         | 6.33       | 121112010  | 1.89        |
| 4  | 20001 - 30000  | 3355         | 2.80       | 87617380   | 1.36        |
| 5  | 30001 - 40000  | 1818         | 1.52       | 65651890   | 1.02        |
| 6  | 40001 - 50000  | 1499         | 1.25       | 71518890   | 1.11        |
| 7  | 50001 - 100000 | 2460         | 2.05       | 179533750  | 2.80        |
| 8  | 100001 & ABOVE | 1909         | 1.59       | 5657885420 | 88.09       |
|  | Total          | 119808       | 100.00     | 6422833350 | 100.00      |

Nominal Value of each Share is ₹10/-

> Distribution by Category

| Sr. No. | Description                    | Cases  | Shares    | % Equity |
|---------|--------------------------------|--------|-----------|----------|
| 1       | Banks                          | 4      | 430081    | 0.07     |
| 2       | Clearing Members               | 238    | 1739917   | 0.27     |
| 3       | Foreign Institutional Investor | 7      | 1045729   | 0.16     |
| 4       | Foreign Portfolio Investor     | 47     | 56167404  | 8.74     |
| 5       | H U F                          | 2385   | 5730829   | 0.89     |
| 6       | Insurance Companies            | 2      | 14682595  | 2.28     |
| 7       | Bodies Corporates              | 898    | 19360536  | 3.01     |
| 8       | Mutual Funds                   | 7      | 842570    | 0.13     |
| 9       | NBFC                           | 6      | 231800    | 0.04     |
| 10      | Non Resident Indians           | 1289   | 6655349   | 1.04     |
| 11      | NRI Non-Repatriation           | 374    | 1606922   | 0.25     |
| 12      | Promoters Bodies Corporate     | 1      | 417450001 | 64.99    |
| 13      | Resident Individuals           | 114545 | 116333201 | 18.11    |
| 14      | Trusts                         | 5      | 6401      | 0.00     |
|         | Total                          | 119808 | 642283335 | 100.00   |

Graphical Representation of Shareholding Pattern of the Company on the basis of distribution by category as on 31<sup>st</sup> March, 2017



**i. Dematerialization of shares**

Through Karvy Computershare Private Limited, Registrar and Share Transfer Agent, the Company has established connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services) Limited. The ISIN allotted to our shares under the Depository System is INE560K01014.

As on 31st March, 2017, 99.99% of our shares were held in dematerialized form and the rest in physical form. Details of shares held in dematerialised and physical mode as on 31st March, 2017 are as under:

| Category                   | Number of    |              | % of total equity |
|----------------------------|--------------|--------------|-------------------|
|                            | Shareholders | Shares       |                   |
| <b>Dematerialised mode</b> |              |              |                   |
| • NSDL                     | 62,997       | 600,01,01,88 | 93.42             |
| • CDSL                     | 36,488       | 42,22,97,87  | 6.57              |
| Total                      | 99,485       | 642,23,99,75 | 99.99             |
| <b>Physical</b>            | 20,323       | 4,33,60      | 0.01              |
| Grand Total                | 119,808      | 642,28,33,35 | 100.00            |

**ii. Shares Liquidity**

The trading volumes at the Stock Exchanges, during the financial year 2016-17, are given below:

| Months          | National Stock Exchange of India Limited | BSE Limited             |
|-----------------|--|-------------------------|
|                 | Number of Shares Traded                  | Number of Shares Traded |
| April, 2016     | 22578195                                 | 5268841                 |
| May, 2016       | 17896128                                 | 3954022                 |
| June, 2016      | 16223643                                 | 4188925                 |
| July, 2016      | 31173634                                 | 39022237                |
| August, 2016    | 28053926                                 | 5072427                 |
| September, 2016 | 32440765                                 | 5549258                 |
| October, 2016   | 17214513                                 | 3138922                 |

| Months         | National Stock Exchange of India Limited | BSE Limited             |
|----------------|--|-------------------------|
|                | Number of Shares Traded                  | Number of Shares Traded |
| November, 2016 | 33916128                                 | 6591628                 |
| December, 2016 | 11875359                                 | 9127052                 |
| January, 2017  | 28581375                                 | 5253744                 |
| February, 2017 | 17821683                                 | 3150803                 |
| March, 2017    | 21868558                                 | 3850877                 |

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

The Company has not issued any GDRs, ADRs, Warrants or any convertible instruments.

**iv. Commodity price risk or Foreign Exchange risk and hedging activities**

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company uses forward exchange contract to hedge against its foreign currency exposures relating to firm commitment. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially uncovered exchange rate risks. The Company does not enter into any derivative instruments for trading or speculative purposes.

**v. Address and Details for correspondence**

Mr. Vishal Goyal  
 Company Secretary and Compliance Officer  
 PTC India Financial Services Limited  
 7<sup>th</sup> Floor, Telephone Exchange Building  
 8, Bhikaji Cama Place, New Delhi - 110066  
 Tel. : +91 11- 26737300  
 Fax: + 91 11- 26737373  
 Email: complianceofficer@ptcfincial.com  
 Website: www.ptcfincial.com

**12. Corporate Identity Number**

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L65999DL2006PLC153373.

**13. CEO and CFO Certification**

As per regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification is provided in this Annual Report.

**14. Other Disclosures**

**A. Materially Significant Related Party Transactions**

All transactions entered into by the Company during the financial year with the related parties are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015 and do not have potential conflicts with the interest of the Company. Further, the details of related party transactions are presented in Note number 29 forming part of the financial statements.

**B. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority during last three years**

There were 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 on any matter related to capital markets, during the last three years.

**C. Vigil Mechanism/Whistle Blower Policy**

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.

**D. Details of Compliance with Mandatory requirements and adoption of the Non - Mandatory Requirements**

The Company has fully complied with all the mandatory requirements prescribed under regulation 72 of SEBI Listing Regulations 2015.

**E. Policy on determining Material Subsidiary**

The Company has adopted a policy on material subsidiaries .The policy for determining 'material' subsidiaries is disclosed on website of the Company at the link: [http://www.ptcfinancial.com/upload/pdf/20150629\\_Policy\\_on\\_determining\\_Material\\_Subsidiaries.pdf](http://www.ptcfinancial.com/upload/pdf/20150629_Policy_on_determining_Material_Subsidiaries.pdf). However, the Company is not having any subsidiary company.

**F. Related Party Transaction Policy**

In line with requirement of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Related Party Transaction Policy. This policy is also available at Company's website at [https://www.ptcfinancial.com/upload/pdf/20150629\\_Policy\\_materiality\\_of\\_Related\\_Party\\_Transactions.pdf](https://www.ptcfinancial.com/upload/pdf/20150629_Policy_materiality_of_Related_Party_Transactions.pdf)

[http://www.ptcfinancial.com/upload/pdf/20150629\\_Policy\\_materiality\\_of\\_Related\\_Party\\_Transactions.pdf](http://www.ptcfinancial.com/upload/pdf/20150629_Policy_materiality_of_Related_Party_Transactions.pdf)

**G. Disclosures of Commodity Price Risks and Commodity Hedging Activities**

In view of the nature of operation of NBFC, the Company doesn't enter into commodity price risks and commodity hedging activities.

**H. Accounting Treatment in the preparation of the 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 specified under Section 133 of the Companies Act, 2013.

**15. Non- Compliance of any requirement of Corporate Governance report with reasons thereof**

As per the requirements of Regulation 17 of SEBI (listing Obligation and Disclosure requirements) Regulations, 2015 (SEBI Listing Regulations),

the Composition of the Board of the Company meets the criteria mandated by SEBI Listing Regulations and the Companies Act, 2013 except the number of independent directors as prescribed in explanation to proviso of Regulation 17(1)(b) of LODR is less than half of the total number of the Board of directors . The vacancy of the Independent Directors has arrived due to their cessation and the Company has initiated the process to comply with the said regulation and same shall be complied in due course.

**16. Discretionary Requirements**

The status of discretionary requirements as per Regulation 27(1) of SEBI Listing Regulations, 2015 is as follows:-

- A. The Board:** The Board is headed by a non-executive Chairperson. However, no expenditure are claimed by Chairperson for reimbursement.
- B. Shareholder Rights:** The quarterly/half-yearly/annual 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. The annual financial statements are separately circulated to the shareholders.
- C. Modified Opinion (s) in audit report:** The audit report on the financial statements have been issued with an unmodified audit opinion.
- D. Separate post of Chairman and CEO:** Mr. Deepak Amitabh is the Chairman of the Company and Dr. Ashok Haldia is the Managing Director and CEO of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director & CEO.
- E. Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee.

**DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

| S. No. | Particulars  | No. of Shares                     |
|--------|--|-----------------------------------|
| 1      | Aggregate number of Shareholders and the outstanding shares in the suspense account lying at beginning of the year | 1000 shares held by 1 shareholder |
| 2      | Number of Shareholders who approached issuer for transfer of shares from suspense account during the year          | -                                 |
| 3      | Number of shareholders to whom shares were transferred from suspense account during the year                       | -                                 |
| 4      | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year   | 1000 shares held by 1 shareholder |

The Voting Rights on these shares shall remain frozen till the rightful owner of such shares claims the share.

## CEO and CFO Certificate to the Board

(Under Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Date : 22<sup>nd</sup> May, 2017

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:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of 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 listed entity 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:-
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) 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 listed entity's internal control system over financial reporting.

Sd/-  
**Shri Gaurav Kaushik**  
Chief Financial Officer

Sd/-  
**Dr. Ashok Haldia**  
Managing Director & CEO

Place : New Delhi



## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF

PTC INDIA FINANCIAL SERVICES LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter reference no. JA/2016 dated October 1, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of PTC India Financial Services Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Qualified opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that except for the requirement of at least half of the board of directors consist of independent directors not being met by the Company in terms of Regulation 17(1)(b) of the Listing Regulations, the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We 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  
(Firm Registration No.015125N)  
Sd/-  
Jitendra Agarwal  
Partner  
(Membership No. 87104)

Place : Gurgaon  
Date : August 9, 2017

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Scenario

India is one of the world's most attractive markets for companies in the infrastructure business. Power is one of the most important components of infrastructure, crucial for economic growth and welfare. The country has the fifth largest power generation capacity in the world and ranks third in terms of globally electricity production. The Government of India has been supportive to growth in the power sector which is undergoing a significant change that has redefined the industry outlook. The Government of India's focus on attaining 'Power for all' has accelerated the capacity addition and at the same time, the competition is increasing.

India economic development is being recognised globally. Moody's has upgraded the outlook for India's power sector to stable from negative in view of surge in domestic coal production and likely improvement in discoms' financial health due to UDAY scheme. The outlook has been changed since the increased domestic production of coal is expected to ease constraints on fuel supply. It is also expected that debt restructuring of the discoms UDAY scheme will improve their financial capacity to make timely payments to power generators. The Central Government has accelerated the development of power transmission networks to meet the rising electricity demand from various parts of the country. The Government's commitment to turnaround the sector seems to be yielding results. The Indian power sector continues to be highly diversified with the sources of electricity generation ranging from conventional sources such as coal, lignite, hydro and nuclear to non-conventional sources such as wind, solar and biomass. The renewable energy sector continues to attract significant investments and commitments. The sector possesses huge investment potential, providing immense opportunities in generation, distribution, transmission, equipment manufacturing etc. The Indian economy is expected to undergo a transformational change and the power sector is expected to play a critical role in this mega change.

### Financial and Operational Performance

The operational and financial performance significantly improved during the year and was quiet robust. The interest income for the FY 2016-17 increased by 21% to ₹11,136.92 million as compared to ₹9,214.08 million during 2015-16. The composition of total revenue witnessed a change during the year. The Company earned an amount of ₹1,426.07 million during the year by way of profit on sale of investments as compared to ₹2,069.28 million during FY2015-16. The profit from sale of investments accounted for about 11% of the total income as compared to 17% during the previous year. The share interest income in the total income increased to 82% during FY2016-17 as compared to 78% during FY2015-16.

The profit before tax (PBT) for FY2016-17 stood at ₹5,286.81 million compared to ₹5,314.43 million during 2015-16. It may be mentioned that during FY2016-17, the company earned a profit of ₹1,426.07 million by way of profit on sale of investments as compared to ₹2,069.28 million during FY2015-16. The profit after tax (PAT) for FY2016-17 stood at ₹3,453.33 million. The above results are after considering the following:

- (i) The Company earned revenue of ₹1,426.07 million by way of profit on sale of investments as compared to ₹2,069.28 million during FY2015-16.
- (ii) Amortization of foreign currency translation amounting to ₹ 144.08 million during 2016-17 compared to ₹ 228.72 million during 2015-16.
- (iii) Provisions and contingencies amounting to ₹ 1425.67 million compared to ₹951.88 million during 2015-16.

The operational costs also increased during the year. Total expenditure during the year 2016-17 increased by about 26% to ₹8,231.99 million from ₹6,554.86 million in 2015-16. The finance charges for FY2016-17 increased by about 22% to ₹6,446.93 million as compared to ₹5,301.08 million during 2015-16. The finance charges for FY2016-17 include amortization of foreign currency translation aggregating to ₹144.08 million compared to ₹228.72 million during 2015-16. Employee benefits expense increased by 26% to ₹ 127.73 million

during 2016-17 compared to ₹ 101.54 million during 2015-16 and other expenses stood at ₹197.87 million during 2016-17.

The operational and financial parameters remained healthy during the year. The overall yield on loan assets for FY2016-17 stood at 12.10%, whereas cost of borrowed funds reduced to 8.79% during FY2016-17 compared to 9.05% in FY2015-16. The return on networth is about 18.69% during FY2016-17.

The debt assistance sanctioned during FY2016-17 increased by 58% to ₹102,970 million compared to ₹ 65,283 million FY2015-16. The disbursements also maintained an upward trend during FY2016-17, however, the disbursements pattern saw a shift during the year as a result of increased action in the solar power based projects. These projects are opting for non-fund based disbursements in form of letter of comforts and are able to get suppliers credit for the imports made. The fund based disbursements increased by 18% to ₹41,787 million compared to ₹35,550 million during 2015-16 and the letter of comfort aggregated to ₹14,590 million during FY2016-17.

The gross portfolio stood at ₹123,420 million as at 31st March 2017 as compared to ₹89,070 million as at the end of FY2015-16. The fund based portfolio stood at ₹106,100 million as at 31st March 2017 as compared to ₹86,340 million as at 31st March 2016 and the letter of comfort stood at ₹17,320 million as at 31st March 2017 as against ₹2,730 million as at 31st March 2016. The equity investments made by the Company aggregated to another ₹2,086 million as at the year end. The cumulative gross aggregate debt assistance sanctioned by the Company as at 31st March 2017 aggregated to ₹ 263,578 million and net of cancellations / loan closure, the cumulative debt sanctioned aggregated to ₹205,100 million.

The financial assistance sanctioned by PFS would help in capacity addition of about 18,000 MW. PFS is constantly working with new as well as existing developers and is focused towards diversifying its portfolio. As at 31st March 2017, the renewable portfolio comprises the highest proportion in the outstanding loan book at around 53%, thermal projects constitute about 23%. The company has diversified into financing infrastructure facilities like private railway sidings, and development & operation of coal mines and power transmission projects. The cumulative debt sanctioned in other areas aggregated to ₹41,477 million as at 31st March 2017 representing about 20% of the total net debt sanctioned by the Company as at the year end. This is represented by debt sanction aggregating to ₹ 10,000 million in respect of power distribution companies, ₹ 10,650 million in respect of private power transmission projects and the balance being represented by energy efficiency projects, coal mining projects, ports, railway corridor, roads etc.

The power sector is witnessing stress particularly in case of thermal projects. Several thermal projects in the country (both operational and under construction) are facing challenges related to fuel price and availability, power tariff, time and cost overruns alongwith equity infusion by promoters specially in case of under construction projects. PFS is also faced with challenges in respect of such projects. As at 31st March 2017, the non-performing loans portfolio stood at ₹5,847 million and projects having aggregate loan outstanding of ₹8,519 million faced delays in commencement of commercial operations and have been classified as Standard Restructured. 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. The essential functions of risk management are to identify measure and more importantly monitor the risk profile of PFS. Risk Management system is the pro-active action in the present for the future. 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. The process of risk management involves the tools and systems capable of screening, assessing, monitoring and managing risk exposures in a systematic manner.

PFS has, along with ICRA Management Consulting Services, developed a software based Credit Rating Model to facilitate internal rating of borrowers and projects. 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 multilayer approach wherein the credit approval note prepared by appraisal officers along with an independent internal rating 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 MD&CEO, and 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 organisational wide integrated risk management practices.

#### **Risk Management Policies**

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

##### **Risk Management Policy**

The risk management policy provides a framework for credit risk management as well as operational risk management. The framework for Credit risk management 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 specific, industry and rating are also covered. It also deals with rating models aiming at high quality, consistency and uniformity in the appraisal of proposals. The framework for operational risk management recognizes the need to understand the operational risks in general, and those in specific activities of the Company. Operational risk management is understood 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.

##### **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. Asset Liability Management (ALM) is a strategic process to manage the risks in balance sheet. PFS, being a finance company, is exposed to risks arising out of cash flow mismatches, interest rate mismatches and currency mismatches. ALM Policy provides a framework for defining, measuring and limiting such mismatches in a prudential manner. 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. This policy is primarily directed towards reducing the impact of volatility in exchange rates on PFS's balance sheet through actively managing its foreign exchange risk exposures and putting in place a risk management framework to achieve the same.

##### **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.

Apart from these policies there are various guidelines to help understand and mitigate different kinds of other risks. These include Operational Policy, Business Continuity Policy 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 based funding and SPV based 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, a robust monitoring mechanism has been put in place. The projects are monitored by a separate Monitoring team. 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 a 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.

The power sector is witnessing stress and several projects in the country (both operational and under construction) are facing challenges. As at 31<sup>st</sup> March 2017, PFS has non-performing loans aggregating to ₹5,847 million and standard restructured projects aggregating to ₹8,519 million. The Company is continuously engaged in resolution of such loans and is working proactively with the consortium members. Regular lenders' meetings are conducted, detailed feedback obtained from lenders' independent engineers and financial advisors to see that project development activities may be continued unhindered. Discussions are held with promoters' and other stakeholders to work out a financially viable solution. The Company also engages consultants / professional agencies for working out effective solution / resolution for such cases.

## Outlook

Indian economy is one of the fastest growing economy of the world and power sector is an important enabler for this growth and development. The country has ambitious plans of renewable power generation capacity and the sector continues to attract significant investments amidst heightened competition. There is optimism in the industry and the interest rates and other benchmark rates have also eased resulting into increasing activities in the financial markets. PFS continues to focus on its resource mobilisation and manage its cost of funds better. The Company continues to broad-base its sources of funding and pursue banks, financial institutions and other lenders for lowering the spread charged to PFS. During the year, the Company added newer banks in its portfolio. The resource mix comprises of loans from banks and financial institutions, external commercial borrowings, mobilization of funds by way of non-convertible debentures, and tax saving infrastructure bonds, commercial papers.

PFS has developed strong linkages with banks, financial institution, project developers, multilateral and bilateral institutions, equity funds, and the like, which go a long way in growth of the Company. The Company 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 continues to follow a calibrated and cautious approach for diversification of its portfolio. Presently, renewable sector comprises the largest proportion of the portfolio. Such projects have much lesser fuel and environmental clearance related risks, and receive regulatory, fiscal and non-fiscal support. The Company is increasing its presence in other areas such as private power transmission projects, energy efficiency, development and operation of coal mines, development of private railway sidings, etc and select areas of infrastructure value chain such as annuity based road projects, ports, etc.

The sector continues to attract global players who are keen to set up projects particularly in the renewable energy space. There are increasing opportunities due to mergers/amalgamation and consolidation activities being witnessed in the sector. NBFCs have a increasing role to play in overall funding and PFS is well placed and geared up to tap the available opportunities. PFS is focused on attractive opportunities across the infrastructure sector and the total debt assistance sanctioned (net) has already crossed ₹20,000 crore

### 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.

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March, 2017

of

**PTC INDIA FINANCIAL SERVICES LIMITED**

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

|     |  |   |
|-----|--|---|
| I   | CIN  | L65999DL2006PLC153373   |
| ii  | Registration Date (incorporation date)   | 08/09/2006  |
| iii | Name of the Company  | PTC India Financial Services Ltd.   |
| iv  | Category / Sub-Category of the Company   | NBFC ND-SI  |
| v   | Address of the Registered Office and contact details                           | <b>Registered Office:</b><br>7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi - 110 066, India<br><b>Contact details:</b><br>Board: +91 11 26737300 / 26737400 Fax: 26737373 / 26737374<br>Website: www.ptcfinancial.com, E-mail: info@ptcfinancial.com  |
| vi  | Whether listed company   | Yes   |
| vii | Name, Address and contact details of Registrar & Transfer Agents (RTA), if any | <b>Karvy Computershare Private Limited</b><br>Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032<br>Fax: +91 40 23001152 , Toll Free No : 1800-345-4001<br>E-mail: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a><br>Website: <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a> |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services   | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1.      | The Company provide total financial services to the entities in energy value chain, which inter-alia includes investing in equity and/or extending debt to power projects in generation, transmission, distribution; fuel sources, fuel related infrastructure like gas pipelines, LNG terminals, ports, equipment manufacturers and EPC contractors etc.<br>The Company also provides non-fund based financial services adding value to green field and brown field projects at various stages of growth and development. | 651                              | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| S. No. | NAME AND ADDRESS OF THE COMPANY   | CIN/GLN               | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|--------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1.     | PTC India Limited   | L40105DL1999PLC099328 | Holding                        | 64.99            | 2(46)              |
| 2.     | Varam Bio Energy Pvt. Limited<br>B-32, Steel & Mines Complex,<br>Srinagar Colony, Hyderabad         | U40108TG2002PTC038381 | Associate                      | 26               | 2(6)               |
| 3.     | R S India Wind Energy Pvt. Limited<br>G.L. Business Center, Old Gurgaon<br>Road, Dundahera, Haryana | U40101HR2006PTC049781 | Associate                      | 37               | 2(6)               |

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

| Category code | Category of shareholder   | No. Of shares held at the beginning of the year 31/03/2016 |              |                  |                   | No. Of shares held at the end of the year 31/03/2017 |              |                  |                   | % Change during the year |
|---------------|---|--|--------------|------------------|-------------------|--|--------------|------------------|-------------------|--------------------------|
|               |   | Demat  | Physical     | Total            | % of total shares | Demat  | Physical     | Total            | % of total shares |                          |
| (I)           | (II)  | (III)  | (IV)         | (V)              | (VI)              | (VII)  | (VIII)       | (IX)             | (X)               | (XI)                     |
| (A)           | <b>PROMOTER AND PROMOTER GROUP</b>                                  |  |              |                  |                   |  |              |                  |                   |                          |
| (1)           | INDIAN  |  |              |                  |                   |  |              |                  |                   |                          |
| (a)           | Individual /HUF   | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
| (b)           | Central Government/State Government(s)                              | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
| (c)           | Bodies Corporate  | 337250001  | 0            | 337250001        | 60.00             | 417450001  | 0            | 417450001        | 64.99             | -4.99                    |
| (d)           | Financial Institutions / Banks                                      | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
| (e)           | Others  | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
|               | <b>Sub-Total A(1) :</b>   | <b>337250001</b>   | <b>0</b>     | <b>337250001</b> | <b>60.00</b>      | <b>417450001</b>                                     | <b>0</b>     | <b>417450001</b> | <b>64.99</b>      | <b>-4.99</b>             |
| (2)           | FOREIGN   |  |              |                  |                   |  |              |                  |                   |                          |
| (a)           | Individuals (NRIs/Foreign Individuals)                              | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
| (b)           | Bodies Corporate  | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
| (c)           | Institutions  | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
| (d)           | Qualified Foreign Investor  | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
| (e)           | Others  | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
|               | <b>Sub-Total A(2) :</b>   | <b>0</b>   | <b>0</b>     | <b>0</b>         | <b>0.00</b>       | <b>0</b>   | <b>0</b>     | <b>0</b>         | <b>0.00</b>       | <b>0.00</b>              |
|               | <b>Total A=A(1)+A(2)</b>  | <b>337250001</b>   | <b>0</b>     | <b>337250001</b> | <b>60.00</b>      | <b>417450001</b>                                     | <b>0</b>     | <b>417450001</b> | <b>64.99</b>      | <b>-4.99</b>             |
| (B)           | <b>PUBLIC SHAREHOLDING</b>  |  |              |                  |                   |  |              |                  |                   |                          |
| (1)           | INSTITUTIONS  |  |              |                  |                   |  |              |                  |                   |                          |
| (a)           | Mutual Funds /UTI   | 1301815  | 0            | 1301815          | 0.23              | 842570   | 0            | 842570           | 0.13              | 0.10                     |
| (b)           | Financial Institutions /Banks                                       | 644009   | 0            | 644009           | 0.11              | 430081   | 0            | 430081           | 0.07              | 0.05                     |
| (c)           | Central Government / State Government(s)                            | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
| (d)           | Venture Capital Funds   | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
| (e)           | Insurance Companies   | 14857595   | 0            | 14857595         | 2.64              | 14682595   | 0            | 14682595         | 2.29              | 0.36                     |
| (f)           | Foreign Institutional Investors                                     | 58221190   | 0            | 58221190         | 10.36             | 57213133   | 0            | 57213133         | 8.91              | 1.45                     |
| (g)           | Foreign Venture Capital Investors                                   | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
| (h)           | Qualified Foreign Investor  | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
| (i)           | Others  | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
|               | <b>Sub-Total B(1) :</b>   | <b>75024609</b>  | <b>0</b>     | <b>75024609</b>  | <b>13.35</b>      | <b>73168379</b>                                      | <b>0</b>     | <b>73168379</b>  | <b>11.39</b>      | <b>1.96</b>              |
| (2)           | NON-INSTITUTIONS  |  |              |                  |                   |  |              |                  |                   |                          |
| (a)           | Bodies Corporate  | 23113339   | 0            | 23113339         | 4.11              | 19592336   | 0            | 19592336         | 3.05              | 1.06                     |
| (b)           | Individuals   |  |              |                  |                   |  |              |                  |                   |                          |
|               | (i) Individuals holding nominal share capital upto ₹1 lakh          | 67321021   | 48964        | 67369985         | 11.99             | 71831123   | 43360        | 71874483         | 11.19             | 0.80                     |
|               | (ii) Individuals holding nominal share capital in excess of ₹1 lakh | 50791480   | 0            | 50791480         | 9.04              | 50189547   | 0            | 50189547         | 7.81              | 1.22                     |
| (c)           | Others  |  |              |                  |                   |  |              |                  |                   |                          |
|               | CLEARING MEMBERS  | 440049   | 0            | 440049           | 0.08              | 1739917  | 0            | 1739917          | 0.27              | -0.19                    |
|               | NON RESIDENT INDIANS  | 8087471  | 0            | 8087471          | 1.44              | 6655349  | 0            | 6655349          | 1.04              | 0.40                     |
|               | NRI NON-REPATRIATION  | 0  | 0            | 0                | 0.00              | 1606922  | 0            | 1606922          | 0.25              | -0.25                    |
|               | TRUSTS  | 6401   | 0            | 6401             | 0.00              | 6401   | 0            | 6401             | 0.00              | 0.00                     |
| (d)           | Qualified Foreign Investor  | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
|               | <b>Sub-Total B(2) :</b>   | <b>149759761</b>   | <b>48964</b> | <b>149808725</b> | <b>26.65</b>      | <b>151621595</b>                                     | <b>43360</b> | <b>151664955</b> | <b>23.61</b>      | <b>3.04</b>              |
|               | <b>Total B=B(1) +B(2) :</b>   | <b>224784370</b>   | <b>48964</b> | <b>224833334</b> | <b>40.00</b>      | <b>224789974</b>                                     | <b>43360</b> | <b>224833334</b> | <b>35.01</b>      | <b>4.99</b>              |
|               | <b>Total (A+B) :</b>  | <b>562034371</b>   | <b>48964</b> | <b>562083335</b> | <b>100.00</b>     | <b>642239975</b>                                     | <b>43360</b> | <b>642283335</b> | <b>100.00</b>     | <b>0.00</b>              |
| (C)           | Shares held by custodians, against which                            |  |              |                  |                   |  |              |                  |                   |                          |
|               | Depository Receipts have been issued                                |  |              |                  |                   |  |              |                  |                   |                          |
| (1)           | Promoter and Promoter Group   |  |              |                  |                   |  |              |                  |                   |                          |
| (2)           | Public  | 0  | 0            | 0                | 0.00              | 0  | 0            | 0                | 0.00              | 0.00                     |
|               | <b>GRAND TOTAL (A+B+C) :</b>  | <b>562034371</b>   | <b>48964</b> | <b>562083335</b> | <b>100.00</b>     | <b>642239975</b>                                     | <b>43360</b> | <b>642283335</b> | <b>100.00</b>     | <b>0.00</b>              |

(ii) Shareholding of Promoters

| S. No. | Shareholder's Name | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|--------|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|        |                    | No. of Shares                             | % of Total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of Total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1.     | PTC India Limited  | 337250001                                 | 60                               | 0  | 417450001                           | 64.99                            | 0  | 4.99%                                    |

(iii) Change in Promoters' Shareholding: During the period under review, the Company has allotted 8,02,0000 number of equity shares of ₹ 10/- epr share at value of ₹ 38.50 per share (including security premium of ₹ 28.50/- per share) to M/s. PTC India Limited (being the Promoter Company) on preferential basis.

(iv) Shareholding Pattern of top ten Shareholders from 01/04/2016 - 31/03/2017 (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | Type            | Name of the Share Holder                  | Shareholding at the beginning of the Year |                                  | Date       | Increase/Decrease in share holding | Cumulative Shareholding during the Year |                                  |
|---------|-----------------|---|---|----------------------------------|------------|------------------------------------|---|----------------------------------|
|         |                 |   | No of Shares                              | % of total shares of the company |            |                                    | No of Shares                            | % of total shares of the company |
| 1       | Opening Balance | NEW HORIZON OPPORTUNITIES MASTER FUND     | 0   | 0.00                             | 31/03/2016 |                                    | 0                                       | 0.00                             |
|         | Purchase        |   |   |                                  | 15/07/2016 | 31400000                           | 31400000                                | 5.59                             |
|         | Purchase        |   |   |                                  | 23/12/2016 | 6498000                            | 37898000                                | 6.74                             |
|         | Sale            |   |   |                                  | 24/03/2017 | -532000                            | 37366000                                | 5.82                             |
|         | Sale            |   |   |                                  | 31/03/2017 | -66000                             | 37300000                                | 5.81                             |
|         | Closing Balance |   |   |                                  | 31/03/2017 |                                    | 37300000                                | 5.81                             |
| 2       | Opening Balance | MACQUARIE BANK LIMITED                    | 31480000                                  | 5.60                             | 31/03/2016 |                                    | 31480000                                | 5.60                             |
|         | Sale            |   |   |                                  | 01/07/2016 | -80000                             | 31400000                                | 5.59                             |
|         | Sale            |   |   |                                  | 15/07/2016 | -31400000                          | 0                                       | 0.00                             |
|         | Closing Balance |   |   |                                  | 31/03/2017 |                                    | 0                                       | 0.00                             |
| 3       | Opening Balance | LIFE INSURANCE CORPORATION OF INDIA       | 13682595                                  | 2.43                             | 31/03/2016 |                                    | 13682595                                | 2.43                             |
|         | Closing Balance |   |   |                                  | 31/03/2017 |                                    | 13682595                                | 2.13                             |
| 4       | Opening Balance | COPTHALL MAURITIUS INVESTMENT LIMITED     | 7898000                                   | 1.41                             | 31/03/2016 |                                    | 7898000                                 | 1.41                             |
|         | Sale            |   |   |                                  | 09/09/2016 | -834000                            | 7064000                                 | 1.26                             |
|         | Sale            |   |   |                                  | 16/09/2016 | -566000                            | 6498000                                 | 1.16                             |
|         | Sale            |   |   |                                  | 23/12/2016 | -6498000                           | 0                                       | 0.00                             |
|         | Closing Balance |   |   |                                  | 31/03/2017 |                                    | 0                                       | 0.00                             |
| 5       | Opening Balance | BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD. | 5199820                                   | 0.93                             | 31/03/2016 |                                    | 5199820                                 | 0.93                             |
|         | Purchase        |   |   |                                  | 29/04/2016 | 300000                             | 5499820                                 | 0.98                             |
|         | Sale            |   |   |                                  | 06/05/2016 | -366000                            | 5133820                                 | 0.91                             |
|         | Purchase        |   |   |                                  | 03/06/2016 | 200000                             | 5333820                                 | 0.95                             |
|         | Sale            |   |   |                                  | 24/06/2016 | -100000                            | 5233820                                 | 0.93                             |
|         | Sale            |   |   |                                  | 08/07/2016 | -500141                            | 4733679                                 | 0.84                             |
|         | Sale            |   |   |                                  | 29/07/2016 | -400000                            | 4333679                                 | 0.77                             |
|         | Sale            |   |   |                                  | 05/08/2016 | -200000                            | 4133679                                 | 0.74                             |
|         | Sale            |   |   |                                  | 12/08/2016 | -401000                            | 3732679                                 | 0.66                             |
|         | Sale            |   |   |                                  | 19/08/2016 | -200000                            | 3532679                                 | 0.63                             |
|         | Purchase        |   |   |                                  | 30/09/2016 | 100000                             | 3632679                                 | 0.65                             |
|         | Sale            |   |   |                                  | 21/10/2016 | -500000                            | 3132679                                 | 0.56                             |
|         | Closing Balance |   |   |                                  | 31/03/2017 |                                    | 3132679                                 | 0.49                             |
| 6       | Opening Balance | LAKSHMI CAPITAL INVESTMENTS LIMITED       | 0   | 0.00                             | 31/03/2016 |                                    | 0                                       | 0.00                             |
|         | Purchase        |   |   |                                  | 01/07/2016 | 51790                              | 51790                                   | 0.01                             |
|         | Purchase        |   |   |                                  | 08/07/2016 | 479000                             | 530790                                  | 0.09                             |
|         | Purchase        |   |   |                                  | 15/07/2016 | 600000                             | 1130790                                 | 0.20                             |
|         | Purchase        |   |   |                                  | 22/07/2016 | 150000                             | 1280790                                 | 0.23                             |

| Sl. No. | Type            | Name of the Share Holder                           | Shareholding at the beginning of the Year |                                  | Date       | Increase/Decrease in share holding | Cumulative Shareholding during the Year |                                  |
|---------|-----------------|--|---|----------------------------------|------------|------------------------------------|---|----------------------------------|
|         |                 |  | No of Shares                              | % of total shares of the company |            |                                    | No of Shares                            | % of total shares of the company |
|         | Purchase        |  |   |                                  | 29/07/2016 | 431031                             | 1711821                                 | 0.30                             |
|         | Purchase        |  |   |                                  | 05/08/2016 | 250000                             | 1961821                                 | 0.35                             |
|         | Purchase        |  |   |                                  | 12/08/2016 | 250000                             | 2211821                                 | 0.39                             |
|         | Purchase        |  |   |                                  | 19/08/2016 | 400000                             | 2611821                                 | 0.46                             |
|         | Purchase        |  |   |                                  | 26/08/2016 | 233600                             | 2845421                                 | 0.51                             |
|         | Purchase        |  |   |                                  | 02/09/2016 | 100000                             | 2945421                                 | 0.52                             |
|         | Purchase        |  |   |                                  | 09/09/2016 | 212200                             | 3157621                                 | 0.56                             |
|         | Purchase        |  |   |                                  | 16/09/2016 | 50000                              | 3207621                                 | 0.57                             |
|         | Purchase        |  |   |                                  | 23/09/2016 | 256000                             | 3463621                                 | 0.62                             |
|         | Purchase        |  |   |                                  | 18/11/2016 | 50000                              | 3513621                                 | 0.63                             |
|         | Purchase        |  |   |                                  | 02/12/2016 | 446800                             | 3960421                                 | 0.70                             |
|         | Purchase        |  |   |                                  | 16/12/2016 | 99990                              | 4060411                                 | 0.72                             |
|         | Purchase        |  |   |                                  | 23/12/2016 | 10                                 | 4060421                                 | 0.72                             |
|         | Purchase        |  |   |                                  | 13/01/2017 | 126280                             | 4186701                                 | 0.65                             |
|         | Purchase        |  |   |                                  | 24/03/2017 | 170000                             | 4356701                                 | 0.68                             |
|         | Closing Balance |  |   |                                  | 31/03/2017 |                                    | 4356701                                 | 0.68                             |
| 7       | Opening Balance | DIMENSIONAL EMERGING MARKETS VALUE FUND            | 4168522                                   | 0.74                             | 31/03/2016 |                                    | 4168522                                 | 0.74                             |
|         | Sale            |  |   |                                  | 15/07/2016 | -131894                            | 4036628                                 | 0.72                             |
|         | Sale            |  |   |                                  | 22/07/2016 | -175110                            | 3861518                                 | 0.69                             |
|         | Sale            |  |   |                                  | 04/11/2016 | -150341                            | 3711177                                 | 0.66                             |
|         | Sale            |  |   |                                  | 11/11/2016 | -35243                             | 3675934                                 | 0.65                             |
|         | Sale            |  |   |                                  | 24/03/2017 | -101053                            | 3574881                                 | 0.56                             |
|         | Sale            |  |   |                                  | 31/03/2017 | -37966                             | 3536915                                 | 0.55                             |
|         | Closing Balance |  |   |                                  | 31/03/2017 |                                    | 3536915                                 | 0.55                             |
| 8       | Opening Balance | EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFO | 2135330                                   | 0.38                             | 31/03/2016 |                                    | 2135330                                 | 0.38                             |
|         | Purchase        |  |   |                                  | 08/04/2016 | 33632                              | 2168962                                 | 0.39                             |
|         | Purchase        |  |   |                                  | 03/06/2016 | 11759                              | 2180721                                 | 0.39                             |
|         | Purchase        |  |   |                                  | 10/06/2016 | 69367                              | 2250088                                 | 0.40                             |
|         | Purchase        |  |   |                                  | 24/06/2016 | 28215                              | 2278303                                 | 0.41                             |
|         | Purchase        |  |   |                                  | 08/07/2016 | 22534                              | 2300837                                 | 0.41                             |
|         | Purchase        |  |   |                                  | 22/07/2016 | 32946                              | 2333783                                 | 0.42                             |
|         | Purchase        |  |   |                                  | 05/08/2016 | 86029                              | 2419812                                 | 0.43                             |
|         | Closing Balance |  |   |                                  | 31/03/2017 |                                    | 2419812                                 | 0.38                             |
| 9       | Opening Balance | THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA I | 2001598                                   | 0.36                             | 31/03/2016 |                                    | 2001598                                 | 0.36                             |
|         | Sale            |  |   |                                  | 08/07/2016 | -64735                             | 1936863                                 | 0.34                             |
|         | Sale            |  |   |                                  | 15/07/2016 | -259845                            | 1677018                                 | 0.30                             |
|         | Sale            |  |   |                                  | 09/12/2016 | -26816                             | 1650202                                 | 0.29                             |
|         | Closing Balance |  |   |                                  | 31/03/2017 |                                    | 1650202                                 | 0.26                             |
| 10      | Opening Balance | PROGRESSIVE INDIA FUND                             | 1752308                                   | 0.31                             | 31/03/2016 |                                    | 1752308                                 | 0.31                             |
|         | Sale            |  |   |                                  | 20/05/2016 | -95300                             | 1657008                                 | 0.29                             |
|         | Sale            |  |   |                                  | 27/05/2016 | -875020                            | 781988                                  | 0.14                             |
|         | Sale            |  |   |                                  | 03/06/2016 | -656000                            | 125988                                  | 0.02                             |
|         | Sale            |  |   |                                  | 10/06/2016 | -125988                            | 0                                       | 0.00                             |
|         | Closing Balance |  |   |                                  | 31/03/2017 |                                    | 0                                       | 0.00                             |
| 11      | Opening Balance | GAM STAR INDIA EQUITY                              | 1670000                                   | 0.30                             | 31/03/2016 |                                    | 1670000                                 | 0.30                             |
|         | Purchase        |  |   |                                  | 08/07/2016 | 80000                              | 1750000                                 | 0.31                             |
|         | Sale            |  |   |                                  | 16/09/2016 | -1536000                           | 214000                                  | 0.04                             |
|         | Sale            |  |   |                                  | 23/09/2016 | -214000                            | 0                                       | 0.00                             |



| Sl. No. | Type            | Name of the Share Holder                 | Shareholding at the beginning of the Year |                                  | Date       | Increase/Decrease in share holding | Cumulative Shareholding during the Year |                                  |
|---------|-----------------|--|---|----------------------------------|------------|------------------------------------|---|----------------------------------|
|         |                 |  | No of Shares                              | % of total shares of the company |            |                                    | No of Shares                            | % of total shares of the company |
|         | Closing Balance |  |   |                                  | 31/03/2017 |                                    | 0                                       | 0.00                             |
| 12      | Opening Balance | BIRLA SUN LIFE INSURANCE COMPANY LIMITED | 733500                                    | 0.13                             | 31/03/2016 |                                    | 733500                                  | 0.13                             |
|         | Sale            |  |   |                                  | 06/05/2016 | -321000                            | 412500                                  | 0.07                             |
|         | Purchase        |  |   |                                  | 26/08/2016 | 221000                             | 633500                                  | 0.11                             |
|         | Purchase        |  |   |                                  | 02/09/2016 | 156380                             | 789880                                  | 0.14                             |
|         | Purchase        |  |   |                                  | 30/09/2016 | 179000                             | 968880                                  | 0.17                             |
|         | Purchase        |  |   |                                  | 11/11/2016 | 832495                             | 1801375                                 | 0.32                             |
|         | Purchase        |  |   |                                  | 13/01/2017 | 159000                             | 1960375                                 | 0.31                             |
|         | Sale            |  |   |                                  | 17/03/2017 | -320000                            | 1640375                                 | 0.26                             |
|         | Closing Balance |  |   |                                  | 31/03/2017 |                                    | 1640375                                 | 0.26                             |
| 13      | Opening Balance | ECAP EQUITIES LIMITED                    | 1503353                                   | 0.27                             | 31/03/2016 |                                    | 1503353                                 | 0.27                             |
|         | Sale            |  |   |                                  | 02/09/2016 | -1503353                           | 0                                       | 0.00                             |
|         | Closing Balance |  |   |                                  | 31/03/2017 |                                    | 0                                       | 0.00                             |
| 14      | Opening Balance | MV SCIF MAURITIUS                        | 1131582                                   | 0.20                             | 31/03/2016 |                                    | 1131582                                 | 0.20                             |
|         | Purchase        |  |   |                                  | 22/04/2016 | 114111                             | 1245693                                 | 0.22                             |
|         | Purchase        |  |   |                                  | 29/04/2016 | 42783                              | 1288476                                 | 0.23                             |
|         | Purchase        |  |   |                                  | 24/06/2016 | 44929                              | 1333405                                 | 0.24                             |
|         | Sale            |  |   |                                  | 19/08/2016 | -14726                             | 1318679                                 | 0.23                             |
|         | Purchase        |  |   |                                  | 23/09/2016 | 7298                               | 1325977                                 | 0.24                             |
|         | Sale            |  |   |                                  | 23/12/2016 | -65996                             | 1259981                                 | 0.22                             |
|         | Sale            |  |   |                                  | 06/01/2017 | -14099                             | 1245882                                 | 0.22                             |
|         | Purchase        |  |   |                                  | 03/02/2017 | 172593                             | 1418475                                 | 0.22                             |
|         | Sale            |  |   |                                  | 03/03/2017 | -20805                             | 1397670                                 | 0.22                             |
|         | Purchase        |  |   |                                  | 24/03/2017 | 25974                              | 1423644                                 | 0.22                             |
|         | Closing Balance |  |   |                                  | 31/03/2017 |                                    | 1423644                                 | 0.22                             |
| 15      | Opening Balance | GOLDMAN SACHS (SINGAPORE) PTE            | 0   | 0.00                             | 31/03/2016 |                                    | 0                                       | 0.00                             |
|         | Purchase        |  |   |                                  | 03/06/2016 | 119011                             | 119011                                  | 0.02                             |
|         | Sale            |  |   |                                  | 10/06/2016 | -66465                             | 52546                                   | 0.01                             |
|         | Sale            |  |   |                                  | 17/06/2016 | -52546                             | 0                                       | 0.00                             |
|         | Purchase        |  |   |                                  | 23/09/2016 | 53977                              | 53977                                   | 0.01                             |
|         | Purchase        |  |   |                                  | 07/10/2016 | 542816                             | 596793                                  | 0.11                             |
|         | Purchase        |  |   |                                  | 18/11/2016 | 200341                             | 797134                                  | 0.14                             |
|         | Purchase        |  |   |                                  | 25/11/2016 | 137983                             | 935117                                  | 0.17                             |
|         | Sale            |  |   |                                  | 02/12/2016 | -105391                            | 829726                                  | 0.15                             |
|         | Sale            |  |   |                                  | 09/12/2016 | -38033                             | 791693                                  | 0.14                             |
|         | Purchase        |  |   |                                  | 16/12/2016 | 279092                             | 1070785                                 | 0.19                             |
|         | Purchase        |  |   |                                  | 23/12/2016 | 5032                               | 1075817                                 | 0.19                             |
|         | Sale            |  |   |                                  | 30/12/2016 | -85964                             | 989853                                  | 0.18                             |
|         | Sale            |  |   |                                  | 06/01/2017 | -121699                            | 868154                                  | 0.15                             |
|         | Sale            |  |   |                                  | 13/01/2017 | -164951                            | 703203                                  | 0.11                             |
|         | Sale            |  |   |                                  | 20/01/2017 | -4027                              | 699176                                  | 0.11                             |
|         | Purchase        |  |   |                                  | 03/02/2017 | 210817                             | 909993                                  | 0.14                             |
|         | Purchase        |  |   |                                  | 10/02/2017 | 268399                             | 1178392                                 | 0.18                             |
|         | Purchase        |  |   |                                  | 17/02/2017 | 370138                             | 1548530                                 | 0.24                             |
|         | Purchase        |  |   |                                  | 24/02/2017 | 107443                             | 1655973                                 | 0.26                             |
|         | Sale            |  |   |                                  | 03/03/2017 | -338617                            | 1317356                                 | 0.21                             |
|         | Sale            |  |   |                                  | 10/03/2017 | -42324                             | 1275032                                 | 0.20                             |
|         | Sale            |  |   |                                  | 17/03/2017 | -48376                             | 1226656                                 | 0.19                             |
|         | Sale            |  |   |                                  | 31/03/2017 | -4081                              | 1222575                                 | 0.19                             |
|         | Closing Balance |  |   |                                  | 31/03/2017 |                                    | 1222575                                 | 0.19                             |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name of Director   | Shareholding at the beginning of the year |                                  | Reason for change in shareholding | Cumulative Shareholding during the year |                                  |
|---------|--------------------|---|----------------------------------|-----------------------------------|---|----------------------------------|
|         |                    | No. of shares                             | % of total shares of the company |                                   | No. of shares                           | % of total shares of the company |
| 1       | Mr. Deepak Amitabh | 3500                                      | 0                                | Nil movement during the year      | 3500                                    | 0                                |

V. INDEBTNESS

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | 67,954.86                        | 500.00          | -        | 68,454.86          |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | 838.94                           | -               | -        | 838.94             |
| <b>Total (i+ii+iii)</b>                                    | <b>68,793.80</b>                 | <b>500.00</b>   | <b>-</b> | <b>69,293.80</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| • Addition   | 153,966.00                       | 65,000.43       | -        | 218,966.43         |
| • Reduction  | 149,036.19                       | 57,000.00       | -        | 206,036.19         |
| <b>Net Change</b>  | <b>4,929.81</b>                  | <b>8,000.43</b> | <b>-</b> | <b>12,930.24</b>   |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  | 72,734.40                        | 8,500.00        | -        | 81,234.40          |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | 989.21                           | 0.43            | -        | 989.64             |
| <b>Total (i+ii+iii)</b>                                    | <b>73,723.61</b>                 | <b>8,500.43</b> | <b>-</b> | <b>82,224.04</b>   |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

in ₹)

| Sl. No. | Particulars of Remuneration   | Name of MD/WTD/Manager                         |   | Total Amount (in ₹) |
|---------|---|--|---|---------------------|
|         |   | Dr. Ashok Haldia<br>Managing Director<br>& CEO | *Dr. Pawan Singh<br>Director (Finance)<br>& CFO |                     |
| 1       | Gross salary  |  |   |                     |
|         | Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961                 | 90,31,599                                      | 69,42,996                                       | 1,59,74,595         |
|         | Value of perquisites u/s 17(2) of the Income - tax Act, 1961                                      | 2,92,918                                       | 2,65,996  | 5,58,914            |
|         | Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961                         | -  | -   | -                   |
| 2       | Stock Option  | -  | -   | -                   |
| 3       | Sweat Equity  | -  | -   | -                   |
| 4       | Commission  | -  | -   | -                   |
|         | - as % of profit  | -  | -   | -                   |
|         | - others, specify   | -  | -   | -                   |
| 5       | Others, Reimbursement of expenses   | 3,66,542                                       | 2,60,264  | 6,26,806            |
|         | <b>Total (A)</b>  |  |   |                     |
|         | Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013) | -  | -   | -                   |

\* Dr. Pawan Singh holds the position of Director (Finance) & CFO upto 30<sup>th</sup> April 2017.

**B. Remuneration to other Directors for the FY 2016-2017**

| S. No. | Name of Director             | Sitting Fee (in ₹) | Conveyance (in ₹) |
|--------|------------------------------|--------------------|-------------------|
| 1      | Mr. Ved Kumar Jain           | 1,240,000          | 42,000            |
| 2      | Mr. Harbans Lal Bajaj        | 480,000            | 12,000            |
| 3      | Mrs. Pravin Tripathi         | 1,040,000          | 34,000            |
| 4      | Mr. Deepak Amitabh*          | 960,000            | 2,000             |
| 5      | Mr. Arun Kumar*              | 680,000            | 2,000             |
| 6      | Mr. Ajit Kumar*              | 440,000            | 2,000             |
| 7      | Mr. Surinder Singh Kohli     | 800,000            | 26,000            |
| 8      | Mr. Surender Kumar Tuteja    | 880,000            | 26,000            |
| 9      | Mr. Radhakrishnan Nagarajan* | 240,000            | 10,000            |
|        | <b>TOTAL</b>                 | <b>6,760,000</b>   | <b>148,000</b>    |

\*Sitting Fee has been paid to PTC India Limited (the holding company) /Power Finance Corporation Limited.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |                       |                 |
|---------|---|--------------------------|-----------------------|-----------------|
|         |   | CEO                      | Company Secretary (₹) | CFO             |
| 1       | Gross salary  | Explained above          | 32,454,82             | Explained above |
|         | Salary as per provisions contained in section 17(1) of the Income – tax Act, 1961 |                          |                       |                 |
|         | Value of perquisites u/s 17(2) of the Income – tax Act, 1961                      |                          |                       |                 |
|         | Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961         | -----                    | -----                 | -----           |
| 2       | Stock Option  | -----                    | -----                 | -----           |
| 3       | Sweat Equity  | -----                    | -----                 | -----           |
| 4       | Commission  | -----                    | -----                 | -----           |
|         | - as % of profit  | -----                    | -----                 | -----           |
|         | - others, specify...  | -----                    | -----                 | -----           |
| 5       | Others, Reimbursement of expenses   | -----                    | -----                 | -----           |
|         | <b>Total</b>  | -----                    | <b>34,47,670</b>      | -----           |

## POLICY ON DIVIDEND DISTRIBUTION

### 1. Introduction

The Securities Exchange Board of India (“SEBI”) on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy which shall be disclosed in their annual reports and on their websites.

PTC India Financial Services Limited (“PFS” or “Company”) being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 2. Objectives & Scope

This Policy lays down the broad framework which will act as guiding principles for the purpose of declaring or recommending any dividend during or for any financial year by the Company.

The Policy aims at balancing the twin objectives of the growth of the Company and Shareholders’ value.

Through this Policy, the Company endeavours to bring a fair, transparent and consistent approach to its dividend pay-out plans. The Policy has been framed broadly in line with the provisions of the Companies Act, 2013 and also taking into consideration guidelines issued by SEBI/ RBI/and other regulations, to the extent applicable.

The Policy is a general declaration of intention and the actual declaration of dividend will require corporate action at the time a decision is taken, depending on the precise circumstances at that point of time.

In addition, payment of any such dividend will be subject to any restriction under applicable laws and regulation, the Articles of Association, available cash flows and capital requirements.

The Policy, however, is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all relevant circumstances enumerated hereunder or other factors as may be considered by the Board of Directors from time to time.

### 3. Definitions

3.1 “Act” shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

3.2 “Applicable Laws” shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of dividend.

3.3 “Company” shall mean PTC India Financial Services Limited

3.4 “Board” or “Board of Directors” shall mean Board of Directors of the Company.

3.5 “Dividend” shall mean Dividend as defined under Companies Act, 2013 and shall include interim dividend.

3.6 “Policy or this Policy” shall mean the Dividend Distribution Policy.

3.7 “SEBI Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

3.8 “RBI Regulations” means Reserve Bank of India Act, 1934 and various circulars, guidelines issued by Reserve Bank of India from time to time.

### 4. Relevant Statutory Provisions of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rules 2014 relating to Dividend

4.1 Dividend shall be declared or paid by company for any financial year:

- i) Out of the current year profit after providing depreciation.
- ii) Out of the previous years profit remaining undistributed and after providing for depreciation.
- iii) Out of both the above.

4.2 No Dividend shall be declared or paid by company from its reserves other than free reserves.

4.3 The Company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company.

4.4 Company shall declare dividend after carried over previous losses and depreciation not provided, if any, in previous year or years are set off against profit of the company for the current year.

4.5 In case of losses or inadequate profits in any financial year, the Company can declare dividend out of the profits earned by it in previous years and transferred to the reserves subject to the following conditions:-

- i. The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year:

Provided that the above condition shall not apply in case the Company has not declared any dividend in each of the three preceding financial year.

- ii. The total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement.
- iii. The amount so drawn shall first be utilised to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared.

The balance of reserves after such withdrawal shall not fall below fifteen per cent of company's paid up share capital as appearing in the latest audited financial statement

4.6. Circumstances under which the shareholders may or may not expect dividend:

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business.

The Board will consider the factors mentioned under Clause 5 below and before determination of any dividend payout analyse the prospective opportunities and threats, viability of the option of dividend payout or retention etc. If the Board proposes that it is financially prudent not to recommend dividend, it may recommend no dividend, in that case, reason(s) thereof and information on utilization of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

## 5. Parameters for declaration of Dividend

The Board of Directors will consider the following parameters for determining the quantum of dividend:

### 5.1 Financial Parameters

- Net profit after tax;
- Transfer of Statutory Reserve as per Reserve Bank of India Act, 1934
- Working Capital requirements;
- Capital expenditure requirements and alternative use of cash;
- Outstanding borrowings
- Available cash and cash flow requirement to meet any unforeseen events & contingencies/ group's capital requirements
- Dividend received by the company.
- Net worth of the company
- Dividend yield
- Dividend payout ratio.
- In case the dividend is paid out of the reserves, the balance of reserves after such withdrawal shall not fall below 25% of company's paid up share capital as appearing in the latest audited financial statement.

### 5.2 Developments in internal and external environment.

- Opportunities available for growth/expansion/ modernisation
- Past Dividend Trends
- Expectations of shareholders
- Prudential requirements
- Capital Markets
- Industry Conditions
- Customers and suppliers concentration and their financial health
- Market Capitalization
- Statutory Provisions and Guidelines;
- Policies of the Government (centre and state)
- Dividend Pay-out ratios of companies in same industries i.e. Peer Group Comparison
- Economic Environment

**5.3 Any other factor as the Board may deem fit**

**6. Utilization of retained earnings**

The Company is engaged into financing the infrastructure sector and the retained earnings are deployed in the long-term infrastructure loan assets. The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The profit being retained in the business shall be continued to be deployed in its operations, expansion plans, investment plans etc. The Company stands committed to deliver sustainable value to all its stakeholders.

**7. Provision with regard to various classes of shares**

The holders of the equity shares of the Company, as on the record date, will be entitled to receive dividends. Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company shall be entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

**8. Timing of Dividend**

8.1 Interim dividends, as and when decided by the Board, will be declared after considering the interim financial statements for the period for which interim dividends are declared along with factors mentioned in clause 4 & 5 above. Interim financial statements will be prepared considering working expenses, depreciation and anticipated losses, if any, for the full year.

8.2 Final dividends as and when approved at the Annual General Meeting (AGM) of the shareholders will be based on the recommendations of the Board based on review of audited financial statements for the year, factors mentioned in clause 4 & 5 above and considering interim dividend, if any, declared during the year.

8.3 In case no final dividend is declared, interim dividend, if any, will be regarded as final dividend in AGM.

**9. Exclusions**

This policy shall not cover the following

- Capitalizing of profits by way of bonus issue of fully or partly securities
- Declaration of dividend on preference shares (as and when issued), since the same will be governed by terms of issue of such shares
- Buyback of shares

**10. Amendment(s):**

- The Board will change/amend this Policy from time to time at its sole discretion and/or pursuant to any amendments made in the Companies Act, 2013 or any other Statutory Regulations.
- In case of any clarification(s), circular(s) etc. issued by the relevant authorities, not being inconsistent with the provisions laid down under this Policy, then this Policy shall be read along with such clarification(s), circular(s) so issued, from the effective date as laid down under such clarification(s), circular(s) etc. In case of any conflict in the Policy and regulatory provisions then regulatory provisions shall prevail.

**11. Disclosures:**

The Company shall disclose this Policy in its Annual Reports & website.

**EFFECTIVE DATE** The Policy shall become effective from the date of its adoption by the Board.

## REPORT ON CSR ACTIVITIES/ INITIATIVES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. A brief outline of the company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes.

Corporate Social Responsibility (CSR) is a long-standing commitment at PFS. The CSR Policy of PTC India Financial Services (PFS) sets the framework guiding the CSR activities of the Company. It outlines the governance structure, operating framework, monitoring mechanism, and CSR activities that would be undertaken. The CSR Committee is the governing body that defines the scope of CSR activities and ensures compliance with the CSR Policy.

The CSR Policy was approved in March 2015, and subsequently was put up on the Company's website.

Web-link to the Company's CSR Policy:

[http://www.ptcfinancial.com/upload/pdf/corporate\\_social\\_responsibility\\_policy.pdf](http://www.ptcfinancial.com/upload/pdf/corporate_social_responsibility_policy.pdf)

2. The composition of the CSR Committee

The composition of the Committee is set out below:

- Sh. Deepak Amitabh
- Sh. Ved Kumar Jain
- Mrs. Pravin Tripathi

3. The functions of the Committee are given below:

- formulate and recommend to the Board, a CSR Policy which shall indicate the CSR activities to be undertaken by the company as specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on the CSR activities referred to in clause (a);
- monitor the CSR Policy of the company from time to time.

4. Average Net Profit of the company for last 3 financial years

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act, 2013 was ₹ 3,334.65 million

5. Prescribed CSR expenditure (2% of amount) – ₹ 66.70 million

The prescribed CSR expenditure requirement for FY 2016-2017 was ₹ 144.88 million including the unspent amount of ₹ 78.18 million of earlier years.

6. Details of CSR activities/projects undertaken during the year:

- total amount to be spent for the financial year was ₹ 144.88 million including the unspent amount of ₹ 78.18 million of earlier years
- amount un-spent is ₹ 144.88 million
- manner in which the amount spent during financial year, is detailed below:

| 1       | 2                                | 3                                      | 4   | 5  | 6  | 7   | 8  |
|---------|----------------------------------|--|---|--|--|---|--|
| Sr. No. | CSR project/ activity identified | Sector in which the Project is covered | Projects/Programmes<br>1.Local area/others-<br>2.specify the state /district<br>(Name of the District/s, State/s where project/programme was undertaken | Amount outlay (budget) project/ programme wise | Amount spent on the project/ programme<br><u>Sub-heads:</u><br>1.Direct expenditure on project/ programme,<br>2.Overheads: | Cumulative spend upto to the reporting period | Amount spent: Direct/ through implementing agency* |
|         |                                  |  |   | NIL  |  |   |  |

\*Give details of implementing Agency.

6. The amount spent was ₹ Nil and was lower than 2% of average net profits of the last three financial years and the unspent amount from previous financial year.

The total amount to be spent under the companies Act 2013 for the CSR for FY16-17 was ₹ 144.88 million including the unspent amount of ₹ 78.18 million carried forwards from previous financial year. During the year, the Company incurred a sum of ₹ Nil towards CSR related activities. The entire unspent amount of ₹ 144.88 million is being carried forward and shall be utilised in future years. The Committee aimed that the CSR endeavored to be carried out meaningfully ensuring active compliance with the letter and spirit of the law and ethical standards furthering social good in which professional management of CSR functions plays a vital part. The plans to be prepared should be in the best interest of society on sustainable basis.

Keeping in view the above spirit, the company appointed an Advisor for CSR activities. The Advisor(CSR) after detailed discussions planned for the following 2 programmes :

- Skill development training program for solar project in/around the solar power park at Bhadla, district Jodhpur, Rajasthan in association with 'National Power Training Institute' (NPTI). The company entered into a MOU with NPTI in this regard.
- Integrated development of a cluster of villages in Bharatpur, Rajasthan in association with a NGO - 'Plan India'.

The implementation of the above CSR programme has been in-principally agreed to by the CSR Committee with some suggestions. The programs are being further detailed / examined in line with the suggestions of the Committee.

In the meantime, PTC Group (PTC India Limited, PTC India Financial Services Limited and PTC Energy Limited) has formed a group level Trust namely "PTC Foundation" to jointly carry out the CSR activities of the entire group. The Trust has been registered on 6<sup>th</sup> October 2016. Taking into cognizance of the fact that a Trust for taking up CSR activities at group level has been formed, the CSR Committee of the company has decided that the CSR activities of the company may also be carried out through the Trust for maximizing the benefits, though the identification and approval of the project and monitoring would be done by the Company.

The CSR Committee of the Company has approved the proposal for cleanliness / sanitation of the Bhikaji Cama Place complex under the common group level activities being undertaken by PTC Foundation and in line with the same, PFS shall be incurring its share of expenditure for the said activities. With the above efforts, the implementation of CSR initiatives under contemplation or new are expected to get momentum.

7. The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with the CSR objectives and the CSR Policy of the Company.

Place: New Delhi  
Date: 9<sup>th</sup> August, 2017

Sd/-  
Dr. Ashok Haldia  
Managing Director & CEO

Sd/-  
Shri Deepak Amitabh  
Chairman of CSR Committee



**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017{Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,  
The Members,  
**PTC INDIA FINANCIAL SERVICES LIMITED.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PTC INDIA FINANCIAL SERVICES LIMITED (hereinafter called PFS/the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the PFS's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by PFS ("the Company") for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Reserve Bank of India Act, 1934 and Regulations framed thereunder for Non-Banking Financial Companies
- (vii) Prevention of Money Laundering Act, 2002.
  - (a) We have also examined compliance with the applicable clauses of the following:
  - (b) Secretarial Standards issued by the Institute of Company Secretaries of India.

The Listing Agreement with National Stock Exchange of India Limited and BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *Compliance of Regulation 17 (1) (b) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.r.t. appointment of requisite no. of Independent Directors on the Board of the Company.*

**We further report that** the Board of Directors of the Company is not duly constituted in terms of Regulation 17 (1) (b) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 atleast half of the Board of Directors should comprise of Independent Directors. However, the Company was compliant in terms of provisions under Section 149 (4) of the Companies Act, 2013 as out of 8 Board of Directors there were 3 Independent Directors on the Board of Company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, if any.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Company has issued 8,02,00,000 Equity Shares of ₹ 10/- each at a premium of ₹ 28.50/- per share to its promoter on preferential basis.

For Agarwal S. & Associates  
Company Secretaries

Sd/-

CS Sachin Agarwal, Partner  
FCS No. : 5774  
C.P No. : 5910

Place: New Delhi  
Date: July 31, 2017

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

To,  
The Members,  
**PTC India Financial Services Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates**  
Company Secretaries

Sd/-  
CS Sachin Agarwal, Partner  
FCS No. : 5774  
C.P No. : 5910

Place: New Delhi  
Date: July 31, 2017

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

PTC India Financial Services Limited ("the Company") has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2016-17. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 ("Act") and the corresponding Rules.

|    |   |   |      |
|----|---|---|------|
| a) | Name(s) of the related party and nature of relationship   | : | N.A. |
| b) | Nature of contracts/arrangements/transactions   | : | N.A. |
| c) | Duration of the contracts / arrangements/transactions   | : | N.A. |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any                        | : | N.A. |
| e) | Justification for entering into such contracts or arrangements or transactions                                    | : | N.A. |
| f) | Date(s) of approval by the Board  | : | N.A. |
| g) | Amount paid as advances, if any:  | : | N.A. |
| h) | Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 | : | N.A. |

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

|    |  |   |      |
|----|--|---|------|
| a) | Name(s) of the related party and nature of relationship                                    | : | N.A. |
| b) | Nature of contracts/arrangements/transactions  | : | N.A. |
| c) | Duration of the contracts / arrangements/transactions                                      | : | N.A. |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | : | N.A. |
| e) | Date(s) of approval by the Board   | : | N.A. |
| f) | Amount paid as advances, if any:   | : | N.A. |

For and on behalf of the Board  
PTC India Financial Services Limited

Sd/-  
**Dr. Ashok Haldia**  
Managing Director & CEO  
DIN : 00818489

Date : 9<sup>th</sup> August 2017  
Place : New Delhi

## “NOMINATION AND REMUNERATION & BOARD DIVERSITY POLICY”

### Legal Framework

As per the requirements of Companies Act 2013, the Board of Directors of PTC India Financial Services Limited (“Company”) has constituted a Nomination and Remuneration Committee. The Committee’s role is to be supported by a policy for nomination of Directors and Senior Management Personnel including Key Managerial Personnel as also for remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees. Further, a policy on Board Diversity is also to be adopted.

### Definitions

For the purpose of this Policy:

- ‘Act’ shall mean the Companies Act, 2013;
- ‘Board’ shall mean the Board of Directors of PTC India Financial Services Limited (PFS);
- ‘Committee’ shall mean the Nomination and Remuneration committee of the Company, constituted and re constituted by the Board from time to time;
- ‘Company’ shall mean PTC India Financial Services Limited (PFS);
- ‘Directors’ shall mean the directors of the Company;
- ‘Independent Director’ shall mean a director referred to in Section 149 (6) of the Companies Act, 2013 and under the Listing Agreement with the Stock Exchanges;
- ‘Other employees’ means, all the employees other than the Directors, KMPs and the Senior Management Personnel.’
- “Key Managerial Personnel” or KMP means key managerial personnel as defined under the Companies Act, 2013 & includes:-
  - i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
  - ii. Company Secretary; and
  - iii. Chief Financial Officer
  - vi. Such other officer as may be prescribed
- ‘Senior Management Personnel’ means personnel of the company who are members of its core management team excluding Board of Directors, and comprises of all members of management who are in the grade that is one level below the WTD
- ‘Nomination & Remuneration Committee’ means “Nomination & Remuneration Committee” constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 and the Listing Agreement with the Stock Exchanges.

### OBJECTIVE & PURPOSE

The Nomination & Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read with applicable rules thereto and Clause 49 of the Listing Agreement. The objective and purpose of the Committee would be as follows:

- To guide and assist the Board in laying down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Whole-time and Independent) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration through a remuneration policy.
- The Company has a adopted a remuneration policy which provides for Performance Related Pay (PRP), a reward linked directly to efforts, performance, dedication and achievement relating to the Company’s operations. Apart from the PRP, the annual increases in remuneration have a component of Merit Increase, which is also linked to performance of an individual.
- This policy provides the Committee with an overall framework for governance of the remuneration policy of the Company.
- To retain, motivate and promote talent and to ensure long term sustainability for retention of talented managerial persons and create competitive advantage for the Company.
- To guide and assist the Board in laying down ESOP Compensation policy in terms of SEBI Guidelines, as and when decided.
- To guide and assist the Board in clarifying any matter relating to remuneration.

### CONSTITUTION

- The Board has determined the membership of the Nomination and Remuneration Committee (hereinafter “the Committee”).  
The Committee shall elect its Chairman who will be an Independent Director.

### NOMINATION & REMOVAL CRITERIA

#### 1 Appointment criteria and qualifications:

- 1.1 The Committee shall identify and ascertain the criteria like integrity, expertise and experience and qualifications for appointment to the positions of Director, KMP and Senior Management.

- 1.2 A potential candidate being considered for appointment to a position should possess adequate qualification, expertise and experience for the position. The Committee shall review qualifications, expertise and experience commensurate to the requirement for the positions. The Committee will insist on the highest standards of ethical and moral qualities to be possessed by such persons as are considered eligible for the positions.
- 1.3 The Committee shall determine the suitability of appointment of a person to the Board of Directors of the Company by ascertaining whether the fit and proper criteria is met by the candidate in the opinion of the Committee.
- 1.4 The Committee may recommend appropriate induction & training programme for any or all of the appointees.
- 1.5 The Company shall normally not appoint or continue the employment of any person as Whole Time Director, KMP or Senior Management Personnel who has attained the superannuation age as per the policy of the Company.
- 1.6 The Committee shall make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of a director subject to the provisions of law and the respective service contract.
- 1.7 The Committee shall recommend any necessary changes in the Policy to the Board, from time to time.
- 1.8 The Company should ensure that the person so appointed as Director/ Independent Director, KMP, Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under, Listing Agreement or any other enactment for the time being in force.
- 1.9 The Director/ Independent Director/Senior Management Personnel/KMP shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, Listing Agreement or any other enactment for the time being in force.
- 1.10 The company shall familiarize the independent directors with the company, including their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programs.

## 2 Term / Tenure

### 2.1 MD & CEO or Managing Director/Whole-time Director (WTD):

The Company shall appoint or re-appoint any person as its MD & CEO or WTD for a term not exceeding five years at a time subject to the age of superannuation. No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

### 2.2 Independent Director shall hold office in accordance with the Company's Policy and subject to the Act.

### 2.3 The Term/Tenure of the Senior Management Personnel/KMP shall be as per the Company's prevailing policy.

## 2. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons to be recorded in writing, removal of a director, KMP or senior management personnel, subject to the provisions and compliance of the Act, rules and regulations.

## 3. Retirement / Superannuation

The director, senior management personnel or KMP shall retire / superannuate as per the applicable provisions of the Companies Act, 2013 along with the rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain the director, senior management personnel or KMP in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 4. Diversity on the Board of the Company

The Company aims to enhance the effectiveness of the Board by diversifying its composition and to obtain the benefit out of such diversity in better and improved decision making. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

The Policy shall conform to the following two principles for achieving diversity on the Board:

- Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and
- For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination, and based on the following factors:

- Gender- The Company shall not discriminate on the basis of gender in the matter of appointment of directors on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board. As per the provisions of the Companies Act, 2013, the Company shall at all times have at least one woman director on the Board. Any vacancy of the woman director shall be filled within a period of six months.
- Ethnicity - The Company shall promote having a boardroom comprising of people from all ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business;
- Physical disability - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on the Company's Board, if he/she is able to efficiently discharge the assigned duties.
- Educational qualification- The Directors of the Company shall have a mix of finance, engineering, legal and management background, so that they collectively provide the Company with considerable experience in a range of activities including varied industries, education, policy and investment.

### 3 Remuneration

The level and composition of remuneration to be paid to the MD & CEO, Whole-Time Director(s), KMPs, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMPs, Senior Management and other employees of the company. The relationship of remuneration to performance should be clear and should encourage meeting of appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive / performance related pay reflecting achievement of short and long-term performance objectives appropriate to the working of the company and meeting its goals.

#### i. MD & CEO/ WTD

Besides the above Criteria, the Remuneration/ Compensation/ Commission / PRP / Bonus etc. to be paid to MD & CEO/ WTD shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force as also by Company policy.

#### ii. Non-Executive Directors/ Independent Directors

The Non-Executive / Independent Directors may receive sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of fees shall be such as determined by the Board of Directors from time to time.

#### iii. Senior Management Personnel / KMPs

The Remuneration to be paid to Senior Management Personnel / KMPs shall be based on the remuneration policy of the Company and the experience, qualification and expertise of the related personnel and shall be decided by the MD & CEO (for KMPs other than those who are at the WTD / Board level) of the Company as per the internal process in consonance with the limits, if any, prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

#### iv. Other Employees

The power to decide structure of remuneration for other employees has been designed in the Remuneration policy and implementation of the same is to be ensured by MD & CEO of the Company or any other personnel that the MD & CEO may deem fit to delegate.

#### DISCLOSURE OF THIS POLICY

This Nomination & Remuneration policy shall be disclosed in the Board's report as required under the Companies Act, 2013 and in the Listing Agreement.

#### REVIEW

The Committee may assess the adequacy of this Policy and make any necessary or desirable amendments from time to time to ensure it remains consistent with the Board's objectives, current laws and best practices.

### Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

|   | Name of Associates or Joint Ventures                                      | R.S. India Wind Energy<br>Private Limited<br>(₹ In lakhs) | Varam Bio Energy<br>Private Limited<br>(₹ In lakhs) |
|---|---|---|---|
| 1 | Latest audited Balance Sheet Date   | 31 <sup>st</sup> March, 2014                              | 31 <sup>st</sup> March, 2016                        |
| 2 | Date on which the Associate or Joint Venture was associated or acquired   | 22 <sup>nd</sup> March, 2008                              | 31 <sup>st</sup> January, 2008                      |
| 3 | Shares of Associate or Joint Ventures held by the company on the year end |   |   |
|   | No.   | 6,11,21,415   | 43,90,000   |
|   | Amount of Investment in Associates or Joint Venture                       | 6,112.14  | 439.00  |
|   | Extent of Holding (in percentage)   | 37%   | 26%   |
| 4 | Description of how there is significant influence                         | Note A  | Note A  |
| 5 | Reason why the associate/joint venture is not consolidated                | Note B  | Note B  |
| 6 | Networth attributable to shareholding as per latest audited Balance Sheet | ₹ 4,737   | Nil <sup>(Note C)</sup>                             |
| 7 | Profit or Loss for the year   |   |   |
|   | i. Considered in Consolidation  | Nil   | Nil   |
|   | ii. Not Considered in Consolidation                                       | Nil   | Nil   |

Note A : There is significant influence due to holding more than 20% share capital.

Note B: The audited accounts were not made available by associate.

Note C: The Company has fully provided for diminution in investment held in associates and the Company does not have any further obligations over and above the amount invested.

For and on behalf of the Board  
PTC India Financial Services Limited

Sd/-  
Dr. Ashok Haldia  
Managing Director & CEO  
DIN : 00818489

Date : 9<sup>th</sup> August, 2017  
Place : New Delhi

## BUSINESS RESPONSIBILITY REPORT

Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015,

PTC India Financial Services Limited (PFS) Business Responsibility Report 2016-2017 includes our responses to questions on our practices and performance on key principles defined by Regulation 34 (2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across environment, governance, and stakeholder relationships.

### SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

|    |  |  |
|----|--|--|
| 1  | Corporate Identity Number (CIN) of the Company                                 | L65999DL2006PLC153373  |
| 2  | Name of the Company  | PTC India Financial Services Limited (hereinafter referred to as 'Company'/ PFS)   |
| 3  | Registered Office  | 7 <sup>th</sup> Floor, Telephone Exchange Building,<br>8 Bhikaji Cama Place, New Delhi-110066  |
| 4  | Website  | www.ptcfinancial.com   |
| 5  | E-mail id  | info@ptcfinancial.com  |
| 6  | Financial Year Reported  | April 1, 2016 to March 31, 2017  |
| 7  | Sector that the Company is Activity code wise                                  | PTC India Financial Services Limited (PFS) is a Non-banking Finance Company (NBFC) classified as Infrastructure Finance Company (IFC) by the Reserve Bank of India. The Company is engaged in the business of providing finance and financial services to the infrastructure projects. |
| 8  | List three key products that Company manufactures (as Per Balance Sheet)       | PFS is into lending business and not manufacturing.  |
| 9  | Total Number of Locations where business activity is undertaken by the Company | 1  |
| 10 | Markets served by the Company - Local/State/ National/International/           | National   |

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

|   |   |                |
|---|---|----------------|
| 1 | Paid up Capital (INR' lakhs)  | 64,228.33      |
| 2 | Total Turnover (INR' lakhs)   | 135,188.07     |
| 3 | Total Profit after taxes (INR' lakhs)   | 34,533.28      |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | Nil            |
| 5 | List of activities in which expenditure in 4 above has been incurred                          | Not Applicable |

### SECTION C: OTHER DETAILS

|   |  |   |
|---|--|---|
| 1 | Does the Company have any Subsidiary Company/ Companies?   | No  |
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).   | PFS is in the process of preparing roadmap in conjunction with parent company (PTC India Limited) for spending the CSR amount of 2016-17. |
| 3 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | No other entity/entities participate in the BR initiatives of the Company.  |

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR

|    |   |                               |
|----|---|-------------------------------|
| a. | <b>Details of the Director/Director responsible for implementation of the BR policy/policies:</b> |                               |
|    | 1. DIN  | 00818489                      |
|    | 2. Name   | Dr. Ashok Haldia              |
|    | 3. Designation  | Managing Director & CEO       |
| b. | <b>Details of the BR head</b>   |                               |
|    | 1. DIN  | Not Applicable                |
|    | 2. Name   | Ms. Nidhi Dahiya              |
|    | 3. Designation  | Manager                       |
|    | 4. Telephone Number   | 011- 26737459                 |
|    | 5. E-mail Id  | nidhi.dahiya@ptcfinancial.com |



2. Principle-Wise (as per NVGs) BR Policy / Policies

The nine principles as per BRR are as given below:

P 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.

P 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P 3: Business should promote the wellbeing of all employees

P 4: Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P 5: Business should respect and promote human rights.

P 6: Business should respect, protect and make efforts to restore the environment.

P 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P 8: Business should support inclusive growth and equitable development.

P 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

2 (a) Details of compliance (Reply Y/N)

| S. No. | Questions  | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|--|---|----|----|----|----|----|----|----|----|
| 1      | Do you have a policy for...  | Company has all the required policies in place.   |    |    |    |    |    |    |    |    |
| 2      | Has the policy being formulated in consultation with the relevant stakeholders   | Yes, the policies are formulated with detailed consultation with relevant stakeholders and benchmarking across the industry.  |    |    |    |    |    |    |    |    |
| 3      | Does the policy conform to any national / international standards? if yes specify  | All policies are compliant with relevant principles of National Voluntary Guidelines.   |    |    |    |    |    |    |    |    |
| 4      | Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO/ appropriate Board Director?                                    | All policies are approved by the respective competent authorities.  |    |    |    |    |    |    |    |    |
| 5      | Does the Company have a specified committee of the Board / Director / official to oversee the implementation of the policy?                                | The Board of Directors of the Company along with the Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee, Stakeholders Grievance Committee are responsible for overall effective implementation & monitoring of the BR policies adopted on respective principles. Further, each policy has also been mapped with the respective departments, who are responsible for its implementation & monitoring on the ground and submit necessary report to the Board of Directors. |    |    |    |    |    |    |    |    |
| 6      | Indicate the link for the policy to be viewed online?  | Except for the Code of Conduct, Whistle Blower Policy and CSR Policy, all other policy documents are internal policies of the Company and thus, are not available on website of the Company.  |    |    |    |    |    |    |    |    |
| 7      | Has the policy been formally communicated to all the relevant internal and external stakeholders?  | The policies posted on the Company's website are available for all stakeholders. For internal stakeholders, appropriate means of communication like intranet, mail communication etc. is available.   |    |    |    |    |    |    |    |    |
| 8.     | Does the Company have in house structure to implement the policy/ policies   | Yes   |    |    |    |    |    |    |    |    |
| 9.     | Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy/ policies | Yes   |    |    |    |    |    |    |    |    |
| 10.    | Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?                                | <ul style="list-style-type: none"> <li>• The Policies are evaluated by internal as well as external agencies on need basis.</li> <li>• The Whistle Blower Policy is reviewed by the Audit Committee of the Board.</li> <li>• The CSR policy is reviewed by the CSR committee of the Board.</li> <li>• The ESMS (Environmental and Social Management System) policy is reviewed by the Board.</li> <li>• The Board/Committee of the Board reviews the policies at periodic intervals on need basis.</li> </ul>         |    |    |    |    |    |    |    |    |

2 (b). If answer to S.No.1 against any principle is “No”, please explain why: (Tick Upto 2 Options- NA)

| S. No. | Questions   | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|---|----|----|----|----|----|----|----|----|----|
| 1      | The Company has not understood the Principles   |    |    |    |    |    |    |    |    |    |
| 2      | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles |    |    |    |    |    |    |    |    |    |
| 3      | The Company does not have financial or manpower resources available for the task  |    |    |    |    |    |    |    |    |    |
| 4      | It is planned to be done within next 6 months   |    |    |    |    |    |    |    |    |    |
| 5      | It is planned to be done within next 1 Year   |    |    |    |    |    |    |    |    |    |
| 6.     | Any other reason (please specify)   |    |    |    |    |    |    |    |    |    |

3. Governance related to BR

|   |  |
|---|--|
| Indicate the frequency with which the Board of Directors, Committee of Directors or CEO to access the BR performance of the Company. Within 3 months, 3 months - 6 months, annually more than 1 year. | Yes, annually.<br>We have constituted a corporate social responsibility (CSR) committee of the Board which oversees our CSR strategy and progress. For more details on the frequency of the committee's meeting, refer to the 'Corporate social responsibility committee' sub- section in the Corporate Governance Report, and the 'Corporate Governance' section in the Board's Report, which are part of this Annual Report. |
| Does the Company publish a BR or sustainability report? What is the hyperlink for viewing this report? How frequently it is published?  | PFS has published GRI (Global Reporting Initiative) sustainability report for financial year 2015-16 in accordance with GRI G4 reporting guidelines. We have published this report for the first time in 2015-16.  |

SECTION E: PRINCIPLE WISE PERFORMANCE

| Principle No. | Description  | Response   |
|---------------|--|--|
| P-1           | Business should conduct and govern themselves with Ethics, Transparency and Accountability.  |  |
| 1.1           | Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend the group / joint ventures/ suppliers/ contractors/ NGOs/ others?  | The Company has adopted the Code of Business Conduct and Ethics, governing conduct of the business of the Company in an ethical manner. Policies of the Company are aligned with those of the parent company i.e. 'PTC India Limited'. It applies to the Directors, Key Managerial Personnel and Senior Management of the Company. The Company obtains an annual confirmation affirming compliance with the Code from the Directors, Key Managerial Personnel and Senior Management every year.<br>The Company has also in place:<br>Whistle Blower Policy: It provides an avenue for Directors and employees to inform about any wrongdoing in the Company and reassurance that they will be protected from victimization for whistle blowing.<br>Code of Conduct for Prevention of Insider Trading: It prevent insider trading and protect price sensitive information.<br>Further, PFS does not have any joint venture /suppliers/ contractors etc. |
| 1.2           | How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so provide the details thereof in about 50 words or so.  | No complaints were received under the whistle blower policy. The details of the complaints of the investor are provided in the report on corporate governance. All complaints received during the year were dealt by the competent authority.  |
| P-2           | Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle  |  |
| 2.1           | List upto 3 of your products whose design has incorporated social or environmental concerns, risks and / or opportunities.   | PFS is a NBFC engaged in lending primarily in infrastructure and power sector with a view on sustainable lending and has established an ESMS (environmental and social management system) which assesses E&S risks associated with project and stipulates conditions to mitigate adverse impacts.<br>To further reduce carbon footprint from our operations, PFS on its balance sheet has commissioned a wind project of 6 MW in the state of Karnataka. The energy generated by the wind project exceeds the electric energy consumption at our sole office in Delhi, thus offsetting the emissions from our operations/services.   |
| 2.2           | For each such product, provide the following details in respect of resource use (energy, raw material etc.) per unit of product (optional):<br>Reduction during the sourcing / production/ distribution achieved since the previous year throughout the value chain.<br>Reduction during usage by consumers (energy, water) has been achieved since the previous year? | Not applicable directly, as PFS is not engaged in manufacturing business and only human resource is engaged by PFS to carry out its operations.<br>Though, as part of sustainable lending PFS encourages its borrowers to follow IFC performance standards for environmental and social sustainability which deals with the aspects of resource efficiency and conservation. Hence, indirectly contributing to resource conservation.  |

| 2.3  | Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.  | Not applicable.   |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
|--|--|---|---|---|---|---|---------------------|---|-----|---------------------------|--|-------------------|---|------------|----|-----------------------------|----------------|-----|
| 2.4  | Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors? | Not applicable.   |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 2.5  | Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also provide details thereof, in about 50 words or so.                                   | Not applicable as PFS is not into product manufacturing, thus recycling is not applicable to us.<br>We generate paper waste and e-waste (in the form of used cartridges) from our business operations in our office. Out of which, paper waste generated is handed over to local recycler and e-waste generated is handed over to CPCB (Central Pollution Control Board) certified vendors.   |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| P-3 Business should promote the well-being of all employees  |  |   |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 3.1  | Please indicate the total number of employees  | 47 employees as on 31 <sup>st</sup> March, 2017   |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 3.2  | Please indicate the total of employees hired on temporary / contractual / casual basis.  | Total 25 personnel have been hired by PFS on contractual basis.   |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 3.3  | Please indicate the number of permanent women employees:   | Five (5)  |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 3.4  | Please indicate the number of permanent employees with disabilities:   | Nil (0)   |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 3.5  | Do you have an employee association that is recognised by management?  | Yes, there is an employee welfare association by the name of ERA which is recognized by PFS. It plans recreational activities which foster team spirit and encourages organizational belongingness.   |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 3.6  | What percentage of your permanent employees is members of this recognized employee association?  | 100%; all permanent employees are members of this association.  |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 3.7  | Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year:  | <table border="1"> <thead> <tr> <th>S. No.</th> <th>Category</th> <th>No. of complaints filed during the financial year</th> <th>No. of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Child labour / forced labour / involuntary labour</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>2.</td> <td>Sexual Harassment</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>3.</td> <td>Discriminatory employment</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>  | S. No.  | Category  | No. of complaints filed during the financial year   | No. of complaints pending as on end of the financial year | 1.                  | Child labour / forced labour / involuntary labour | Nil | Nil                       | 2.   | Sexual Harassment | Nil                                       | Nil        | 3. | Discriminatory employment   | Nil            | Nil |
| S. No.   | Category   | No. of complaints filed during the financial year   | No. of complaints pending as on end of the financial year |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 1.   | Child labour / forced labour / involuntary labour  | Nil   | Nil   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 2.   | Sexual Harassment  | Nil   | Nil   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 3.   | Discriminatory employment  | Nil   | Nil   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 3.8  | What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?<br>Permanent employees<br>Permanent women employees<br>Casual/ Temporary / Contractual Employees<br>Employees with disabilities           | <table border="1"> <thead> <tr> <th>S. No.</th> <th>Category (who were provided skill upgradation training)</th> <th>No. of employees to whom training has been imparted</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Permanent employees</td> <td>29/47; 62%.</td> </tr> <tr> <td>2.</td> <td>Permanent women employees</td> <td>4 women were provided training in FY 2016-17 and for one of the employee training was provided in the month of April, 2017 due to late joining. Hence 5/5; 100%.</td> </tr> <tr> <td>3.</td> <td>Casual/ Temporary / Contractual Employees</td> <td>18/20; 90%</td> </tr> <tr> <td>4.</td> <td>Employees with disabilities</td> <td>Not applicable</td> </tr> </tbody> </table> | S. No.  | Category (who were provided skill upgradation training) | No. of employees to whom training has been imparted | 1.  | Permanent employees | 29/47; 62%.                                       | 2.  | Permanent women employees | 4 women were provided training in FY 2016-17 and for one of the employee training was provided in the month of April, 2017 due to late joining. Hence 5/5; 100%. | 3.                | Casual/ Temporary / Contractual Employees | 18/20; 90% | 4. | Employees with disabilities | Not applicable |     |
| S. No.   | Category (who were provided skill upgradation training)  | No. of employees to whom training has been imparted   |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 1.   | Permanent employees  | 29/47; 62%.   |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 2.   | Permanent women employees  | 4 women were provided training in FY 2016-17 and for one of the employee training was provided in the month of April, 2017 due to late joining. Hence 5/5; 100%.  |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 3.   | Casual/ Temporary / Contractual Employees  | 18/20; 90%  |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 4.   | Employees with disabilities  | Not applicable  |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| P- 4 Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised |  |   |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 4.1  | Has the Company mapped its internal and external stakeholders?   | Yes, stakeholders of the company have been mapped through a formal process of consultation.<br>Key stakeholders identified by PFS are:<br>Internal stakeholders (Employees)<br>External Stakeholders (Borrowers, Lenders, Shareholders and PTC India (parent company)).   |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |
| 4.2  | Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?  | PFS has sexual harassment policy in place. Moreover, there is a whistle blower policy whereby an employee with any grievance can raise the issue with the top management fearlessly.<br>Further, as part of the CSR initiative, we have plans to engage with the disadvantaged, vulnerable & marginalized stakeholders  |   |   |   |   |                     |   |     |                           |  |                   |   |            |    |                             |                |     |

|   |   |  |
|---|---|--|
| 4.3   | Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details, in about 50 words or so.   | Other than as mentioned above there are no other special privileges for internal stakeholders.<br>However, as part for our lending business we expect our borrowers to follow the IFC environmental and social performance standards, 2012 which supports projects which protects rights of indigenous people (marginalized and vulnerable group) and creates opportunities for their growth and providing them benefits through project related activities.<br>Moreover, company through its planned CSR initiatives would in future engage with the disadvantaged, vulnerable and marginalized stakeholders. The two areas identified at this stage are – Skill development and training for unprivileged youth and integrated development of villages.  |
| P-5 Business should respect and promote human rights                              |   |  |
| 5.1   | Does the policy of the Company on human rights cover only the company or extend to the group / joint ventures / suppliers / contractors / NGOs / others.                              | Company believes in protecting the human rights of our people, recognizing their need for respect and dignity. We are committed to fair employment practices and freedom of expression, supported by a strong, company-wide value system. We provide every avenue to our workforce for voicing their opinion. PFS also has a well-defined Grievance Redressal Policy, which is applicable to all regular employees except for officers who are one step below the Board Level.<br>During the FY 2016-17, the Company has given thrust to an organizational development programme and has been developing systems and processes that maximize human potential. The Company has developed a KRA/KPI based Performance Management System to link and measure individual performance with the organizational performance score card during the year. Our Company continuously invests in attraction, retention and development of talent on an ongoing basis. Company's thrust is on the promotion of talent internally through job rotation and job enhancement. Strong governance processes and stringent risk management policies are adhered to, in order to safeguard our stakeholders' interest.<br>The Company also adheres to the highest levels of ethical business practices as articulated in the Code of Conduct and Ethics. A strong commitment to human rights is embedded in the Company's Code of Conduct and Ethics Policy which lays down acceptable behaviour on various aspects including human rights. This code is applicable for all employees, associates and business partners.<br>It has been adopted by our parent company as well. |
| 5.2   | How many stakeholders complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  | No complaints were received under the whistle blower policy. The details of the complaints of the investor are provided in the report on corporate governance. All complaints received during the year were dealt by the competent authority.  |
| P-6 Business should respect, protect and make efforts to restore the environment. |   |  |
| 6.1   | Does the policy related to Principle 6 cover only the company or extend to the group / joint ventures / suppliers / contractors / NGOs / others.                                      | Environmental and Social Policy of PFS extends to the projects financed by PFS and indirectly covers contractors and borrowers engaged in project financing. E&S Policy scope also extends to consortium funding where PFS is in lead.   |
| 6.2   | Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming etc.? Y/N. if yes, please give hyperlink for webpage etc. | PFS provides loans for large renewable energy projects and over 53% of our lending in the financial year 2016-17 has been for renewable energy projects; thus promoting green energy which indirectly supports climate change and global warming initiative.<br>Moreover, PFS has developed a 6 MW wind farm in Karnataka State to offset emissions from its operations.<br>Hyperlink for the webpage is - <a href="http://ptcfinancial.com/">http://ptcfinancial.com/</a>   |
| 6.3   | Does the company identify and assess potential environmental risks  | To promote sustainable lending and to ensure compliance with our environmental and social management systems, PFS either internally or with the help of third party conducts environmental and social due diligence to assess environmental and social risks associated with the projects financed by PFS.<br>In line with our established ESMS, the due diligence scope includes verification of relevant environmental and social aspects of the project in line within the reference framework (including the current operations and the future planned additions/expansions). It includes but not be limited to the following aspects:<br>Environmental impact management;<br>Social impact management;<br>Health and safety management;<br>Human resources management (including human rights and labour standards); and<br>Community engagement.   |

|  |   |   |
|--|---|---|
| 6.4  | Does the company have any project related to clean development mechanism? If so, provide details hereof, in about 50 words or so. Also if yes, whether any environmental compliance report is filed?  | PFS is into lending business and we also finance projects which are based on clean and green fuel.<br>PFS has a single 6 MW wind power project in Karnataka state and no environmental compliance report is required to be filled for 'white' category project as per CPCB revised categorization.<br>At organizational level, we have noted 24% reduction in paper consumption in financial year 2015-16.  |
| 6.5  | Has the company undertaken any other initiatives on-clean technology, energy efficiency and renewable energy, etc. Y/N. if yes, please give hyperlink for web page, etc.  | PFS disposes of its e-waste through CPCB certified vendor.<br>To promote renewable energy, as on 31 <sup>st</sup> March, 2017 PFS's renewable portfolio is 53% of the total portfolio.<br>Moreover, PFS has developed a 6 MW wind farm in Karnataka State which got commissioned in May, 2010.<br>Hyperlink for the webpage is - <a href="http://ptcfinancial.com/">http://ptcfinancial.com/</a>  |
| 6.6  | Are the emission / waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?  | Not applicable.   |
| 6.7  | Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of the financial year.   | None.   |
| P- 7 Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner. |   |   |
| 7.1  | Is your company a member of any trade and chamber or association? if yes, name only those major ones that your business deals with.   | No  |
| 7.2  | Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, others) | No  |
| P-8 Business should support inclusive growth and equitable development.  |   |   |
| 8.1  | Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? if yes details thereof.  | PFS has established and implemented robust environmental and social management systems (ESMS) which is applicable to our lending business (core business).<br>As part of the sustainable lending and as committed in our E&S policy, PFS provides lending for projects which strive to minimize, mitigate or compensate adverse impacts on workers, affected communities and the environment. E&S Policy also states, that PFS would support lending to projects where affected communities are engaged on project related issues that could potentially affect them.<br>We also support the principles of inclusive growth and equitable development through planned CSR initiatives as well as through our core business as elaborated above.   |
| 8.2  | Are the programmes / projects undertaken through in house team / own foundation / external NGO/ government structure/ any other organisation?   | We directly do not engage in any such activities, however as stated in above column we support lending for projects which through its operations promotes aspects of inclusive growth and equitable development.  |
| 8.3  | Have you done any impact assessment of your initiative?   | The key objective of our ESMS, is to identify and assess the environmental and social impacts in the project's area of influence and as part of the project appraisal process, PFS conducts environmental and social due diligence for the projects to assess the impacts of the project. Subsequently, to minimize the adverse impacts of the project an environmental and social action plan (ESAP) is prepared to improve the E&S performance of the company/project. It should be noted that more than 50% of our portfolio as of 31 <sup>st</sup> March, 2017 was in renewable sector.<br>Other than this, regular impact assessment studies are carried out by the foundation to evaluate its various on-going programs and to analyze the quantum of transformation the programs are able to make on the lives of the communities. |
| 8.4  | What is your company's direct contribution to community development projects- Amount in INR and details of the projects undertaken?   | PFS is in the process of finalizing the plans for community initiatives that would be undertaken by us in the coming financial year under its corporate social responsibility (CSR) initiative.<br>The two areas identified at this stage which are under contemplation are - Skill development and training for unprivileged youth and integrated development of villages. Both the initiatives would also contribute towards inclusive growth and equitable development.  |
| 8.5  | Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.   | All efforts would be made by PFS to ensure that the development initiative is successfully adopted by the community at different levels to make our initiatives a success.  |

| P-9 Business should engage with and provide value to their customers and consumers in a responsible manner |   |  |
|--|---|--|
| 9.1  | What percentage of customer complaints/ consumer cases are pending as on the end of the financial year.   | Nil  |
| 9.2  | Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A/Remarks (additional information)   | Not Applicable   |
| 9.3  | Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on the end of financial year. If so, provide the details thereof, in about 50 words. | Nil  |
| 9.4  | Did your company carry out any consumer survey / consumer satisfaction trends?  | Yes. PFS conducts customers/ borrowers / developers meet to discuss customer satisfaction, their feedback on our services, products and new offerings from time to time. |

**Statement of Particulars of employees pursuant to the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

| Sl. No. | Name             | Designation/<br>Nature of<br>Duties | Remuneration<br>Received [₹] | Qualification                           | Experience<br>in years | Age in<br>years as on<br>31.03.17 | Date of<br>commencement<br>of employment | Last employment held  |
|---------|------------------|-------------------------------------|------------------------------|---|------------------------|-----------------------------------|--|---|
| 1       | 2                | 3                                   | 4                            | 5                                       | 6                      | 7                                 | 8  | 9   |
| 1       | Dr. Ashok Haldia | MD & CEO                            | 97,10,479                    | CA; CS, ICWAI,<br>Doctors in Philosophy | 37 years               | 60 yrs 6<br>months                | 13.08.2008                               | The Secretary in The<br>Institute of Chartered<br>Accountants of India          |
| 2       | Dr Pawan Singh   | Director                            | 75,65,167                    | BA (Hons); MBA;<br>PhD in Financial Mgt | 34 years               | 55 yrs 5<br>months                | 01.02.2012                               | Dir-F in Indraprastha<br>Power Generation Co Ltd,<br>Pragati Power Corpn. Ltd.  |
| 3       | Vishal Goyal     | Co Secy.                            | 37,23,444                    | CS; LLB; MBA                            | 13 years               | 36 yrs 8<br>months                | 25.02.2008                               | Company Secretary<br>cum Fin. Manager in<br>International Print -O- Pac<br>Ltd. |

**Notes:**

1. All appointments are / were non-contractual.
2. Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund. Remuneration on Cash basis.
3. None of the above employees is related to any Director of the Company.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PTC INDIA FINANCIAL SERVICES LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of PTC INDIA FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and 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 aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 26 of the financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer Note 38 of the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells,  
Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-  
Jitendra Agarwal  
(Partner)

GURUGRAM, May 22, 2017

(Membership No. 87104)



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of PTC INDIA FINANCIAL SERVICES LIMITED (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm’s Registration No. 015125N)

Sd/-  
Jitendra Agarwal  
(Partner)  
(Membership No. 87104)

GURUGRAM, May 22, 2017

## ANNEXURE “B” TO THE AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Legal and Regulatory Requirements’ section of our report of even date)

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered conveyance deed provided to us, we report that, the title deed, comprising an immovable property of building which is freehold, is held in the name of the Company as at the balance sheet date. In respect of immovable property of building that has been taken on lease and leasehold improvements thereon disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted secured loan to a company covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the Company’s interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principle amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding at the year end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable. The Company being a non-banking financial company, nothing contained in section 186, except sub-section (1), shall apply.
- (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 Section 73 to 76 or any other relevant provisions of the Act and hence reporting under clause (v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company’s business / activities, reporting under clause (vi) of the Order is not applicable.
- (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, Sales Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
  - (b) There were no disputed dues in respect of Excise Duty, Sales Tax, Service Tax, Customs Duty and Value Added Tax which have not been deposited. Details of dues of Income Tax which have not been deposited as on March 31, 2017 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     | Appellate Authority – upto Commissioners’ level | 2008-09 and 2013-14                | 811.17                       |
|                     |                | Income Tax Appellate Authority                  | 2012-13                            | 313.33                       |

\* Amount as per demand orders including interest and penalty wherever indicated in the order and net of amount paid under protest of ₹ 650 lacs.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to bank, financial institutions and debenture holders. The Company has not taken any loans or borrowings from Government.
- (ix) In our opinion and according to the information and explanations given to us, the term loans (including debt instruments) have been applied by the Company for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer.
- (x) 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 by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 and of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial

statements as required by the applicable accounting standards.

- (xiv) According to the information & explanations given to us, the company has made preferential allotment of shares during the year under review. In respect of this, we further report that:
- a) the requirement of section 42 of the Companies Act, 2013, as applicable, have been complied with; and
  - b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or associate companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-  
Jitendra Agarwal  
(Partner)  
(Membership No. 87104)

GURUGRAM, May 22, 2017

**PTC India Financial Services Limited**  
**BALANCE SHEET AS AT MARCH 31, 2017**

(₹ in lacs)

| Particulars |  | Note no. | As at March 31, 2017 | As at March 31, 2016 |
|-------------|--|----------|----------------------|----------------------|
| <b>A</b>    | <b>EQUITY AND LIABILITIES</b>                                    |          |                      |                      |
| 1           | <b>Shareholders' funds</b>                                       |          |                      |                      |
| a.          | Share capital  | 3        | 64,228.33            | 56,208.33            |
| b.          | Reserves and surplus   | 4        | 177,699.60           | 118,045.31           |
|             |  |          | <b>241,927.93</b>    | <b>174,253.64</b>    |
| 2           | <b>Non-current liabilities</b>                                   |          |                      |                      |
| a.          | Long-term borrowings   | 5        | 471,588.40           | 484,363.35           |
| b.          | Long-term provisions   | 7        | 9,834.41             | 6,185.09             |
|             |  |          | <b>481,422.81</b>    | <b>490,548.44</b>    |
| 3           | <b>Current liabilities</b>                                       |          |                      |                      |
| a.          | Short-term borrowings  | 8        | 285,518.45           | 140,762.23           |
| b.          | Trade payables   |          |                      |                      |
|             | -Outstanding to micro and small enterprises                      | 9        | 21.70                | 19.37                |
|             | -Outstanding to creditors other than micro and small enterprises | 9        | 398.56               | 373.57               |
|             |  |          | <b>420.26</b>        | <b>392.94</b>        |
| c.          | Other current liabilities  | 10       | 65,925.96            | 68,198.60            |
| d.          | Short-term provisions  | 11       | 6.00                 | 8,122.99             |
|             |  |          | <b>351,870.67</b>    | <b>217,476.76</b>    |
|             |  |          | <b>1,075,221.41</b>  | <b>882,278.84</b>    |
| <b>B</b>    | <b>ASSETS</b>  |          |                      |                      |
| 1           | <b>Non-current assets</b>  |          |                      |                      |
| a.          | Fixed assets   |          |                      |                      |
|             | -Tangible assets   | 12       | 1,434.69             | 1,678.92             |
|             | -Intangible assets   | 12       | 64.30                | 141.01               |
|             | -Capital work-in-progress  | 12       | 5.74                 | -                    |
|             |  |          | <b>1,504.73</b>      | <b>1,819.93</b>      |
| b.          | Non-current investments  | 13       | 11,428.37            | 23,490.17            |
| c.          | Deferred tax assets (net)  | 6        | 1,978.22             | 446.14               |
| d.          | Long-term loans and advances                                     | 14       | 982,593.79           | 783,616.02           |
| e.          | Other non-current assets   | 15       | 2,711.18             | 2,954.33             |
|             |  |          | <b>1,000,216.29</b>  | <b>812,326.59</b>    |
| 2           | <b>Current assets</b>  |          |                      |                      |
| a.          | Trade receivables  | 16       | 567.22               | 114.14               |
| b.          | Cash and cash equivalents  | 17       | 3,538.47             | 2,476.23             |
| c.          | Short-term loans and advances                                    | 18       | 20,747.54            | 20,684.36            |
| d.          | Other current assets   | 19       | 50,151.89            | 46,677.52            |
|             |  |          | <b>75,005.12</b>     | <b>69,952.25</b>     |
|             |  |          | <b>1,075,221.41</b>  | <b>882,278.84</b>    |
|             | See accompanying notes forming part of the financial statements  | 1-40     |                      |                      |

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
Jitendra Agarwal  
Partner

Sd/-  
Dr. Ashok Haldia  
Managing Director and CEO  
DIN: 00818489

Sd/-  
Dr. Pawan Singh  
Whole-time Director  
DIN: 00044987

Sd/-  
Vishal Goyal  
Company Secretary  
M.No.-A19124

Sd/-  
Gaurav Kaushik  
Chief Financial Officer

Place : Gurugram  
Date : May 22, 2017

Place : New Delhi  
Date : May 22, 2017

**PTC India Financial Services Limited**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lacs)

| Particulars |   | Note no. | Year ended March 31, 2017 | Year ended March 31, 2016 |
|-------------|---|----------|---------------------------|---------------------------|
| 1           | Revenue from operations   | 20       | 135,078.83                | 118,691.41                |
| 2           | Other income  | 21       | 109.24                    | 1.45                      |
| 3           | <b>Total revenue (1+2)</b>                                      |          | <b>135,188.07</b>         | <b>118,692.86</b>         |
| 4           | <b>Expenses</b>   |          |                           |                           |
| a.          | Employees benefits expense                                      | 22       | 1,277.30                  | 1,015.35                  |
| b.          | Finance costs   | 23       | 64,469.34                 | 53,010.77                 |
| c.          | Provisions and contingencies                                    | 24       | 14,256.74                 | 9,518.80                  |
| d.          | Depreciation and amortisation expenses                          | 12       | 337.84                    | 429.58                    |
| e.          | Other expenses  | 25       | 1,978.72                  | 1,574.06                  |
|             | <b>Total expenses</b>   |          | <b>82,319.94</b>          | <b>65,548.56</b>          |
| 5           | <b>Profit before tax (3-4)</b>                                  |          | <b>52,868.13</b>          | <b>53,144.30</b>          |
| 6           | <b>Tax expense :</b>  |          |                           |                           |
| a.          | Current tax   |          | 19,866.93                 | 15,439.88                 |
| b.          | Deferred tax charge/ (benefits)                                 |          | (1,532.08)                | (1,242.52)                |
| c.          | Current tax relating to earlier year                            |          | -                         | (162.76)                  |
|             |   |          | <b>18,334.85</b>          | <b>14,034.60</b>          |
| 7           | <b>Profit for the year (5 -6)</b>                               |          | <b>34,533.28</b>          | <b>39,109.70</b>          |
|             | Earnings per equity share (of ₹ 10 each):                       |          |                           |                           |
|             | - Basic (in ₹)  | 30       | 5.86                      | 6.96                      |
|             | - Diluted (in ₹)  | 30       | 5.86                      | 6.96                      |
|             | See accompanying notes forming part of the financial statements | 1-40     |                           |                           |

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

For and on behalf of the Board of Directors

Sd/-  
Jitendra Agarwal  
Partner

Sd/-  
Dr. Ashok Haldia  
Managing Director and CEO  
DIN: 00818489

Sd/-  
Dr. Pawan Singh  
Whole-time Director  
DIN: 00044987

Sd/-  
Vishal Goyal  
Company Secretary  
M.No.-A19124

Sd/-  
Gaurav Kaushik  
Chief Financial Officer

Place : Gurugram  
Date : May 22, 2017

Place : New Delhi  
Date : May 22, 2017

**PTC India Financial Services Limited**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lacs)

| Particulars   | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|---|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities</b>                             |                              |                              |
| Profit before tax   | 52,868.13                    | 53,144.30                    |
| <u>Adjustments for:</u>   |                              |                              |
| Depreciation and amortisation expenses                                    | 337.84                       | 429.58                       |
| Profit on sale of non-current unquoted trade investments in equity shares | (13,101.96)                  | (20,692.84)                  |
| Profit on sale of Non-current unquoted trade investments in debenture     | (1,158.71)                   |                              |
| Provisions and contingencies  | 14,256.74                    | 9,518.80                     |
| Employee stock option (ESOP) scheme                                       | -                            | (24.89)                      |
| Loss on sale of fixed assets  | 0.23                         | 1.19                         |
| Finance costs   | 64,469.34                    | 53,010.77                    |
|   | <b>117,671.61</b>            | <b>95,386.91</b>             |
| Add: Proceeds from sale of unquoted non-current trade investments         | 24,912.31                    | 31,192.84                    |
| Operating profit before working capital changes                           | <b>142,583.92</b>            | <b>126,579.75</b>            |
| <u>Changes in working capital</u>   |                              |                              |
| <u>Adjustments for increase / (decrease) in operating liabilities:</u>    |                              |                              |
| Long-term provisions  | 71.12                        | 44.57                        |
| Trade payables  | 27.32                        | 72.01                        |
| Other current liabilities   | 63.31                        | 105.34                       |
| Short-term provisions   | 1.13                         | (1.49)                       |
| <u>Adjustments for (increase) / decrease in operating assets:</u>         |                              |                              |
| Non-current investments   | (974.00)                     | -                            |
| Loan financing  | (207,576.07)                 | (225,373.78)                 |
| Other long-term loans and advances  | 1.49                         | 1.85                         |
| Trade receivables   | (453.08)                     | (20.02)                      |
| Short-term loans and advances   | (563.18)                     | 145.52                       |
| Other current assets  | (2,875.86)                   | (2,266.18)                   |
| Cash flows from operations  | (69,693.90)                  | (100,712.43)                 |
| Net income tax (paid)   | (19,153.57)                  | (15,964.28)                  |
| <b>Net cash flow from operating activities</b>                            | <b>(88,847.47)</b>           | <b>(116,676.71)</b>          |

(₹ in lacs)

| Particulars |  | Year ended<br>March 31, 2017    | Year ended<br>March 31, 2016    |
|-------------|--|---------------------------------|---------------------------------|
| <b>B.</b>   | <b>Cash flow from investing activities</b>   |                                 |                                 |
|             | Capital expenditure including capital advances   | (532.83)                        | (47.62)                         |
|             | Proceeds from sale of fixed assets   | 0.52                            | 1.51                            |
|             | <b>Net cash flow from investing activities</b>   | <b>(532.31)</b>                 | <b>(46.11)</b>                  |
|             | <b>Cash flow from financing activities</b>   |                                 |                                 |
|             | Proceeds from long-term borrowings   | 43,285.47                       | 164,614.94                      |
|             | Repayment of long-term borrowings  | (59,423.04)                     | (18,572.97)                     |
|             | Issue of share capital (including premium)   | 30,877.00                       | -                               |
|             | Proceeds from short-term borrowings (net)  | 144,756.22                      | 24,776.12                       |
|             | Finance costs (including premium on derivative contracts)                                    | (60,941.42)                     | (47,115.04)                     |
|             | Dividends paid   | (6,739.09)                      | (5,616.12)                      |
|             | Tax on dividend  | (1,373.12)                      | (1,144.27)                      |
|             | <b>Net cash flow from financing activities</b>   | <b>90,442.02</b>                | <b>116,942.66</b>               |
|             | <b>Net increase in cash and cash equivalents</b>   | <b>1,062.24</b>                 | <b>219.84</b>                   |
|             | Cash and cash equivalents at the beginning of the year                                       | 2,476.23                        | 2,256.39                        |
|             | <b>Cash and cash equivalents at the end of the year</b>                                      | <b>3,538.47</b>                 | <b>2,476.23</b>                 |
|             | <b>Cash and cash equivalents consist of:</b>   |                                 | (₹ in lacs)                     |
|             | <b>Particulars</b>   | <b>As at<br/>March 31, 2017</b> | <b>As at<br/>March 31, 2016</b> |
|             | Cash-in-hand   | 0.06                            | -                               |
|             | Cheques on hand  | 119.40                          | -                               |
|             | Balance with banks   |                                 |                                 |
|             | -In current accounts   | 2,256.07                        | 1,731.24                        |
|             | -In deposit accounts   | 575.00                          | 500.00                          |
|             | -In earmarked accounts *   |                                 |                                 |
|             | i. Unclaimed share application money lying in escrow account                                 | 1.82                            | 1.82                            |
|             | ii. Unclaimed interest accrued on debentures   | 567.81                          | 230.77                          |
|             | iii. Unclaimed dividend  | 18.31                           | 12.40                           |
|             |  | <b>3,538.47</b>                 | <b>2,476.23</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

For and on behalf of the Board of Directors

Sd/-  
Jitendra Agarwal  
Partner

Sd/-  
Dr. Ashok Haldia  
Managing Director and CEO  
DIN: 00818489

Sd/-  
Dr. Pawan Singh  
Whole-time Director  
DIN: 00044987

Sd/-  
Vishal Goyal  
Company Secretary  
M.No.-A19124

Sd/-  
Gaurav Kaushik  
Chief Financial Officer

Place : Gurugram  
Date : May 22, 2017

Place : New Delhi  
Date : May 22, 2017

## 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 specified under Section 133 of the Companies Act, 2013, as applicable, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. 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/ period. 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 / materialize.

##### 2.3 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and 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 useful life prescribed in Part C to Schedule II of the Companies Act, 2013 except for leasehold improvements depreciated on straight line basis over a period of 5 year and assets costing less than ₹ 5,000 each which are fully depreciated in the year of capitalisation.

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

##### 2.5 Revenue recognition

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

- (a) Interest and other dues are accounted on accrual basis except in the case of non-performing loans where it is recognized upon realization, as per the income recognition and asset classification norms prescribed by the RBI.
- (b) Fee based incomes are recognised when reasonable right of recovery is established and the revenue can be reliably measured.
- (c) Dividend is accounted when the right to receive is established.
- (d) Revenue from power supply is accounted on accrual basis.

##### 2.6 Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on fixed assets after its purchase / completion is capitalized 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/period-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 amortized on settlement/ over the maturity period thereof. The unamortized 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 amortized 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 and post-retirement medical benefits, etc.

#### Defined contribution plans

The Company’s contribution to provident fund is considered as defined contribution plan 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 period 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, commitment charges and other related costs. Borrowing costs 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 capitalized 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 period. 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 period 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 realized. 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 realize 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. In addition, the Company also maintains additional provision based on the assessment of portfolio including provision against stressed assets.

#### **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.

#### **2.16 Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**PTC India Financial Services Limited**  
Notes forming part of the financial statements

3. Share capital

(₹ in lacs)

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <u>Authorised:</u>   |                         |                         |
| 1,250,000,000 (Previous year 1,250,000,000) equity shares of ₹ 10 each           | 125,000.00              | 125,000.00              |
| 750,000,000 (Previous year 750,000,000) preference shares of ₹ 10 each           | 75,000.00               | 75,000.00               |
|  | <b>200,000.00</b>       | <b>200,000.00</b>       |
| <u>Issued, subscribed and paid up:</u>   |                         |                         |
| 642,283,335 (Previous year 562,083,335) equity shares of ₹ 10 each fully paid up | 64,228.33               | 56,208.33               |
|  | <b>64,228.33</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. 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 are set out below:

| Name of the shareholder               | As at March 31, 2017 |       | As at March 31, 2016 |       |
|---------------------------------------|----------------------|-------|----------------------|-------|
|                                       | No. of shares        | %     | No. of shares        | %     |
| PTC India Limited*                    | 417,450,001          | 64.99 | 337,250,001          | 60.00 |
| Macquarie Bank Limited                | -                    | -     | 31,480,000           | 5.60  |
| New Horizon Opportunities Master Fund | 37,300,000           | 5.81  | -                    | -     |

\* 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, 2017 |             | As at March 31, 2016 |             |
|--|----------------------|-------------|----------------------|-------------|
|  | 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:- Equity shares issued during the year * | 80,200,000           | 8,020.00    | -                    | -           |
| Closing balance                              | 642,283,335          | 64,228.33   | 562,083,335          | 56,208.33   |

\* During the year, the Company has issued and allotted 8,02,00,000 preferential equity shares of face value ₹ 10 each, fully paid-up, for cash at a premium of ₹ 28.50 per share to PTC India Ltd, a promoter group company.

#### 4. Reserves and surplus

| Particulars   | (₹ in lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| <b>a. Securities premium account</b>  |                         |                         |
| Opening balance   | 38,423.57               | 38,423.57               |
| Add: Amount received pursuant to issue of equity shares   | 22,857.00               | -                       |
| Closing balance   | <u>61,280.57</u>        | <u>38,423.57</u>        |
| <b>b. Statutory reserve</b><br>[in terms of Section 45-IC of the Reserve Bank of India Act, 1934] |                         |                         |
| Opening balance   | 21,778.93               | 13,956.99               |
| Add: Transferred from surplus in Statement of Profit and Loss                                     | 6,906.66                | 7,821.94                |
| Closing balance   | <u>28,685.59</u>        | <u>21,778.93</u>        |
| <b>c. Special reserve</b><br>[in term of section 36(1)(viii) of the Income-tax Act, 1961]         |                         |                         |
| Opening balance   | 16,247.73               | 10,417.40               |
| Add: Transferred from surplus in Statement of Profit and Loss                                     | 7,089.75                | 5,830.33                |
| Closing balance   | <u>23,337.48</u>        | <u>16,247.73</u>        |
| <b>d. Share options outstanding account</b>   |                         |                         |
| Opening balance   | -                       | 24.89                   |
| Add: Net charge for the year  | -                       | (24.89)                 |
| Closing balance   | <u>-</u>                | <u>-</u>                |
| <b>e. Surplus in Statement of Profit and Loss</b>   |                         |                         |
| Opening balance   | 46,763.99               | 29,445.11               |
| Add: Profit for the year  | 34,533.28               | 39,109.70               |
| Less: Transferred to statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934           | (6,906.66)              | (7,821.94)              |
| Less: Transferred to special reserve u/s 36(1) (viii) of the Income-tax Act, 1961                 | (7,089.75)              | (5,830.33)              |
| Less: Proposed dividend on equity shares (refer note below)                                       | -                       | (6,745.00)              |
| Less: Tax on proposed equity dividend   | -                       | (1,393.55)              |
| Closing balance   | <u>67,300.86</u>        | <u>46,763.99</u>        |
| <b>f. Foreign currency monetary items translation difference account</b>                          |                         |                         |
| Opening balance (Debit)   | (5,168.91)              | (4,758.97)              |
| Add/ (less): Effect of foreign exchange rate variations during the year (net)                     | 823.25                  | (2,697.11)              |
| Add/ (Less): Amortisation for the year  | 1,440.76                | 2,287.17                |
| Closing balance (Debit)   | <u>(2,904.90)</u>       | <u>(5,168.91)</u>       |
|   | <u>177,699.60</u>       | <u>118,045.31</u>       |

The Board of Directors have proposed a final dividend of ₹ 1.50 per share for the financial year 2016-17 (2015-16 - ₹ 1.20 per share) aggregating to ₹ 11,595.56 lacs (including corporate dividend tax). The proposed dividend for financial year 2016-17 is subject to approval of shareholders in the ensuing Annual General Meeting and has not been considered in these accounts in accordance with revised Accounting Standard 4 (AS-4) "Contingencies and events occurring after balance sheet date", effective from April 1, 2016.

#### 5. Long-term borrowings

| Particulars   | (₹ in lacs)          |                  |                   |                      |                  |                   |
|---|----------------------|------------------|-------------------|----------------------|------------------|-------------------|
|   | As at March 31, 2017 |                  |                   | As at March 31, 2016 |                  |                   |
|   | Non-current          | Current          | Total             | Non-current          | Current          | Total             |
| <b>Secured</b>  |                      |                  |                   |                      |                  |                   |
| a. Infrastructure bonds (i)   | 1,235.85             | 15,851.30        | 17,087.15         | 1,233.95             | 18,162.75        | 19,396.70         |
| b. Debentures (ii)  | 43,850.00            | 1,500.00         | 45,350.00         | 45,350.00            | -                | 45,350.00         |
| c. Rupee term loans from banks (iii)  | 383,736.29           | 31,521.26        | 415,257.55        | 349,902.17           | 35,012.98        | 384,915.15        |
| d. External commercial borrowings from financial institutions (iv)          | 42,766.26            | 6,364.61         | 49,130.87         | 36,482.23            | 6,067.31         | 42,549.54         |
| e. Rupee term loan from financial institutions (v)                          | -                    | -                | -                 | 51,395.00            | 180.00           | 51,575.00         |
|   | <u>471,588.40</u>    | <u>55,237.17</u> | <u>526,825.57</u> | <u>484,363.35</u>    | <u>59,423.04</u> | <u>543,786.39</u> |
| Less:- Amount transferred to "Other current liabilities"<br>(refer note 10) | -                    | 55,237.17        | 55,237.17         | -                    | 59,423.04        | 59,423.04         |
|   | <u>471,588.40</u>    | <u>-</u>         | <u>471,588.40</u> | <u>484,363.35</u>    | <u>-</u>         | <u>484,363.35</u> |

**Notes:**

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

- i. 60,167 (previous year 68,724) privately placed 8.25%/8.30% secured redeemable non-convertible long-term infrastructure bonds of ₹5,000 each (Infra Series 1) amounting to ₹3,008.35 lacs (previous year ₹3,436.20 lacs) allotted on March 31, 2011 redeemable at par in 5 to 10 years commenced 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. During the year, the company has repaid ₹427.85 lacs (previous year ₹772.40 lacs) under buyback scheme exercised by eligible holders of infrastructure bonds in FY2016-17 as per terms of Infra Series 1.  
281,576 (previous year 319,210) privately placed 8.93%/9.15% secured redeemable non-convertible long-term infrastructure bonds of ₹5,000 each (Infra Series 2) amounting to ₹14,078.80 lacs (previous year ₹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. During the year, the company has repaid ₹1881.70 lacs (previous year ₹ Nil) under buyback scheme exercised by eligible holders of infrastructure bonds in FY2016-17 as per terms of Infra Series 2.
- ii. 900 (previous year 900) privately placed 10.50% secured redeemable non-convertible debentures of ₹1,000,000 each (Series 3) amounting to ₹9,000.00 lacs were allotted on January 27, 2011 redeemable at par in six equal annual instalments commencing from January 26, 2018.  
Series 3 debentures 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 have also been secured by pari-passu charge by way of hypothecation of the receivables 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.  
2135 (previous year 2135) privately placed 9.62% secured redeemable non-convertible debentures of ₹1,000,000 each (Series 4) amounting to ₹21,350.00 lacs were allotted on June 03, 2015 redeemable at par in 3 tranches divided in 33% of face value on 28th May 2019, 33% of face value on 28th May 2021 and balance 34% of face value on 28th May 2025  
Series 4 debentures are secured by way of first charge by way of hypothecation of the specified receivables of the Company comprising asset cover of at least 110% of the amount of the Debentures  
1500 (previous year 1500) privately placed 9.80% secured redeemable non-convertible debentures of ₹1,000,000 each (Series 5) amounting to ₹15,000.00 lacs were allotted on June 16, 2015 redeemable at par in five equal annual instalments commencing from June 12, 2018  
Series 5 debentures are secured by way of first ranking exclusive charge by way of hypothecation of the identified receivables of the Company comprising asset cover of at least 100% of the amount of the Debentures
- iii. Term loans from banks carry interest ranging from 8.45% to 8.75% p.a. The loans carry various repayment schedules according to their respective sanctions and thus are repayable in 12 to 48 quarterly instalments. 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/ to be created by line of credit of other financial institutions / banks) so that lenders should have at least 100%/ 111% security coverage on its outstanding loan at all times during the currency of the loan.
- iv. External Commercial Borrowings (“ECB”) carry interest ranging from 3 months LIBOR+1.90% to LIBOR+3.10% p.a. The loans are repayable in 32/36 equal quarterly instalments 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 4 quarterly instalment amounting to USD 28,88,888 (₹193,887,718) on one of the ECB loans and 4 quarterly instalment amounting to USD 62,50,000 (₹420,031,250) on two of the ECB loans was made during the year ended March 31, 2017
- v. Rupees term loan outstanding Nil (previous year ₹1,575.00 lacs) from a financial institution carries interest rate of 2% p.a. The loan was repayable in 4 equal quarterly instalments starting from March 31, 2015. 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 favour of other lenders of the Company i.e. 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% security coverage on its outstanding loan at all time during the currency of the loan.  
Rupees term loan outstanding Nil (previous year ₹ 50,000 lacs) from a financial institution carries interest rate of 9.30% p.a. The loan is repayable in 20 equal quarterly instalments starting after 18 months from the date of first loan disbursement i.e. December 31, 2015. 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 favour of other lenders of the Company i.e. 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% security coverage on its outstanding loan at all time during the currency of the loan.
- vi. In terms of the RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016) no borrowings remained overdue as at March 31, 2017 (previous year ₹ Nil).

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

(₹ in lacs)

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <i>Tax effect of items constituting deferred tax liabilities</i>               |                         |                         |
| a. Difference between book balance and tax balance of fixed assets             | 102.43                  | 58.49                   |
| b. Foreign currency monetary items translation difference account              | 1,005.33                | 1,788.86                |
| c. Special reserve under section 36(1) (viii) of Income-tax Act, 1961          | 8,076.64                | 5,623.01                |
|  | <b>9,184.40</b>         | <b>7,470.36</b>         |
| <i>Tax effect of items constituting deferred tax assets</i>                    |                         |                         |
| a. Provision for employees benefits  | 79.51                   | 102.96                  |
| b. Provisions and contingencies  | 10,031.33               | 6,095.50                |
| c. Accrued interest deductible on payment                                      | 57.34                   | 58.24                   |
| d. Provision for diminution in value of unquoted non-current trade investments | 994.44                  | 1,659.80                |
|  | <b>11,162.62</b>        | <b>7,916.50</b>         |
| <b>Deferred tax (assets)/liabilities (net)</b>                                 | <b>(1,978.22)</b>       | <b>(446.14)</b>         |

## 7. Long-term provisions

|   |                 |                 |
|---|-----------------|-----------------|
| a. Provision for gratuity (Refer note 27)                                   | 89.88           | 59.27           |
| b. Provision for compensated absences (Refer note 27)                       | 116.77          | 83.45           |
| c. Provision for other employees benefits (Refer note 27)                   | 17.10           | 9.91            |
| d. Contingent provision against standard assets (Refer note i and ii below) | 9,610.66        | 6,032.46        |
|   | <b>9,834.41</b> | <b>6,185.09</b> |

### Notes:

- A contingent provision against standard assets includes provision created @ 0.50% of the outstanding standard assets in terms of the RBI circular ((Ref. No. DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016) and provision against restructured standard loans as per applicable RBI guidelines.
- Movement in contingent provision against standard assets during the year is as under:

|   |                 |                 |
|---|-----------------|-----------------|
| Opening balance   | 6,032.46        | 6,702.17        |
| Additions during the year (net)                           | 6,811.24        | 1,235.40        |
| Less:- Transferred to provision for non-performing assets | (3,233.04)      | (1,905.11)      |
| Closing balance   | <b>9,610.66</b> | <b>6,032.46</b> |

## 8. Short-term borrowings

|   |                   |                   |
|---|-------------------|-------------------|
| i. Term loans from banks                                |                   |                   |
| -Secured (see note below)                               | 92,518.45         | 69,262.23         |
| -Unsecured  | 5,000.00          | -                 |
| ii. Term loans from a financial institution             |                   |                   |
| -Secured (see note below)                               | 108,000.00        | 66,500.00         |
| iii. Commercial papers at face value of ₹ 5,00,000 each |                   |                   |
| -Unsecured  | 80,000.00         | 5,000.00          |
|   | <b>285,518.45</b> | <b>140,762.23</b> |

### Note:

Term loans from banks/financial institution 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.

## 9. Trade payables

|   |               |               |
|---|---------------|---------------|
| -Micro enterprises and small enterprises* | 21.70         | 19.37         |
| -Other                                    | 398.56        | 373.57        |
|   | <b>420.26</b> | <b>392.94</b> |

\*The amount due to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 has been disclosed to the extent of information available with the Company from vendors regarding their status. As per information available with the Company, no interest is paid/ payable under this Act.

#### 10. Other current liabilities

(₹ in lacs)

| Particulars  | As at            | As at            |
|--|------------------|------------------|
|  | March 31, 2017   | March 31, 2016   |
| a. Current maturities of long term borrowings (Refer note 5) | 55,237.17        | 59,423.04        |
| b. Interest accrued but not due on borrowings                | 9,896.39         | 8,389.42         |
| c. Unclaimed interest on debentures                          | 567.81           | 230.77           |
| d. Unclaimed dividend  | 18.31            | 12.40            |
| e. Income received in advance                                | 141.68           | 64.08            |
| f. Payable to holding company                                | -                | 11.61            |
| g. Payable to employees                                      | -                | 2.18             |
| h. Statutory remittances (TDS, EPF, WCT etc.)                | 62.78            | 63.28            |
| i. Unclaimed equity share application money                  | 1.82             | 1.82             |
|  | <b>65,925.96</b> | <b>68,198.60</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 125 of the Companies Act, 2013 as at the Balance Sheet date.

#### 11. Short-term provisions

|   |             |                 |
|---|-------------|-----------------|
| a. Provision for gratuity (Refer note 27)                 | 1.98        | 1.69            |
| b. Provision for compensated absences (Refer note 27)     | 4.01        | 3.17            |
| c. Provision for other employees benefits (Refer note 27) | 0.01        | 0.01            |
| d. Proposed equity dividend                               | -           | 6,745.00        |
| e. Tax on proposed equity dividend                        | -           | 1,373.12        |
|   | <b>6.00</b> | <b>8,122.99</b> |

#### 12. Fixed assets

(₹ in lacs)

| Assets description                               | Gross block                  |              |             | Accumulated depreciation/amortisation |                              |                      |             | Net block                    |                              |                              |
|--|------------------------------|--------------|-------------|---------------------------------------|------------------------------|----------------------|-------------|------------------------------|------------------------------|------------------------------|
|  | Balance as at March 31, 2016 | Additions    | Disposals   | Balance as at March 31, 2017          | Balance as at March 31, 2016 | Expense for the year | Adjustments | Balance as at March 31, 2017 | Balance as at March 31, 2017 | Balance as at March 31, 2016 |
| <b>Tangible assets</b>                           |                              |              |             |                                       |                              |                      |             |                              |                              |                              |
| a. Leasehold improvements                        | 330.06                       | -            | -           | 330.06                                | 175.97                       | 66.01                | -           | 241.98                       | 88.08                        | 154.09                       |
| b. Building                                      | 11.94                        | -            | -           | 11.94                                 | 3.27                         | 0.30                 | -           | 3.57                         | 8.37                         | 8.67                         |
| c. Plant and machinery (Wind mill)               | 3,522.75                     | -            | -           | 3,522.75                              | 2,144.96                     | 141.39               | -           | 2,286.35                     | 1,236.40                     | 1,377.79                     |
| d. Office equipments                             | 147.36                       | 2.26         | 3.45        | 146.17                                | 105.68                       | 20.15                | 2.91        | 122.92                       | 23.25                        | 41.68                        |
| e. Computers                                     | 122.42                       | 15.39        | 3.20        | 134.61                                | 77.75                        | 21.17                | 2.99        | 95.93                        | 38.68                        | 44.67                        |
| f. Furniture and fixtures                        | 80.35                        | -            | -           | 80.35                                 | 40.91                        | 8.45                 | -           | 49.36                        | 30.99                        | 39.44                        |
| g. Vehicles                                      | 37.63                        | -            | -           | 37.63                                 | 25.05                        | 3.66                 | -           | 28.71                        | 8.92                         | 12.58                        |
| <b>Sub total</b>                                 | <b>4,252.51</b>              | <b>17.65</b> | <b>6.65</b> | <b>4,263.51</b>                       | <b>2,573.59</b>              | <b>261.13</b>        | <b>5.90</b> | <b>2,828.82</b>              | <b>1,434.69</b>              |                              |
| Previous year                                    | 4,227.65                     | 45.83        | 20.97       | 4,252.51                              | 2,243.68                     | 348.18               | 18.27       | 2,573.59                     | -                            | 1,678.92                     |
| <b>Intangible assets</b>                         |                              |              |             |                                       |                              |                      |             |                              |                              |                              |
| a. Software                                      | 259.43                       | -            | -           | 259.43                                | 118.42                       | 76.71                | -           | 195.13                       | 64.30                        | 141.01                       |
| <b>Sub total</b>                                 | <b>259.43</b>                | <b>-</b>     | <b>-</b>    | <b>259.43</b>                         | <b>118.42</b>                | <b>76.71</b>         | <b>-</b>    | <b>195.13</b>                | <b>64.30</b>                 |                              |
| Previous year                                    | 257.64                       | 1.79         | -           | 259.43                                | 37.02                        | 81.40                | -           | 118.42                       | -                            | 141.01                       |
| <b>Total</b>                                     | <b>4,511.94</b>              | <b>17.65</b> | <b>6.65</b> | <b>4,522.94</b>                       | <b>2,692.01</b>              | <b>337.84</b>        | <b>5.90</b> | <b>3,023.95</b>              | <b>1,498.99</b>              |                              |
| Previous year                                    | 4,485.29                     | 47.62        | 20.97       | 4,511.94                              | 2,280.70                     | 429.58               | 18.27       | 2,692.01                     | -                            | 1,819.93                     |
| (iii) Capital work-in-progress-Intangible assets |                              |              |             |                                       |                              |                      |             |                              | 5.74                         | -                            |
|  |                              |              |             |                                       |                              |                      |             |                              | <b>1,504.73</b>              | <b>1,819.93</b>              |

### 13. Non-current investments

(₹ in lacs)

| Particulars   | Face Value<br>(₹ per share<br>/debtenture) | Quantity<br>(Nos.) | As at<br>March 31,<br>2017 | Quantity<br>(Nos.) | As at<br>March 31,<br>2016 |
|---|--|--------------------|----------------------------|--------------------|----------------------------|
| <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   | 10   | 61,121,415         | 6,112.14                   | 61,121,415         | 6,112.14                   |
| -Varam Bio Energy Private Limited   | 10   | 4,390,000          | 439.00                     | 4,390,000          | 439.00                     |
|   |  |                    | <b>6,551.14</b>            |                    | <b>6,551.14</b>            |
| <b>ii. Other companies</b>  |  |                    |                            |                    |                            |
| -Adhunik Power and Natural Resources Limited  | 10   | 9,740,000          | 974.00                     | -                  | -                          |
| -East Coast Energy Private Limited  | 10   | 133,385,343        | 13,338.53                  | 133,385,343        | 13,338.53                  |
| -Indian Energy Exchange Limited (sold during the year)                                | 10   | -                  | -                          | 1,516,431          | 151.64                     |
|   |  |                    | <b>14,312.53</b>           |                    | <b>13,490.17</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 (sold during the year)                                 | 3,333,333                                  |                    | -                          | 300                | 10,000.00                  |
|   |  |                    | <b>428.58</b>              |                    | <b>10,428.58</b>           |
|   |  |                    | <b>21,292.25</b>           |                    | <b>30,469.89</b>           |
| Less:Provision for diminution in value of investments                                 |  |                    | <b>9,863.88</b>            |                    | <b>6,979.72</b>            |
|   |  |                    | <b>11,428.37</b>           |                    | <b>23,490.17</b>           |

### 14. Long-term loans and advances

(₹ in lacs)

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Secured, considered good</b>  |                         |                         |
| a. Loan financing  | 1,040,550.00            | 832,973.93              |
| Less:-Provision for Non-performing loans *   | 18,699.74               | 8,905.43                |
| Less:-Provision for contingencies *  | 675.17                  | 2,675.10                |
| (*Including ₹ 3,233.04 lacs (previous year ₹ 1,905.11 lacs) transferred from contingent provision against standard assets) |                         |                         |
| Less:-Current maturities transferred to "Other current assets" (refer note 19)   | 41,302.49               | 40,703.98               |
|  | <b>979,872.60</b>       | <b>780,689.42</b>       |
| <b>Unsecured, considered good</b>  |                         |                         |
| a. Advance for purchase of fixed assets  | 509.44                  | -                       |
| b. Advance to employees  | 17.54                   | 19.13                   |
| c. Security deposits   | 69.87                   | 69.77                   |
| d. Advance income tax (net of provision of ₹ 61,382.70 lacs (previous year ₹ 41,515.77 lacs))                              | 2,124.34                | 2,837.70                |
|  | <b>982,593.79</b>       | <b>783,616.02</b>       |

#### Notes:

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

The classification of loans under the RBI guidelines is as under:

|                     |                     |                   |
|---------------------|---------------------|-------------------|
| Standard assets     | 982,499.60          | 804,031.21        |
| Sub-standard assets | 29,320.00           | 28,942.72         |
| Doubtful assets     | 28,730.40           | -                 |
|                     | <b>1,040,550.00</b> | <b>832,973.93</b> |



**15. Other non-current assets**

(₹ in lacs)

| Particulars                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-------------------------------------|-------------------------|-------------------------|
| a. Premium on derivative contracts* | 2,711.18                | 2,954.33                |
|                                     | 2,711.18                | 2,954.33                |

\* In respect of hedging foreign currency risk.

**16. Trade receivables**

Unsecured, considered good

|  |        |        |
|--|--------|--------|
| a. Outstanding for a period exceeding six months from the date they were due for payment | 8.79   | -      |
| b. Others  | 558.43 | 114.14 |
|  | 567.22 | 114.14 |

**17. Cash and cash equivalents :**

|  |          |          |
|--|----------|----------|
| a. Cash-in-hand  | 0.06     | -        |
| b. Cheques on hand   | 119.40   | -        |
| c. Balance with banks  |          |          |
| -In current accounts   | 2,256.07 | 1,731.24 |
| -In deposit accounts (Refer note below)                      | 575.00   | 500.00   |
| -In earmarked accounts                                       |          |          |
| i. Unclaimed share application money lying in escrow account | 1.82     | 1.82     |
| ii. Unclaimed interest on debentures                         | 567.81   | 230.77   |
| iii. Unclaimed dividend                                      | 18.31    | 12.40    |
|  | 3,538.47 | 2,476.23 |

Note:

Balances with banks include deposits ₹ 275.00 lacs (previous year ₹ Nil lacs) with remaining maturity of more than 12 months from the balance sheet date.

**18. Short-term loans and advances**

Secured, considered good

|                    |           |           |
|--------------------|-----------|-----------|
| a. Loans financing | 20,000.00 | 20,000.00 |
|--------------------|-----------|-----------|

Unsecured, considered good

|   |           |           |
|---|-----------|-----------|
| a. Prepaid expenses                       | 67.17     | 81.72     |
| b. Unexpired discount on commercial paper | 623.70    | 63.45     |
| c. Balances with government authorities   | 5.42      | 12.30     |
| d. Advance to employees                   | 5.70      | 12.14     |
| e. Receivables from sale of investment    | -         | 500.00    |
| f. Other receivables                      | 45.55     | 14.75     |
|   | 20,747.54 | 20,684.36 |

The classification of loans under the RBI guidelines is as under:

|                     |           |           |
|---------------------|-----------|-----------|
| Standard assets     | 20,000.00 | 20,000.00 |
| Sub-standard assets | -         | -         |
| Doubtful assets     | -         | -         |
|                     | 20,000.00 | 20,000.00 |

**19. Other current assets**

|   |           |           |
|---|-----------|-----------|
| a. Current maturities of long term loan financing | 41,302.49 | 40,703.98 |
| b. Interest accrued and due on                    |           |           |
| -Loan financing                                   | 4,993.28  | 2,173.68  |
| c. Interest accrued but not due on                |           |           |
| -Fixed deposits                                   | 13.32     | 43.63     |
| -Loan financing                                   | 3,842.80  | 3,700.34  |
| -Debentures                                       | -         | 55.89     |
|   | 50,151.89 | 46,677.52 |

## 20. Revenue from operations

| Particulars   | (₹ in lacs)                  |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
| <b>Interest income from</b>   |                              |                              |
| a. Loan financing   | 111,001.01                   | 90,937.47                    |
| b. Debentures   | 368.22                       | 1,203.29                     |
| <b>Other operating income</b>   |                              |                              |
| a. Dividend income on non-current unquoted trade investments in equity shares                   | 454.93                       | 288.12                       |
| b. Profit on sale of investments  |                              |                              |
| - Non-current unquoted trade investments in equity shares                                       | 13,101.96                    | 20,692.84                    |
| - Non-current unquoted trade investments in debenture   | 1,158.71                     | -                            |
| - Current unquoted non-trade investment in mutual funds   | 10.67                        | 2.44                         |
| c. Interest on fixed deposits   | 46.35                        | 186.29                       |
| d. Fee based income   | 8,491.14                     | 4,999.34                     |
| e. Sale of power  | 445.84                       | 381.62                       |
|   | <b>135,078.83</b>            | <b>118,691.41</b>            |
| <b>21. Other income</b>   |                              |                              |
| Interest income   | 1.47                         | 1.45                         |
| Miscellaneous Income  | 107.77                       | -                            |
|   | <b>109.24</b>                | <b>1.45</b>                  |
| <b>22. Employees benefits expense</b>   |                              |                              |
| a. Salaries and other allowances  | 1,139.11                     | 933.12                       |
| b. Contributions to provident fund (Refer note 27)  | 49.22                        | 38.52                        |
| c. Employee stock option (ESOP) scheme*   | -                            | (24.89)                      |
| d. Staff welfare expenses   | 88.97                        | 68.60                        |
|   | <b>1,277.30</b>              | <b>1,015.35</b>              |
| *Due to forfeiture/ surrender of Employee Stock options   |                              |                              |
| <b>23. Finance costs</b>  |                              |                              |
| <b>Interest expense on:</b>   |                              |                              |
| a. Infrastructure bonds   | 2,238.65                     | 2,184.75                     |
| b. Debentures   | 4,456.63                     | 3,820.53                     |
| c. Rupee term loans from banks  | 36,930.12                    | 33,575.56                    |
| d. Rupee term loans from financial institutions   | 9,830.68                     | 2,398.01                     |
| e. External commercial borrowings from financial institutions                                   | 2,111.24                     | 1,480.74                     |
| f. Commercial paper   | 7,381.80                     | 6,523.42                     |
| g. Delayed payment of income tax  | 0.01                         | 12.74                        |
| <b>Other borrowing cost:</b>  |                              |                              |
| a. On term loans and other borrowings   | 78.27                        | 726.69                       |
| b. Bank charges   | 1.18                         | 1.16                         |
| c. Amortisation of foreign currency translation   | 1,440.76                     | 2,287.17                     |
|   | <b>64,469.34</b>             | <b>53,010.77</b>             |
| <b>24. Provisions and contingencies</b>   |                              |                              |
| a. Contingent provision against standard assets   | 3,578.20                     | 1,235.40                     |
| b. Provision for non-performing assets  | 7,119.21                     | 5,608.30                     |
| c. Provision for contingencies  | 675.17                       | 2,675.10                     |
| d. Provision for diminution in value of unquoted non-current trade investments in equity shares | 2,884.16                     | -                            |
|   | <b>14,256.74</b>             | <b>9,518.80</b>              |

**25. Other expenses**

(₹ in lacs)

| Particulars  | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|--|------------------------------|------------------------------|
| a. Rent  | 342.69                       | 325.32                       |
| b. Repairs and maintenance   |                              |                              |
| - Plant and machinery  | 90.07                        | 84.03                        |
| - Others   | 155.98                       | 88.40                        |
| c. Insurance   | 10.81                        | 10.36                        |
| d. Rates and taxes   | 77.33                        | 115.76                       |
| e. Communication   | 25.39                        | 20.64                        |
| f. Travelling and conveyance   | 69.25                        | 83.30                        |
| g. Advertising and business development  | 66.53                        | 55.27                        |
| h. Donation  |                              |                              |
| i. Legal and professional  | 791.50                       | 567.82                       |
| Auditors' remuneration :-  |                              |                              |
| -For statutory audit   | 24.50 *                      | 10.00                        |
| -For quarterly audit/limited review  | 15.00 **                     | 10.50                        |
| -For tax audit   | 2.50                         | 2.50                         |
| -For other certification (including services tax charge on auditors' remuneration) | 8.51                         | 4.05                         |
| -For out of pocket expenses  | 0.27                         | 0.41                         |
| j. Loss on fixed assets sold   | 0.23                         | 1.19                         |
| k. Directors' sitting fees   | 72.49                        | 53.03                        |
| l. Miscellaneous expenses  | 225.67                       | 141.48                       |
|  | <b>1,978.72</b>              | <b>1,574.06</b>              |

\* Including ₹ 6.50 lacs related to previous year

\*\* Including ₹ 1.50 lacs related to previous year

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

(₹ in lacs)

| Particulars                      | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|----------------------------------|-------------------------|-------------------------|
| (a) Contingent liabilities       |                         |                         |
| (i) Income tax                   | 3,193.62                | 2,153.86                |
| (b) Commitments                  |                         |                         |
| (i) Loan financing               | 1,73,236.00             | 27,253.00               |
| (ii) Capital commitments         | 5,050.00                | -                       |
| (c) Guarantees furnished to bank | 2,500.00                | 2,500.00                |

**27. 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<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|---|------------------------------|------------------------------|
| Employer's contribution to provident fund | 49.22                        | 38.52                        |

(b) Defined benefit plans

Changes in the present value of the defined benefit obligation:

(₹ in lacs)

| Particulars                               | Gratuity                  |                           | Compensated absences      |                           | Post Retirement medical benefit |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|---------------------------|
|   | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2017       | Year ended March 31, 2016 |
| Opening defined benefit obligation        | 60.96                     | 43.83                     | 86.62                     | 64.15                     | 9.92                            | 6.44                      |
| Current service cost                      | 14.91                     | 10.15                     | 20.39                     | 15.18                     | 2.57                            | 1.67                      |
| Interest cost                             | 4.88                      | 3.51                      | 6.93                      | 5.13                      | 0.79                            | 0.51                      |
| Benefits paid                             | -                         | -                         | (8.78)                    | (5.15)                    | -                               | -                         |
| Actuarial loss / (gain)                   | 11.11                     | 3.47                      | 15.62                     | 7.31                      | 3.83                            | 1.30                      |
| <b>Closing defined benefit obligation</b> | <b>91.86</b>              | <b>60.96</b>              | <b>120.78</b>             | <b>86.62</b>              | <b>17.11</b>                    | <b>9.92</b>               |
| <b>Disclosure of defined benefit into</b> |                           |                           |                           |                           |                                 |                           |
| Long-term provisions                      | 89.88                     | 59.27                     | 116.77                    | 83.45                     | 17.10                           | 9.91                      |
| Short-term provisions                     | 1.98                      | 1.69                      | 4.01                      | 3.17                      | 0.01                            | 0.01                      |

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

(₹ in lacs)

| Particulars                                      | Gratuity                  |                           | Compensated absences      |                           | Post Retirement medical benefit |                           |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|---------------------------|
|  | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2017       | Year ended March 31, 2016 |
| Closing defined benefit obligation               | 91.86                     | 60.96                     | 120.78                    | 86.62                     | 17.11                           | 9.92                      |
| Closing fair value of plan assets                | -                         | -                         | -                         | -                         | -                               | -                         |
| <b>Net liability recognised in balance sheet</b> | <b>(91.86)</b>            | <b>(60.96)</b>            | <b>(120.78)</b>           | <b>(86.62)</b>            | <b>(17.11)</b>                  | <b>(9.92)</b>             |

Expense recognised in the Statement of Profit and Loss:

(₹ in lacs)

| Particulars  | Gratuity                  |                           | Compensated absences      |                           | Post Retirement medical benefit |                           |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|---------------------------|
|  | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2017       | Year ended March 31, 2016 |
| Current service cost   | 14.91                     | 10.15                     | 20.39                     | 15.18                     | 2.57                            | 1.67                      |
| Interest cost  | 4.88                      | 3.51                      | 6.93                      | 5.13                      | 0.79                            | 0.51                      |
| Net actuarial loss / (gains)   | 11.11                     | 3.47                      | 15.62                     | 7.31                      | 3.83                            | 1.30                      |
| <b>Net expense</b>   | <b>30.90</b>              | <b>17.13</b>              | <b>42.94</b>              | <b>27.62</b>              | <b>7.19</b>                     | <b>3.48</b>               |
| Experience adjustment on actuarial loss/ (gain) for present value obligation | 1.25                      | 3.58                      | 2.75                      | 8.52                      | 3.83                            | 0.05                      |

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

| Particulars            | Year ended March 31, 2017 | Year ended March 31, 2016 |
|------------------------|---------------------------|---------------------------|
| Discounting rate       | 7.54%                     | 8.00%                     |
| Future salary increase | 6.50%                     | 6.00%                     |

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

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

(₹ in lacs)

| Particulars                                     | Year ended March 31, 2015 |                      | Year ended March 31, 2014 |                      | Year ended March 31, 2013 |                      |
|---|---------------------------|----------------------|---------------------------|----------------------|---------------------------|----------------------|
|   | Gratuity                  | Compensated absences | Gratuity                  | Compensated absences | Gratuity                  | Compensated absences |
| Defined benefit obligation                      | 43.83                     | 64.15                | 31.99                     | 36.60                | 18.33                     | 24.51                |
| Net asset / (liability)                         | (43.83)                   | (64.15)              | (31.99)                   | (36.60)              | (18.33)                   | (24.51)              |
| Experience adjustment on actuarial (gain)/ loss | 2.36                      | 14.66                | 4.49                      | 0.58                 | 1.02                      | (6.23)               |

28. 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.

29. 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  |
| Fellow subsidiary Company | : PTC Energy Limited   |
| Associate companies       | : R.S. India Wind Energy Private Limited<br>: Varam Bio Energy Private Limited   |
| Key management personnel  | : Dr. Ashok Haldia -Managing Director and CEO<br>(w.e.f. from July 7, 2015)<br>: Dr. Pawan Singh -Whole time Director and CFO<br>: Shri Rajender Mohan Malla -Managing Director and CEO (Superannuation w.e.f. May 15, 2015) |

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

(i) Transactions with holding company

(₹ in lacs)

| Particulars                                 | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---------------------------|---------------------------|
| Expenses reimbursed                         | 32.60                     | 14.64                     |
| Director sitting fees paid                  | 20.80                     | -                         |
| Dividend paid                               | 4,047.00                  | 3,372.50                  |
| Share Capital received from holding Company | 30,877.00                 | -                         |
| Outstanding balance payable                 | -                         | 11.61                     |

(ii) Transactions with fellow subsidiary company

(₹ in lacs)

| Particulars                            | Year ended March 31, 2017 | Year ended March 31, 2016 |
|--|---------------------------|---------------------------|
| Fee base income                        | -                         | 1.14                      |
| Interest income                        | 763.70                    | 123.03                    |
| Reimbursement of expenses (receivable) | 0.96                      | -                         |
| Term loan given                        | 650.74                    | 6,671.75                  |
| Term loan repayment                    | 130.76                    | -                         |
| Term loan outstanding                  | 7,191.73                  | 6,671.75                  |

(iii) Transactions with key management personnel

(₹ in lacs)

| Particulars               | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|---------------------------|------------------------------|------------------------------|
| Reimbursement of expenses | -                            | 0.14                         |
| Shri Rajender Mohan Malla | 3.67                         | 2.72                         |
| Dr. Ashok Haldia          | 2.60                         | 2.08                         |
| Dr. Pawan Singh           |                              |                              |
| Remuneration paid         |                              |                              |
| Shri Rajender Mohan Malla | -                            | 29.68                        |
| Dr. Ashok Haldia          | 97.10                        | 83.00                        |
| Dr. Pawan Singh           | 75.65                        | 71.46                        |

Note:- Managerial remuneration does not include provisions for gratuity and leave encashment since the provisions are based on actuarial valuation for the Company as a whole.

(iv) Transactions with associate companies

(₹ in lacs)

| Particulars   | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|---|------------------------------|------------------------------|
| <b>Investment balances outstanding at the balance sheet date before provision for diminution:</b> |                              |                              |
| R.S. India Wind Energy Private Limited (equity shares)  | 6,112.14                     | 6,112.14                     |
| Varam Bio Energy Private Limited (equity shares)  | 439.00                       | 439.00                       |
| Varam Bio Energy Private Limited (debentures)   | 428.58                       | 428.58                       |
| <b>Closing provision for diminution in investment in equity shares</b>                            |                              |                              |
| R.S. India Wind Energy Private Limited (equity shares)  | 6,112.14                     | 6,112.14                     |
| Varam Bio Energy Private Limited (equity shares)  | 439.00                       | 439.00                       |
| Varam Bio Energy Private Limited (debentures)   | 428.58                       | 428.58                       |

30. Earnings per share

| Particulars   | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|---|------------------------------|------------------------------|
| Profit after tax attributable to equity shareholders (₹ in lacs) (a)                                    | 34,533.28                    | 39,109.70                    |
| Weighted average number of equity shares outstanding during the year (Nos.) (b)                         | 589,109,636                  | 562,083,335                  |
| Basic earnings per share of face value ₹ 10 each (in ₹) (a) / (b)                                       | 5.86                         | 6.96                         |
| Add: ESOP expenses (₹ in lacs) (c)  | -                            | (24.89)                      |
| Profit after tax attributable to equity shareholders (₹ in lacs) before ESOP expenses [(d) = (a) + (c)] | 34,533.28                    | 39,084.81                    |
| Effect of potential dilutive equity shares on Employee Stock Options outstanding (e)                    | -                            | -                            |
| Weighted average number of equity shares in computing diluted earnings per share [(f) = (b) + (e)]      | 589,109,636                  | 562,083,335                  |
| Diluted earnings per share of face value ₹ 10 each (in ₹) (d) / (f)                                     | 5.86                         | 6.96                         |

31. The percentage holding and the investment in associate companies as at March 31, 2017 is given below:

| Name of the associate company          | Country of<br>incorporation | % holding | Face value<br>(₹ per share) | As at<br>March 31, 2017<br>(₹ in lacs) | As at<br>March 31, 2016<br>(₹ in lacs) |
|--|-----------------------------|-----------|-----------------------------|--|--|
| R.S. India Wind Energy Private Limited | India                       | 37%       | 10                          | 6,112.14                               | 6,112.14                               |
| Varam Bio Energy Private Limited       | India                       | 26%       | 10                          | 439.00                                 | 439.00                                 |
| <b>Total</b>                           |                             |           |                             | <b>6,551.14</b>                        | <b>6,551.14</b>                        |

Note:- The Company has made a provision for diminution in the entire value of the above investments and the net carried value is ₹ Nil (previous year ₹ Nil)

32. Total number of electricity units generated and sold during the year 12,275,504 KWH (previous year 10,508,023 KWH).

33. Expenditure incurred in foreign currency (accrual basis)

(₹ in lacs)

| Particulars                                | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|--|------------------------------|------------------------------|
| Fees for external commercial borrowings    | 59.20                        | 609.19                       |
| Interest on external commercial borrowings | 2,111.24                     | 1,480.74                     |
| Travelling and others                      | 8.90                         | 63.50                        |
| <b>Total</b>                               | <b>2,179.34</b>              | <b>2,153.43</b>              |

34. There were no disputed dues in respect of Excise Duty, Sales Tax, Service Tax, Customs Duty and Value Added Tax which have not been deposited. Details of dues of Income Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

(₹ in lacs)

| Name of Statute     | Nature of Dues | Forum where dispute is pending                | Period to which the amount relates | Amount involved |
|---------------------|----------------|---|------------------------------------|-----------------|
| Income-tax Act 1961 | Income Tax     | Appellate Authority-upto Commissioners' level | 2008-09 and 2013-14                | 811.17          |
|                     |                | Income Tax Appellate Authority                | 2012-13                            | 313.33          |

\*Amount as per demand orders including interest and penalty wherever indicated in the order and net of amount paid under protest of ₹ 650.00 lacs.

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<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Future minimum lease payments</b>   |                         |                         |
| - not later than one year  | -                       | 342.78                  |
| - later than one year and not later than five years                                  | -                       | 266.60                  |
| <b>Lease payments recognised in the Statement of Profit and Loss during the year</b> | <b>342.69</b>           | <b>325.32</b>           |

36. Foreign currency exposures

Foreign currency exposures that have not been hedged by a derivative instrument or otherwise, but revalued at the year-end exchange rates are:

| Particulars | As at March 31, 2017          |           | As at March 31, 2016          |           |
|-------------|-------------------------------|-----------|-------------------------------|-----------|
|             | Amount in<br>foreign currency | ₹ in lacs | Amount in foreign<br>currency | ₹ in lacs |
| Payables    | US \$ 338,549.44              | 220.29    | US \$ 383,611.32              | 254.68    |

37. Expenditure on Corporate Social Responsibility (CSR):

(a) Gross amount required to be spent by the Company during the year ended March 31, 2017 ₹ 1,448.80 lacs ( including the unspent amount of ₹ 782.00 lacs of Financial Year 2015-2016)

(b) Amount spent during the year March 31, 2017 - ₹ Nil (previous year ₹ Nil).

38. Detail of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the table below:-

(In ₹)

| Particulars                           | SBNs   | Other<br>Denomination<br>Notes | Total  |
|---------------------------------------|--------|--------------------------------|--------|
| Closing cash in hand as on 8.11.2016  | 14,000 | 415                            | 14,415 |
| (+) Permitted receipts                | -      | 68,880                         | 68,880 |
| (-) Permitted payments                | -      | 54,500                         | 54,500 |
| (-) Amount deposited in Banks         | 14,000 | -                              | 14,000 |
| Closing cash in hand as on 30.12.2016 | -      | 14,795                         | 14,795 |

39. 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 18 of Non-banking Financial Company - Systemically Important  
Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

(₹ in lacs)

| Particulars              |  | Amount out-<br>standing | Amount<br>overdue |
|--------------------------|--|-------------------------|-------------------|
| <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> |                         |                   |
|                          | (a) Debentures : Secured   | 62,437.15               | -                 |
|                          | : Unsecured  | -                       | -                 |
|                          | (other than falling within the meaning of public deposits)   |                         |                   |
|                          | (b) Deferred Credits   | -                       | -                 |
|                          | (c) Term Loans   | 464,388.42              | -                 |
|                          | (d) Inter-corporate loans and borrowing  | -                       | -                 |
|                          | (e) Commercial Paper   | 80,000.00               | -                 |
|                          | (f) Public Deposits  | -                       | -                 |
|                          | (g) Other Loans (short term bank loan)   | 205,518.45              | -                 |
| (2)                      | <b>Breakup of (1)(f) above (Outstanding Public Deposit inclusive of interest accrued thereon but not paid:</b>             |                         |                   |
|                          | (a) In the form of unsecured debentures  |                         |                   |
|                          | (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security           |                         |                   |
|                          | (c) Other Public Deposits  |                         |                   |

| Assets side: |   | Amount out-<br>standing |
|--------------|---|-------------------------|
| (3)          | <b>Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:</b> |                         |
|              | (a) Secured (net of provision of ₹ 19,374.91 lacs)  | 1,041,175.09            |
|              | (b) Unsecured   | 1,911.61                |
| (4)          | <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  | -                       |
| (5)          | <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)   | -                       |



| Assets side:                                  | Amount outstanding |
|---|--------------------|
| 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)    | 11,428.37          |
| (b) Preference                                | -                  |
| (ii) Debentures and Bonds (net of provisions) | -                  |
| (iii) Units of mutual funds                   | -                  |
| (iv) Government Securities                    | -                  |
| (v) Others (please specify)                   | -                  |
| <b>Total</b>                                  | <b>11,428.37</b>   |

| (6) Borrower group-wise classification of assets financed as in (3) and (4) above: |                          |                 |                     |
|--|--------------------------|-----------------|---------------------|
| Category   | Amount net of provisions |                 |                     |
|  | Secured                  | Unsecured       | Total               |
| 1. Related Parties   |                          |                 |                     |
| (a) Subsidiaries   | -                        | -               | -                   |
| (b) Companies in the same group  | 7,191.73                 | -               | 7,191.73            |
| (c) Other related parties  | -                        | -               | -                   |
| 2. Other than related parties  | 1,033,983.36             | 1,911.61        | 1,035,894.97        |
| <b>Total</b>   | <b>1,041,175.09</b>      | <b>1,911.61</b> | <b>1,043,086.70</b> |

| (7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) |  |                                |
|---|--|--------------------------------|
| Category  | Market Value / Break up or fair value or NAV | Book value (net of provisions) |
| 1. Related Parties  |  |                                |
| (a) Subsidiaries  | -  | -                              |
| (b) Companies in the same group   | -  | -                              |
| (c) Other related parties   | -  | -                              |
| 2. Other than related parties   | -  | 11,428.37                      |
| <b>Total</b>  | <b>-</b>                                     | <b>11,428.37</b>               |

| (8) Other information                         |           |
|---|-----------|
| Particulars                                   | Amount    |
| (i) Gross Non-Performing Assets               |           |
| (a) Related parties                           | 428.58    |
| (b) Other than related parties                | 58,050.40 |
| (ii) Net Non-Performing Assets                |           |
| (a) Related parties                           | -         |
| (b) Other than related parties                | 39,350.66 |
| (iii) Assets acquired in satisfaction of debt | -         |

**Disclosure of restructured accounts**  
(as required in terms of norms of restructuring of advances by Non-banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

| S. No. | Type of restructuring   | Under CDR Mechanism |              |          |           |       | Under SME Debt restructuring mechanism |              |          |      |           | Others     |              |          |            |           | Total     |              |          |      |       |           |           |   |   |            |
|--------|---|---------------------|--------------|----------|-----------|-------|--|--------------|----------|------|-----------|------------|--------------|----------|------------|-----------|-----------|--------------|----------|------|-------|-----------|-----------|---|---|------------|
|        |   | Standard            | Sub-standard | Doubtful | Loss      | Total | Standard                               | Sub-standard | Doubtful | Loss | Total     | Standard   | Sub-standard | Doubtful | Loss       | Total     | Standard  | Sub-standard | Doubtful | Loss | Total |           |           |   |   |            |
| 1      | Restructured accounts as at April 1, 2016   |                     | 2            | -        | -         | 2     |  |              |          |      |           | 5          | 1            | -        | -          | 6         |           |              |          |      |       | 5         | 3         | - | - | 8          |
|        | Amount outstanding (₹ in lacs)  | -                   | 17,799.90    | -        | 17,799.90 | -     | -                                      | -            | -        | -    | 43,999.02 | 1,330.44   | -            | -        | 45,329.46  | 43,999.02 | 19,130.34 | -            | -        | -    | -     | 43,999.02 | 19,130.34 | - | - | 63,129.36  |
|        | Provision thereon (₹ in lacs)   | -                   | 7,382.59     | -        | 7,382.59  | -     | -                                      | -            | -        | -    | 2,199.95  | 133.04     | -            | -        | 2,332.99   | 2,199.95  | 7,515.63  | -            | -        | -    | -     | 2,199.95  | 7,515.63  | - | - | 9,715.58   |
| 2      | Fresh restructuring during the year   |                     |              |          |           |       |  |              |          |      |           |            |              |          |            |           |           |              |          |      |       |           |           |   |   |            |
|        | Amount outstanding (₹ in lacs)  | -                   | -            | -        | -         | -     | -                                      | -            | -        | -    | 53,536.32 | -          | -            | -        | 53,536.32  | 53,536.32 | -         | -            | -        | -    | -     | -         | -         | - | - | 53,536.32  |
|        | Provision thereon (₹ in lacs)   | -                   | -            | -        | -         | -     | -                                      | -            | -        | -    | 2,676.82  | -          | -            | -        | 2,676.82   | 2,676.82  | -         | -            | -        | -    | -     | -         | -         | - | - | 2,676.82   |
| 3      | Upgradations to restructured standards category during the financial year   |                     |              |          |           |       |  |              |          |      |           |            |              |          |            |           |           |              |          |      |       |           |           |   |   |            |
|        | Amount outstanding (₹ in lacs)  | -                   | -            | -        | -         | -     | -                                      | -            | -        | -    | -         | -          | -            | -        | -          | -         | -         | -            | -        | -    | -     | -         | -         | - | - | -          |
|        | Provision thereon (₹ in lacs)   | -                   | -            | -        | -         | -     | -                                      | -            | -        | -    | -         | -          | -            | -        | -          | -         | -         | -            | -        | -    | -     | -         | -         | - | - | -          |
| 4      | Restructured standard advances which cease to attract higher provisioning and /or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year |                     |              |          |           |       |  |              |          |      |           |            |              |          |            |           |           |              |          |      |       |           |           |   |   |            |
|        | Amount outstanding (₹ in lacs)  | -                   | -            | -        | -         | -     | -                                      | -            | -        | -    | -         | -          | -            | -        | -          | -         | -         | -            | -        | -    | -     | -         | -         | - | - | -          |
|        | Provision thereon (₹ in lacs)   | -                   | -            | -        | -         | -     | -                                      | -            | -        | -    | -         | -          | -            | -        | -          | -         | -         | -            | -        | -    | -     | -         | -         | - | - | -          |
| 5      | Downgradations of restructured accounts during the financial year   |                     |              |          |           |       |  |              |          |      |           |            |              |          |            |           |           |              |          |      |       |           |           |   |   |            |
|        | Amount outstanding (₹ in lacs)  | -                   | 17,799.90    | -        | 17,799.90 | -     | -                                      | -            | -        | -    | 17,500.00 | 1,330.44   | -            | -        | 18,830.44  | 17,500.00 | 19,130.34 | -            | -        | -    | -     | -         | -         | - | - | 36,630.34  |
|        | Provision thereon (₹ in lacs)   | -                   | 7,382.59     | -        | 7,382.59  | -     | -                                      | -            | -        | -    | 875.00    | 133.04     | -            | -        | 1,008.04   | 875.00    | 7,515.63  | -            | -        | -    | -     | -         | -         | - | - | 8,390.63   |
| 6      | Write-offs of restructured accounts during the financial year   |                     |              |          |           |       |  |              |          |      |           |            |              |          |            |           |           |              |          |      |       |           |           |   |   |            |
|        | Amount outstanding (₹ in lacs)  | -                   | -            | -        | -         | -     | -                                      | -            | -        | -    | -         | -          | -            | -        | -          | -         | -         | -            | -        | -    | -     | -         | -         | - | - | -          |
|        | Provision thereon (₹ in lacs)   | -                   | -            | -        | -         | -     | -                                      | -            | -        | -    | -         | -          | -            | -        | -          | -         | -         | -            | -        | -    | -     | -         | -         | - | - | -          |
| 7      | Restructured accounts as on March 31, 2017  |                     |              |          |           |       |  |              |          |      |           |            |              |          |            |           |           |              |          |      |       |           |           |   |   |            |
|        | Amount outstanding (₹ in lacs)  | -                   | 17,799.90    | -        | 17,799.90 | -     | -                                      | -            | -        | -    | 85,195.09 | 17,500.00  | 1,330.44     | -        | 104,025.53 | 85,195.09 | 17,500.00 | 19,130.34    | -        | -    | -     | -         | -         | - | - | 121,825.43 |
|        | Provision thereon (₹ in lacs)   | -                   | 9,788.59*    | -        | 9,788.59  | -     | -                                      | -            | -        | -    | 4,979.95  | 3,250.00** | 399.13***    | -        | 4,979.95   | 4,979.95  | 3,250.00  | 10,187.72    | -        | -    | -     | -         | -         | - | - | 18,417.67  |

\* Include additional provision amounting to ₹ 2406.00 lacs on doubtful loan assets made during the year  
\*\* Include additional provision amounting to ₹ 2375.00 lacs on assets downgraded to sub standard during the year  
\*\*\* Includes additional provision amounting to ₹ 2066.09 lacs on doubtful loan asset made during the year.

Disclosures required pursuant to Non-banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company  
(Reserve Bank) Directions, 2016

I. Capital

(₹ in lacs)

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| (i) CRAR (%)   | 24.09%                  | 21.77%                  |
| (ii) CRAR - Tier I Capital (%)                             | 23.16%                  | 21.04%                  |
| (iii) CRAR - Tier II Capital (%)                           | 0.93%                   | 0.73%                   |
| (iv) Amount of subordinated debt raised as Tier-II capital | -                       | -                       |
| (v) Amount raised by issue of Perpetual Debt Instruments   | -                       | -                       |

II. Investments

(₹ in lacs)

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>1. Value of Investments</b>  |                         |                         |
| (i) Gross Value of Investments  |                         |                         |
| (a) In India  | 21,292.25               | 30,469.89               |
| (b) Outside India,  | -                       | -                       |
| (ii) Provisions for Depreciation  |                         |                         |
| (a) In India  | 9,863.88                | 6,979.72                |
| (b) Outside India,  | -                       | -                       |
| (iii) Net Value of Investments  |                         |                         |
| (a) In India  | 11,428.37               | 23,490.17               |
| (b) Outside India,  | -                       | -                       |
| <b>2. Movement of provisions held towards depreciation on investments</b> |                         |                         |
| (i) Opening balance   | 6,979.72                | 6,979.72                |
| (ii) Add : Provisions made during the year                                | 2,884.16                | -                       |
| (iii) Less : Write-off / write-back of excess provisions during the year  | -                       | -                       |
| (iv) Closing balance  | <b>9,863.88</b>         | <b>6,979.72</b>         |

III. (a) Forward rate agreement /interest rate swap

(₹ in lacs)

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| (i) The notional principal of swap agreements  | Nil                     | Nil                     |
| (ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements | Nil                     | Nil                     |
| (iii) Collateral required by the NBFC upon entering into swaps   | Nil                     | Nil                     |
| (iv) Concentration of credit risk arising from the swaps   | Nil                     | Nil                     |
| (v) The fair value of the swap book  | Nil                     | Nil                     |

(b) Exchange traded interest rate(IR) derivatives

The Company has not undertaken any Exchange Traded Interest Rate (IR) Derivatives during the year as well as in the previous year ended March 31, 2016.

IV. Disclosures on risk exposure in derivatives

(a) Quantitative disclosures

(₹ in lacs)

| Particulars                                 | Currency<br>Derivatives | Interest Rate<br>Derivatives |
|---|-------------------------|------------------------------|
| (i) Derivatives (Notional Principal Amount) |                         |                              |
| For hedging                                 | 49,130.87               | 49,130.87                    |
| (ii) Marked to Market Positions [1]         |                         |                              |
| Asset (+)                                   | Nil                     | 14.36                        |
| Liability (-)                               | 257.52                  | Nil                          |
| (iii) Credit Exposure [2]                   | Nil                     | Nil                          |
| (iv) Unhedged Exposures                     | 220.29                  | 220.29                       |

#### V. Disclosures relating to securitisation

The Company does not have any securitised assets as at March 31, 2017 as well as in the previous year ended March 31, 2016.

#### VI. Details of financial assets sold to securitisation /reconstruction company for asset reconstruction

The Company has not sold any financial assets to securitisation /reconstruction company for asset reconstruction during the year ended March 31, 2017 as well as in the previous year ended March 31, 2016.

#### VI. Details of non-performing financial assets purchased /sold

The Company has not purchased/sold any non-performing financial assets from other NBFCs in the current year as well as in the previous year.

#### VII. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31, 2017

(₹ in lacs)

| Particulars                                | Upto 30/31 days | 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                      | -               | 9,999.98                 | 31,250.00                 | 6,875.00                  | 80,914.52               | 118,955.78             | 97,083.21               | 167,697.51        | 512,776.00          |
| Market Borrowings                          | -               | 80,000.00                | 60,000.00                 | -                         | 65,351.50               | 17,148.00              | 16,178.65               | 11,759.00         | 250,437.15          |
| ECB loans                                  | 1,016.72        | -                        | 469.95                    | 1,486.67                  | 3,391.28                | 15,236.85              | 15,236.85               | 12,292.55         | 49,130.87           |
| <b>Total</b>                               | <b>1,016.72</b> | <b>89,999.98</b>         | <b>91,719.95</b>          | <b>8,361.67</b>           | <b>149,657.30</b>       | <b>151,340.63</b>      | <b>128,498.71</b>       | <b>191,749.06</b> | <b>812,344.02</b>   |
| <b>Assets</b>                              |                 |                          |                           |                           |                         |                        |                         |                   |                     |
| Receivables under financing activity (net) | 4,976.13        | 246.02                   | 1,835.76                  | 30,003.04                 | 24,241.54               | 119,228.19             | 157,188.48              | 703,455.93        | 1,041,175.09        |
| Investment (net)                           | -               | -                        | -                         | -                         | -                       | -                      | -                       | 11,428.37         | 11,428.37           |
| <b>Total</b>                               | <b>4,976.13</b> | <b>246.02</b>            | <b>1,835.76</b>           | <b>30,003.04</b>          | <b>24,241.54</b>        | <b>119,228.19</b>      | <b>157,188.48</b>       | <b>714,884.30</b> | <b>1,052,603.46</b> |

#### VIII. 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, 2017 as well as in the previous year ended March 31, 2016.

#### IX. Exposure to Capital Market

(₹ in lacs)

| Particulars  | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| (i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;   | -                    | -                    |
| (ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;  | -                    | -                    |
| (iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;  | -                    | -                    |
| (iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances; | 28,500.00            | 28,500.00            |
| (v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;  | -                    | -                    |
| (vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;   | -                    | -                    |
| (vii) Bridge loans to companies against expected equity flows / issues;  | -                    | -                    |
| (viii) All exposures to Venture Capital Funds (both registered and unregistered)   | -                    | -                    |
| <b>Total Exposure to Capital Market</b>  | <b>28,500.00</b>     | <b>28,500.00</b>     |

**X. Miscellaneous**

- (a) Reserve Bank of India - Registration Number : N-14.03116
- (b) Credit Rating  
 Non Convertible Debentures/Bonds BWR AA (Stable), CRISIL A+ (Stable), ICRA A+ (Positive), CARE A+  
 Bank limits (rated on short term scale) ICRA A1+ (Positive), CRISIL A+ (Stable)  
 Commercial Paper Programme CRISIL A1+
- (c) No penalties have been levied by any regulator during the year as well as in the previous year ended March 31, 2016.

**XI. Additional Disclosures**

**(a) Provisions and Contingencies**

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(₹ in lacs)

| Particulars                               | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| Provisions for depreciation on Investment | 2,884.16                | -                       |
| Provision towards NPA                     | 7,119.21                | 5,608.30                |
| Provision made towards Income tax         | 19,866.93               | 15,439.88               |
| Provision for Standard Assets             | 3,578.20                | 1,235.40                |
| Provision for Contingencies               | 675.17                  | 2,675.10                |

**XII. Concentration of Deposits, Advances, Exposures and NPAs**

**(a) Concentration of Advances**

(₹ in lacs)

| Particulars  | As at<br>March 31, 2017 |
|--|-------------------------|
| Total Advances to twenty largest borrowers                                       | 495,664.15              |
| Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC | 46.74                   |

**(b) Concentration of Exposures**

(₹ in lacs)

| Particulars  | As at<br>March 31, 2017 |
|--|-------------------------|
| Total Exposure to twenty largest borrowers /customers  | 495,664.15              |
| Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers | 46.74                   |

**(c) Concentration of NPAs**

(₹ in lacs)

| Particulars                             | As at<br>March 31, 2017 |
|---|-------------------------|
| Total Exposure to top four NPA accounts | 39,899.95               |

**(d) Sector-wise NPAs**

(₹ in lacs)

| S. No | Sector                          | Percentage of NPAs to Total Advances in that sector |
|-------|---------------------------------|---|
| (i)   | Agriculture & allied activities | -   |
| (ii)  | MSME                            | -   |
| (iii) | Corporate borrowers             | 5.51%   |
| (iv)  | Services                        | -   |
| (v)   | Unsecured personal loans        | -   |
| (vi)  | Auto loans                      | -   |
| (vii) | Other personal loans            | -   |

### XIII. Movement of NPAs

(₹ in lacs)

|       | Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-------|---|-------------------------|-------------------------|
| (i)   | Net NPAs to Net Advances (%)  | 3.78%                   | 2.35%                   |
| (ii)  | Movement of NPAs (Gross)  |                         |                         |
|       | (a) Opening balance   | 29,371.30               | 8,159.56                |
|       | (b) Additions during the year   | 29,107.68               | 21,211.74               |
|       | (c) Reductions during the year  | -                       | -                       |
|       | (d) Closing balance   | 58,478.98               | 29,371.30               |
| (iii) | Movement of Net NPAs  |                         |                         |
|       | (a) Opening balance   | 20,037.29               | 6,338.96                |
|       | (b) Additions during the year   | 19,313.71               | 13,698.33               |
|       | (c) Reductions during the year  | -                       | -                       |
|       | (d) Closing balance   | 39,351.00               | 20,037.29               |
| (iv)  | Movement of provisions for NPAs (excluding provisions on standard assets) |                         |                         |
|       | (a) Opening balance   | 9,334.01                | 1,820.60                |
|       | (b) Provisions made during the year                                       | 9,794.31                | 7,513.41                |
|       | (c) Write-off / write-back of excess provisions                           | -                       | -                       |
|       | (d) Closing balance   | 19,128.32               | 9,334.01                |

### XIV. Disclosure of Complaints

#### (a) Customer Complaints \*

| Particulars  | As at<br>March 31, 2017 |
|--|-------------------------|
| (a) No. of complaints pending at the beginning of the year | Nil                     |
| (b) No. of complaints received during the year             | 1083                    |
| (c) No. of complaints redressed during the year            | 1083                    |
| (d) No. of complaints pending at the end of the year       | Nil                     |

\*Representing complaints of infrastructure retail bondholders.

For and on behalf of the Board of Directors

Sd/-  
Dr. Ashok Haldia  
Managing Director and CEO  
DIN: 00818489

Sd/-  
Vishal Goyal  
Company Secretary  
M.No.-A19124

Place : New Delhi  
Date : May 22, 2017

Sd/-  
Dr. Pawan Singh  
Whole-time Director  
DIN: 00044987

Sd/-  
Gaurav Kaushik  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PTC INDIA FINANCIAL SERVICES LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PTC INDIA FINANCIAL SERVICES LIMITED (hereinafter referred to as "the Holding Company") and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the Holding Company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in

the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us read together with matter referred in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Holding Company and its associates as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matter

Attention is invited to Note 35 (b) of the consolidated financial statements, which sets out the position regarding 2 Associates of the Company for which neither audited nor management accounts for the financial year ended March 31, 2017 were available with the Company for the consolidation purposes. However, since the Company has fully provided for diminution in investment held in these associates and the Company does not have any further obligation over and above the cost of the investments, in the view of the management there is no impact thereof on these consolidated financial statements.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit of the Holding Company, (in the absence of availability of audit reports of the 2 associates referred to in 'Other Matter' paragraph above) we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding

Company is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company. Our report expresses an unmodified opinion on the operating effectiveness of the Holding company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company. Refer Note 27 of the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
- iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements. Refer Note 38 of the consolidated financial statements.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-  
Jitendra Agarwal  
(Partner)

(Membership No. 087104)

GURUGRAM, May 22, 2017



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of PTC INDIA FINANCIAL SERVICES LIMITED (“the Holding Company”) as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Holding Company and its associates for the year ended on that date. Since the auditors’ reports of associates are not available, we are unable to comment on the adequacy and operating effectiveness of Internal Financial Controls over Financial Reporting under section 143(3)(i) of the Act in respect of these associates.

#### Management’s Responsibility for Internal Financial Controls

The Holding Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on “the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm’s Registration No. 015125N)

Sd/-  
Jitendra Agarwal  
(Partner)

GURUGRAM, May 22, 2017

(Membership No. 087104)

**PTC India Financial Services Limited**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017**

(₹ in lacs)

| Particulars  | Note no. | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|----------|-------------------------|-------------------------|
| <b>A EQUITY AND LIABILITIES</b>  |          |                         |                         |
| <b>1 Shareholders' funds</b>   |          |                         |                         |
| a. Share capital   | 3        | 64,228.33               | 56,208.33               |
| b. Reserves and surplus  | 4        | 177,699.60              | 118,045.31              |
|  |          | <b>241,927.93</b>       | <b>174,253.64</b>       |
| <b>2 Non-current liabilities</b>   |          |                         |                         |
| a. Long-term borrowings  | 5        | 471,588.40              | 484,363.35              |
| b. Long-term provisions  | 7        | 9,834.41                | 6,185.09                |
|  |          | <b>481,422.81</b>       | <b>490,548.44</b>       |
| <b>3 Current liabilities</b>   |          |                         |                         |
| a. Short-term borrowings   | 8        | 285,518.45              | 140,762.23              |
| b. Trade payables  |          |                         |                         |
| -Outstanding to micro and small enterprises                                  | 9        | 21.70                   | 19.37                   |
| -Outstanding to creditors other than micro and small enterprises             | 9        | 398.56                  | 373.57                  |
|  |          | <b>420.26</b>           | <b>392.94</b>           |
| c. Other current liabilities   | 10       | 65,925.96               | 68,198.60               |
| d. Short-term provisions   | 11       | 6.00                    | 8,122.99                |
|  |          | <b>351,870.67</b>       | <b>217,476.76</b>       |
|  |          | <b>1,075,221.41</b>     | <b>882,278.84</b>       |
| <b>B ASSETS</b>  |          |                         |                         |
| <b>1 Non-current assets</b>  |          |                         |                         |
| a. Fixed assets  |          |                         |                         |
| -Tangible assets   | 12       | 1,434.69                | 1,678.92                |
| -Intangible assets   | 12       | 64.30                   | 141.01                  |
| -Capital work-in-progress  | 12       | 5.74                    | -                       |
|  |          | <b>1,504.73</b>         | <b>1,819.93</b>         |
| b. Non-current investments   | 13       | 11,428.37               | 23,490.17               |
| c. Deferred tax assets (net)   | 6        | 1,978.22                | 446.14                  |
| d. Long-term loans and advances  | 14       | 982,593.79              | 783,616.02              |
| e. Other non-current assets  | 15       | 2,711.18                | 2,954.33                |
|  |          | <b>1,000,216.29</b>     | <b>812,326.59</b>       |
| <b>2 Current assets</b>  |          |                         |                         |
| a. Trade receivables   | 16       | 567.22                  | 114.14                  |
| b. Cash and cash equivalents   | 17       | 3,538.47                | 2,476.23                |
| c. Short-term loans and advances   | 18       | 20,747.54               | 20,684.36               |
| d. Other current assets  | 19       | 50,151.89               | 46,677.52               |
|  |          | <b>75,005.12</b>        | <b>69,952.25</b>        |
|  |          | <b>1,075,221.41</b>     | <b>882,278.84</b>       |
| See accompanying notes forming part of the consolidated financial statements | 1-39     |                         |                         |

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
Jitendra Agarwal  
Partner

Sd/-  
Dr. Ashok Haldia  
Managing Director and CEO  
DIN: 00818489

Sd/-  
Dr. Pawan Singh  
Whole-time Director  
DIN: 00044987

Sd/-  
Vishal Goyal  
Company Secretary  
M.No.-A19124

Sd/-  
Gaurav Kaushik  
Chief Financial Officer

Place : Gurugram  
Date : May 22, 2017

Place : New Delhi  
Date : May 22, 2017

**PTC India Financial Services Limited**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lacs)

| Particulars  | Note no. | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|--|----------|------------------------------|------------------------------|
| 1 Revenue from operations  | 20       | 135,078.83                   | 118,691.41                   |
| 2 Other income   | 21       | 109.24                       | 1.45                         |
| 3 <b>Total revenue (1+2)</b>   |          | <b>135,188.07</b>            | <b>118,692.86</b>            |
| 4 <b>Expenses</b>  |          |                              |                              |
| a. Employees benefits expense  | 22       | 1,277.30                     | 1,015.35                     |
| b. Finance costs   | 23       | 64,469.34                    | 53,010.77                    |
| c. Provisions and contingencies  | 24       | 14,256.74                    | 9,518.80                     |
| d. Depreciation and amortisation expenses                                    | 12       | 337.84                       | 429.58                       |
| e. Other expenses  | 25       | 1,978.72                     | 1,574.06                     |
| <b>Total expenses</b>  |          | <b>82,319.94</b>             | <b>65,548.56</b>             |
| 5 <b>Profit before tax (3-4)</b>   |          | <b>52,868.13</b>             | <b>53,144.30</b>             |
| 6 <b>Tax expense :</b>   |          |                              |                              |
| a. Current tax   |          | 19,866.93                    | 15,439.88                    |
| b. Deferred tax charge/ (benefits)   |          | (1,532.08)                   | (1,242.52)                   |
| c. Current tax relating to earlier year                                      |          | -                            | (162.76)                     |
|  |          | <b>18,334.85</b>             | <b>14,034.60</b>             |
| 7 <b>Profit for the year (5 -6)</b>  |          | <b>34,533.28</b>             | <b>39,109.70</b>             |
| Profit/(loss) from share of associates                                       |          | -                            | -                            |
|  |          | <b>34,533.28</b>             | <b>39,109.70</b>             |
| Earnings per equity share (of ₹ 10 each):                                    |          |                              |                              |
| - Basic (in ₹)   | 31       | 5.86                         | 6.96                         |
| - Diluted (in ₹)   | 31       | 5.86                         | 6.96                         |
| See accompanying notes forming part of the consolidated financial statements | 1-39     |                              |                              |

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

For and on behalf of the Board of Directors

Sd/-  
Jitendra Agarwal  
Partner

Sd/-  
Dr. Ashok Haldia  
Managing Director and CEO  
DIN: 00818489

Sd/-  
Dr. Pawan Singh  
Whole-time Director  
DIN: 00044987

Sd/-  
Vishal Goyal  
Company Secretary  
M.No.-A19124

Sd/-  
Gaurav Kaushik  
Chief Financial Officer

Place : Gurugram  
Date : May 22, 2017

Place : New Delhi  
Date : May 22, 2017

**PTC India Financial Services Limited**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in lacs)

| Particulars   | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|---|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities</b>                             |                              |                              |
| Profit before tax   | 52,868.13                    | 53,144.30                    |
| <u>Adjustments for:</u>   |                              |                              |
| Depreciation and amortisation expenses                                    | 337.84                       | 429.58                       |
| Profit on sale of non-current unquoted trade investments in equity shares | (13,101.96)                  | (20,692.84)                  |
| Profit on sale of Non-current unquoted trade investments in debenture     | (1,158.71)                   |                              |
| Provisions and contingencies  | 14,256.74                    | 9,518.80                     |
| Employee stock option (ESOP) scheme                                       | -                            | (24.89)                      |
| Loss on sale of fixed assets  | 0.23                         | 1.19                         |
| Finance costs   | 64,469.34                    | 53,010.77                    |
|   | <b>117,671.61</b>            | <b>95,386.91</b>             |
| Add: Proceeds from sale of unquoted non-current trade investments         | 24,912.31                    | 31,192.84                    |
| Operating profit before working capital changes                           | <b>142,583.92</b>            | <b>126,579.75</b>            |
| <u>Changes in working capital</u>   |                              |                              |
| Adjustments for increase / (decrease) in operating liabilities:           |                              |                              |
| Long-term provisions  | 71.12                        | 44.57                        |
| Trade payables  | 27.32                        | 72.01                        |
| Other current liabilities   | 63.31                        | 105.34                       |
| Short-term provisions   | 1.13                         | (1.49)                       |
| Adjustments for (increase) / decrease in operating assets:                |                              |                              |
| Non-current investments   | (974.00)                     | -                            |
| Loan financing  | (207,576.07)                 | (225,373.78)                 |
| Other long-term loans and advances  | 1.49                         | 1.85                         |
| Trade receivables   | (453.08)                     | (20.02)                      |
| Short-term loans and advances   | (563.18)                     | 145.52                       |
| Other current assets  | (2,875.86)                   | (2,266.18)                   |
| Cash flows from operations  | <b>(69,693.90)</b>           | <b>(100,712.43)</b>          |
| Net income tax (paid)   | (19,153.57)                  | (15,964.28)                  |
| <b>Net cash flow from operating activities</b>                            | <b>(88,847.47)</b>           | <b>(116,676.71)</b>          |

(₹ in lacs)

| Particulars  | Year ended<br>March 31, 2017    | Year ended<br>March 31, 2016    |
|--|---------------------------------|---------------------------------|
| <b>B. Cash flow from investing activities</b>  |                                 |                                 |
| Capital expenditure including capital advances   | (532.83)                        | (47.62)                         |
| Proceeds from sale of fixed assets   | 0.52                            | 1.51                            |
| <b>Net cash flow from investing activities</b>   | <b>(532.31)</b>                 | <b>(46.11)</b>                  |
| <b>Cash flow from financing activities</b>   |                                 |                                 |
| Proceeds from long-term borrowings   | 43,285.47                       | 164,614.94                      |
| Repayment of long-term borrowings  | (59,423.04)                     | (18,572.97)                     |
| Issue of share capital (including premium)   | 30,877.00                       | -                               |
| Proceeds from short-term borrowings (net)  | 144,756.22                      | 24,776.12                       |
| Finance costs (including premium on derivative contracts)                                    | (60,941.42)                     | (47,115.04)                     |
| Dividends paid   | (6,739.09)                      | (5,616.12)                      |
| Tax on dividend  | (1,373.12)                      | (1,144.27)                      |
| <b>Net cash flow from financing activities</b>   | <b>90,442.02</b>                | <b>116,942.66</b>               |
| <b>Net increase in cash and cash equivalents</b>   | <b>1,062.24</b>                 | <b>219.84</b>                   |
| Cash and cash equivalents at the beginning of the year                                       | 2,476.23                        | 2,256.39                        |
| <b>Cash and cash equivalents at the end of the year</b>                                      | <b>3,538.47</b>                 | <b>2,476.23</b>                 |
| Cash and cash equivalents consist of:  | (₹ in lacs)                     |                                 |
| <b>Particulars</b>   | <b>As at<br/>March 31, 2017</b> | <b>As at<br/>March 31, 2016</b> |
| Cash-in-hand   | 0.06                            | -                               |
| Cheques on hand  | 119.40                          | -                               |
| Balance with banks   |                                 |                                 |
| -In current accounts   | 2,256.07                        | 1,731.24                        |
| -In deposit accounts   | 575.00                          | 500.00                          |
| -In earmarked accounts *   |                                 |                                 |
| i. Unclaimed share application money lying in escrow account                                 | 1.82                            | 1.82                            |
| ii. Unclaimed interest accrued on debentures   | 567.81                          | 230.77                          |
| iii. Unclaimed dividend  | 18.31                           | 12.40                           |
|  | <b>3,538.47</b>                 | <b>2,476.23</b>                 |
| * The Company can utilise earmarked balances only towards settlement of related liabilities. |                                 |                                 |
| See accompanying notes forming part of the consolidated financial statements                 |                                 |                                 |

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

For and on behalf of the Board of Directors

Sd/-  
Jitendra Agarwal  
Partner

Sd/-  
Dr. Ashok Haldia  
Managing Director and CEO  
DIN: 00818489

Sd/-  
Dr. Pawan Singh  
Whole-time Director  
DIN: 00044987

Sd/-  
Vishal Goyal  
Company Secretary  
M.No.-A19124

Sd/-  
Gaurav Kaushik  
Chief Financial Officer

Place : Gurugram  
Date : May 22, 2017

Place : New Delhi  
Date : May 22, 2017

## PTC India Financial Services Limited

### Notes forming part of the Consolidated 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 specified under Section 133 of the Companies Act, 2013, as applicable, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. 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 Principles of consolidation

The Consolidated Financial Statements relate to Financial Statements of PTC India Financial Services Limited ('the Company') and its associate companies.

Investments in associates (entity over which the Company exercises significant influence, which is neither a subsidiary nor a joint venture) are accounted for using the equity method in accordance with Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". [Refer note 26]

##### 2.3 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/ period. 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 recognized in the periods in which the results are known / materialize.

##### 2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and 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.

##### 2.5 Depreciation and amortization

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 useful life prescribed in Part C to Schedule II of the Companies Act, 2013 except for leasehold improvements depreciated on straight line basis over a period of 5 year and assets costing less than ₹ 5,000 each which are fully depreciated in the year of capitalisation.

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

##### 2.6 Revenue recognition

Revenue is recognized 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 recognized:

- Interest and other dues are accounted on accrual basis except in the case of non-performing loans where it is recognized upon realization, as per the income recognition and asset classification norms prescribed by the RBI.
- Fee based incomes are recognized when reasonable right of recovery is 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.

##### 2.7 Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortization 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 capitalized 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.

## 2.8 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/period-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 recognized 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 amortized on settlement/ over the maturity period thereof. The unamortized 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 amortized over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

## 2.9 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.

## 2.10 Employee benefits

Employee benefits include provident fund, gratuity, compensated absences, post-retirement medical benefits, 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 recognized in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognized 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 recognized during the period 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 recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

## 2.11 Borrowing costs

Borrowing costs include interest, commitment charges and other related costs. Borrowing costs 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.

## 2.12 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 capitalized 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 recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss.

## 2.13 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 period. 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.

#### 2.14 Taxes on income

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

Deferred tax is recognized 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 recognized for all timing differences. Deferred tax assets are recognized 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 realized. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize 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.

#### 2.15 Provisions and contingencies

A provision is recognized 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 recognized 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. In addition, the Company also maintains additional provision based on the assessment of portfolio including provision against stressed assets.

#### 2.16 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.

#### 2.17 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



**PTC India Financial Services Limited**  
Notes forming part of the financial statements

3. Share capital

(₹ in lacs)

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <u>Authorised:</u>   |                         |                         |
| 1,250,000,000 (Previous year 1,250,000,000) equity shares of ₹ 10 each           | 125,000.00              | 125,000.00              |
| 750,000,000 (Previous year 750,000,000) preference shares of ₹ 10 each           | 75,000.00               | 75,000.00               |
|  | <b>200,000.00</b>       | <b>200,000.00</b>       |
| <u>Issued, subscribed and paid up:</u>   |                         |                         |
| 642,283,335 (Previous year 562,083,335) equity shares of ₹ 10 each fully paid up | 64,228.33               | 56,208.33               |
|  | <b>64,228.33</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. 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 are set out below:

| Name of the shareholder               | As at March 31, 2017 |       | As at March 31, 2016 |       |
|---------------------------------------|----------------------|-------|----------------------|-------|
|                                       | No. of shares        | %     | No. of shares        | %     |
| PTC India Limited*                    | 417,450,001          | 64.99 | 337,250,001          | 60.00 |
| Macquarie Bank Limited                | -                    | -     | 31,480,000           | 5.60  |
| New Horizon Opportunities Master Fund | 37,300,000           | 5.81  | -                    | -     |

\* 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, 2017 |             | As at March 31, 2016 |             |
|--|----------------------|-------------|----------------------|-------------|
|  | 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:- Equity shares issued during the year * | 80,200,000           | 8,020.00    | -                    | -           |
| Closing balance                              | 642,283,335          | 64,228.33   | 562,083,335          | 56,208.33   |

\* During the year, the Company has issued and allotted 8,02,00,000 preferential equity shares of face value ₹ 10 each, fully paid-up, for cash at a premium of ₹ 28.50 per share to PTC India Ltd, a promoter group company.

#### 4. Reserves and surplus

(₹ in lacs)

| Particulars   | As at             |                   |
|---|-------------------|-------------------|
|   | March 31, 2017    | March 31, 2016    |
| <b>a. Securities premium account</b>  |                   |                   |
| Opening balance   | 39,098.90         | 39,098.90         |
| Add: Amount received pursuant to issue of equity shares                                 | 22,857.00         | -                 |
| Closing balance   | <u>61,955.90</u>  | <u>39,098.90</u>  |
| <b>b. Capital reserve</b>   |                   |                   |
| Share of capital reserve in an associate company  | 21.09             | 21.09             |
|   | <u>21.09</u>      | <u>21.09</u>      |
| <b>C. Statutory reserve</b>   |                   |                   |
| [in terms of Section 45-IC of the Reserve Bank of India Act, 1934]                      |                   |                   |
| Opening balance   | 21,778.91         | 13,956.97         |
| Add: Transferred from surplus in Statement of Profit and Loss                           | 6,906.66          | 7,821.94          |
| Closing balance   | <u>28,685.57</u>  | <u>21,778.91</u>  |
| <b>d. Special reserve</b>   |                   |                   |
| [in term of section 36(1)(viii) of the Income-tax Act, 1961]                            |                   |                   |
| Opening balance   | 16,247.73         | 10,417.40         |
| Add: Transferred from surplus in Statement of Profit and Loss                           | 7,089.75          | 5,830.33          |
| Closing balance   | <u>23,337.48</u>  | <u>16,247.73</u>  |
| <b>e. Share options outstanding account</b>   |                   |                   |
| Opening balance   | -                 | 24.89             |
| Add: Net charge for the year  | -                 | (24.89)           |
| Closing balance   | <u>-</u>          | <u>-</u>          |
| <b>f. Surplus in Statement of Profit and Loss</b>                                       |                   |                   |
| Opening balance   | 46,067.59         | 28,748.71         |
| Add: Profit for the year  | 34,533.28         | 39,109.70         |
| Less: Transferred to statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934 | (6,906.66)        | (7,821.94)        |
| Less: Transferred to special reserve u/s 36(1)(viii) of the Income-tax Act, 1961        | (7,089.75)        | (5,830.33)        |
| Less: Proposed dividend on equity shares (refer note below)                             | -                 | (6,745.00)        |
| Less: Tax on proposed equity dividend   | -                 | (1,393.55)        |
| Closing balance   | <u>66,604.46</u>  | <u>46,067.59</u>  |
| <b>g. Foreign currency monetary items translation difference account</b>                |                   |                   |
| Opening balance (Debit)   | (5,168.91)        | (4,758.97)        |
| Add/ (less): Effect of foreign exchange rate variations during the year (net)           | 823.25            | (2,697.11)        |
| Add/ (Less): Amortisation for the year  | 1,440.76          | 2,287.17          |
| Closing balance (Debit)   | <u>(2,904.90)</u> | <u>(5,168.91)</u> |
|   | <u>177,699.60</u> | <u>118,045.31</u> |

The Board of Directors have proposed a final dividend of ₹ 1.50 per share for the financial year 2016-17 (2015-16 - ₹ 1.20 per share) aggregating to ₹ 11,595.56 lacs (including corporate dividend tax). The proposed dividend for the financial year 2016-17 is subject to approval of shareholders in the ensuing Annual General Meeting and has not been considered in these accounts in accordance with revised Accounting Standard 4 (AS-4) "Contingencies and events occurring after balance sheet date", effective from April 1, 2016.

#### 5. Long-term borrowings

(₹ in lacs)

| Particulars   | As at March 31, 2017 |                  |                   | As at March 31, 2016 |                  |                   |
|---|----------------------|------------------|-------------------|----------------------|------------------|-------------------|
|   | Non-current          | Current          | Total             | Non-current          | Current          | Total             |
| <b>Secured</b>  |                      |                  |                   |                      |                  |                   |
| a. Infrastructure bonds (i)   | 1,235.85             | 15,851.30        | 17,087.15         | 1,233.95             | 18,162.75        | 19,396.70         |
| b. Debentures (ii)  | 43,850.00            | 1,500.00         | 45,350.00         | 45,350.00            | -                | 45,350.00         |
| c. Rupee term loans from banks (iii)                                      | 383,736.29           | 31,521.26        | 415,257.55        | 349,902.17           | 35,012.98        | 384,915.15        |
| d. External commercial borrowings from financial institutions (iv)        | 42,766.26            | 6,364.61         | 49,130.87         | 36,482.23            | 6,067.31         | 42,549.54         |
| e. Rupee term loan from financial institutions (v)                        | -                    | -                | -                 | 51,395.00            | 180.00           | 51,575.00         |
|   | <u>471,588.40</u>    | <u>55,237.17</u> | <u>526,825.57</u> | <u>484,363.35</u>    | <u>59,423.04</u> | <u>543,786.39</u> |
| Less:- Amount transferred to "Other current liabilities" (refer note 10)" | -                    | 55,237.17        | 55,237.17         | -                    | 59,423.04        | 59,423.04         |
|   | <u>471,588.40</u>    | <u>-</u>         | <u>471,588.40</u> | <u>484,363.35</u>    | <u>-</u>         | <u>484,363.35</u> |

**Notes:**

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

- i. 60,167 (previous year 68,724) privately placed 8.25%/8.30% secured redeemable non-convertible long-term infrastructure bonds of ₹5,000 each (Infra Series 1) amounting to ₹3,008.35 lacs (previous year ₹3,436.20 lacs) allotted on March 31, 2011 redeemable at par in 5 to 10 years commenced 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. During the year, the company has repaid ₹427.85 lacs (previous year ₹772.40 lacs) under buyback scheme exercised by eligible holders of infrastructure bonds in FY2016-17 as per terms of Infra Series 1.
- 281,576 (previous year 319,210) privately placed 8.93%/9.15% secured redeemable non-convertible long-term infrastructure bonds of ₹5,000 each (Infra Series 2) amounting to ₹14,078.80 lacs (previous year ₹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. During the year, the company has repaid ₹1881.70 lacs (previous year ₹ Nil) under buyback scheme exercised by eligible holders of infrastructure bonds in FY2016-17 as per terms of Infra Series 2.
- ii. 900 (previous year 900) privately placed 10.50% secured redeemable non-convertible debentures of ₹1,000,000 each (Series 3) amounting to ₹9,000.00 lacs were allotted on January 27, 2011 redeemable at par in six equal annual instalments commencing from January 26, 2018.
- Series 3 debentures 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 have also been secured by pari-passu charge by way of hypothecation of the receivables 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.
- 2135 (previous year 2135) privately placed 9.62% secured redeemable non-convertible debentures of ₹1,000,000 each (Series 4) amounting to ₹21,350.00 lacs were allotted on June 03, 2015 redeemable at par in 3 tranches divided in 33% of face value on 28th May 2019, 33% of face value on 28th May 2021 and balance 34% of face value on 28th May 2025
- Series 4 debentures are secured by way of first charge by way of hypothecation of the specified receivables of the Company comprising asset cover of at least 110% of the amount of the Debentures
- 1500 (previous year 1500) privately placed 9.80% secured redeemable non-convertible debentures of ₹1,000,000 each (Series 5) amounting to ₹15,000.00 lacs were allotted on June 16, 2015 redeemable at par in five equal annual instalments commencing from June 12, 2018
- Series 5 debentures are secured by way of first ranking exclusive charge by way of hypothecation of the identified receivables of the Company comprising asset cover of at least 100% of the amount of the Debentures
- iii. Term loans from banks carry interest ranging from 8.45% to 8.75% p.a. The loans carry various repayment schedules according to their respective sanctions and thus are repayable in 12 to 48 quarterly instalments. 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/ to be created by line of credit of other financial institutions / banks) so that lenders should have at least 100%/ 111% security coverage on its outstanding loan at all times during the currency of the loan.
- iv. External Commercial Borrowings (“ECB”) carry interest ranging from 3 months LIBOR+1.90% to LIBOR+3.10% p.a. The loans are repayable in 32/36 equal quarterly instalments 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 4 quarterly instalment amounting to USD 28,88,888 (₹193,887,718) on one of the ECB loans and 4 quarterly instalment amounting to USD 62,50,000 (₹420,031,250) on two of the ECB loans was made during the year ended March 31, 2017
- v. Rupees term loan outstanding Nil (previous year ₹1,575.00 lacs) from a financial institution carries interest rate of 2% p.a. The loan was repayable in 40 equal quarterly instalments starting from March 31, 2015. 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 favour of other lenders of the Company i.e. 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% security coverage on its outstanding loan at all time during the currency of the loan.
- Rupees term loan outstanding Nil (previous year ₹ 50,000 lacs) from a financial institution carries interest rate of 9.30% p.a. The loan is repayable in 20 equal quarterly instalments starting after 18 months from the date of first loan disbursal i.e. December 31, 2015. 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 favour of other lenders of the Company i.e. 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% security coverage on its outstanding loan at all time during the currency of the loan.
- vi. In terms of the RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016) no borrowings remained overdue as at March 31, 2017 (previous year ₹ Nil).

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

(₹ in lacs)

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <i>Tax effect of items constituting deferred tax liabilities</i>               |                         |                         |
| a. Difference between book balance and tax balance of fixed assets             | 102.43                  | 58.49                   |
| b. Foreign currency monetary items translation difference account              | 1,005.33                | 1,788.86                |
| c. Special reserve under section 36(1)(viii) of Income-tax Act, 1961           | 8,076.64                | 5,623.01                |
|  | <b>9,184.40</b>         | <b>7,470.36</b>         |
| <i>Tax effect of items constituting deferred tax assets</i>                    |                         |                         |
| a. Provision for employees benefits  | 79.51                   | 102.96                  |
| b. Provisions and contingencies  | 10,031.33               | 6,095.50                |
| c. Accrued interest deductible on payment                                      | 57.34                   | 58.24                   |
| d. Provision for diminution in value of unquoted non-current trade investments | 994.44                  | 1,659.80                |
|  | <b>11,162.62</b>        | <b>7,916.50</b>         |
| <b>Deferred tax (assets)/liabilities (net)</b>                                 | <b>(1,978.22)</b>       | <b>(446.14)</b>         |

## 7. Long-term provisions

|   |                 |                 |
|---|-----------------|-----------------|
| a. Provision for gratuity (Refer note 28)                                   | 89.88           | 59.27           |
| b. Provision for compensated absences (Refer note 28)                       | 116.77          | 83.45           |
| c. Provision for other employees benefits (Refer note 28)                   | 17.10           | 9.91            |
| d. Contingent provision against standard assets (Refer note i and ii below) | 9,610.66        | 6,032.46        |
|   | <b>9,834.41</b> | <b>6,185.09</b> |

### Notes:

- A contingent provision against standard assets includes provision created @ 0.50% of the outstanding standard assets in terms of the RBI circular ((Ref. No. DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016) and provision against restructured standard loans as per applicable RBI guidelines.
- Movement in contingent provision against standard assets during the year is as under:

|  |                 |                 |
|--|-----------------|-----------------|
| Opening balance  | 6,032.46        | 6,702.17        |
| Additions during the year (net)                          | 6,811.24        | 1,235.40        |
| Less:-Transferred to provision for non-performing assets | (3,233.04)      | (1,905.11)      |
| Closing balance  | <b>9,610.66</b> | <b>6,032.46</b> |

## 8. Short-term borrowings

|   |                   |                   |
|---|-------------------|-------------------|
| i. Term loans from banks                                |                   |                   |
| -Secured (see note below)                               | 92,518.45         | 69,262.23         |
| -Unsecured  | 5,000.00          | -                 |
| i. Term loans from a financial institution              |                   |                   |
| -Secured (see note below)                               | 108,000.00        | 66,500.00         |
| iii. Commercial papers at face value of ₹ 5,00,000 each |                   |                   |
| -Unsecured  | 80,000.00         | 5,000.00          |
|   | <b>285,518.45</b> | <b>140,762.23</b> |

### Note:

Term loans from banks/financial institution 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.

## 9. Trade payables

|   |               |               |
|---|---------------|---------------|
| -Micro enterprises and small enterprises* | 21.70         | 19.37         |
| -Other                                    | 398.56        | 373.57        |
|   | <b>420.26</b> | <b>392.94</b> |

\*The amount due to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 has been disclosed to the extent of information available with the Company from vendors regarding their status. As per information available with the Company, no interest is paid/ payable under this Act.

#### 10. Other current liabilities

| Particulars  | (₹ in lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| a. Current maturities of long term borrowings (Refer note 5) | 55,237.17               | 59,423.04               |
| b. Interest accrued but not due on borrowings                | 9,896.39                | 8,389.42                |
| c. Unclaimed interest on debentures                          | 567.81                  | 230.77                  |
| d. Unclaimed dividend  | 18.31                   | 12.40                   |
| e. Income received in advance                                | 141.68                  | 64.08                   |
| f. Payable to holding company                                | -                       | 11.61                   |
| g. Payable to employees                                      | -                       | 2.18                    |
| h. Statutory remittances (TDS, EPF, WCT etc.)                | 62.78                   | 63.28                   |
| i. Unclaimed equity share application money                  | 1.82                    | 1.82                    |
|  | <b>65,925.96</b>        | <b>68,198.60</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 125 of the Companies Act, 2013 as at the Balance Sheet date.

#### 11. Short-term provisions

|   |             |                 |
|---|-------------|-----------------|
| a. Provision for gratuity (Refer note 28)                 | 1.98        | 1.69            |
| b. Provision for compensated absences (Refer note 28)     | 4.01        | 3.17            |
| c. Provision for other employees benefits (Refer note 28) | 0.01        | 0.01            |
| d. Proposed equity dividend                               | -           | 6,745.00        |
| e. Tax on proposed equity dividend                        | -           | 1,373.12        |
|   | <b>6.00</b> | <b>8,122.99</b> |

#### 12. Fixed assets

| Assets description                               | Gross block                        |              |             |                                 | Accumulated depreciation/amortisation |                      |             |                                 | Net block                       |                                 |
|--|------------------------------------|--------------|-------------|---------------------------------|---------------------------------------|----------------------|-------------|---------------------------------|---------------------------------|---------------------------------|
|  | Balance as at<br>March 31,<br>2016 | Additions    | Disposals   | Balance as at<br>March 31, 2017 | Balance as at<br>March 31, 2016       | Expense for the year | Adjustments | Balance as at<br>March 31, 2017 | Balance as at<br>March 31, 2017 | Balance as at<br>March 31, 2016 |
| <b>Tangible assets</b>                           |                                    |              |             |                                 |                                       |                      |             |                                 |                                 |                                 |
| a. Leasehold improvements                        | 330.06                             | -            | -           | 330.06                          | 175.97                                | 66.01                | -           | 241.98                          | 88.08                           | 154.09                          |
| b. Building                                      | 11.94                              | -            | -           | 11.94                           | 3.27                                  | 0.30                 | -           | 3.57                            | 8.37                            | 8.67                            |
| c. Plant and machinery (Wind mill)               | 3,522.75                           | -            | -           | 3,522.75                        | 2,144.96                              | 141.39               | -           | 2,286.35                        | 1,236.40                        | 1,377.79                        |
| d. Office equipments                             | 147.36                             | 2.26         | 3.45        | 146.17                          | 105.68                                | 20.15                | 2.91        | 122.92                          | 23.25                           | 41.68                           |
| e. Computers                                     | 122.42                             | 15.39        | 3.20        | 134.61                          | 77.75                                 | 21.17                | 2.99        | 95.93                           | 38.68                           | 44.67                           |
| f. Furniture and fixtures                        | 80.35                              | -            | -           | 80.35                           | 40.91                                 | 8.45                 | -           | 49.36                           | 30.99                           | 39.44                           |
| g. Vehicles                                      | 37.63                              | -            | -           | 37.63                           | 25.05                                 | 3.66                 | -           | 28.71                           | 8.92                            | 12.58                           |
| <b>Sub total</b>                                 | <b>4,252.51</b>                    | <b>17.65</b> | <b>6.65</b> | <b>4,263.51</b>                 | <b>2,573.59</b>                       | <b>261.13</b>        | <b>5.90</b> | <b>2,828.82</b>                 | <b>1,434.69</b>                 |                                 |
| Previous year                                    | 4,227.65                           | 45.83        | 20.97       | 4,252.51                        | 2,243.68                              | 348.18               | 18.27       | 2,573.59                        |                                 | 1,678.92                        |
| <b>Intangible assets</b>                         |                                    |              |             |                                 |                                       |                      |             |                                 |                                 |                                 |
| a. Software                                      | 259.43                             | -            | -           | 259.43                          | 118.42                                | 76.71                | -           | 195.13                          | 64.30                           | 141.01                          |
| <b>Sub total</b>                                 | <b>259.43</b>                      | <b>-</b>     | <b>-</b>    | <b>259.43</b>                   | <b>118.42</b>                         | <b>76.71</b>         | <b>-</b>    | <b>195.13</b>                   | <b>64.30</b>                    |                                 |
| Previous year                                    | 257.64                             | 1.79         | -           | 259.43                          | 37.02                                 | 81.40                | -           | 118.42                          |                                 | 141.01                          |
| <b>Total</b>                                     | <b>4,511.94</b>                    | <b>17.65</b> | <b>6.65</b> | <b>4,522.94</b>                 | <b>2,692.01</b>                       | <b>337.84</b>        | <b>5.90</b> | <b>3,023.95</b>                 | <b>1,498.99</b>                 |                                 |
| Previous year                                    | 4,485.29                           | 47.62        | 20.97       | 4,511.94                        | 2,280.70                              | 429.58               | 18.27       | 2,692.01                        | -                               | 1,819.93                        |
| (iii) Capital work-in-progress-Intangible assets |                                    |              |             |                                 |                                       |                      |             |                                 | 5.74                            | -                               |
|  |                                    |              |             |                                 |                                       |                      |             |                                 | 1,504.73                        | 1,819.93                        |

### 13. Non-current investments

(₹ in lacs)

| Particulars   | Face Value<br>(₹ per share<br>/debtenture) | Quantity<br>(Nos.) | As at<br>March 31,<br>2017 | Quantity<br>(Nos.) | As at<br>March 31,<br>2016 |
|---|--|--------------------|----------------------------|--------------------|----------------------------|
| <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 *   | 10   | 61,121,415         | 4,737.33                   | 61,121,415         | 4,737.33                   |
| -Varam Bio Energy Private Limited   | 10   | 4,390,000          | -                          | 4,390,000          | -                          |
|   |  |                    | <b>4,737.33</b>            |                    | <b>4,737.33</b>            |
| <b>ii. Other companies</b>  |  |                    |                            |                    |                            |
| -Adhunik Power and Natural Resources Limited  | 10   | 9,740,000          | 974.00                     | -                  | -                          |
| -East Coast Energy Private Limited  | 10   | 133,385,343        | 13,338.53                  | 133,385,343        | 13,338.53                  |
| -Indian Energy Exchange Limited (sold during the year)                                | 10   | -                  | -                          | 1,516,431          | 151.64                     |
|   |  |                    | <b>14,312.53</b>           |                    | <b>13,490.17</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 (sold during the year)                                 | 3,333,333                                  |                    | -                          | 300                | 10,000.00                  |
|   |  |                    | <b>428.58</b>              |                    | <b>10,428.58</b>           |
|   |  |                    | <b>19,478.44</b>           |                    | <b>28,656.08</b>           |
| Less: Provision for diminution in value of investments                                |  |                    | <b>8,050.07</b>            |                    | <b>5,165.91</b>            |
| * Refer notes 35  |  |                    | <b>11,428.37</b>           |                    | <b>23,490.17</b>           |

### 14. Long-term loans and advances

(₹ in lacs)

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Secured, considered good</b>  |                         |                         |
| a. Loan financing  | 1,040,550.00            | 832,973.93              |
| Less:-Provision for Non-performing loans *   | 18,699.74               | 8,905.43                |
| Less:-Provision for contingencies *  | 675.17                  | 2,675.10                |
| (*Including ₹ 3,233.04 lacs (previous year ₹ 1,905.11 lacs) transferred from contingent provision against standard assets) |                         |                         |
| Less:-Current maturities transferred to "Other current assets" (refer note 19)   | 41,302.49               | 40,703.98               |
|  | <b>979,872.60</b>       | <b>780,689.42</b>       |
| <b>Unsecured, considered good</b>  |                         |                         |
| a. Advance for purchase of fixed assets  | 509.44                  | -                       |
| b. Advance to employees  | 17.54                   | 19.13                   |
| c. Security deposits   | 69.87                   | 69.77                   |
| d. Advance income tax (net of provision of ₹ 61,382.70 lacs (previous year ₹ 41,515.77 lacs))                              | 2,124.34                | 2,837.70                |
|  | <b>982,593.79</b>       | <b>783,616.02</b>       |

#### Notes:

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

The classification of loans under the RBI guidelines is as under:

|                     |                     |                   |
|---------------------|---------------------|-------------------|
| Standard assets     | 982,499.60          | 804,031.21        |
| Sub-standard assets | 29,320.00           | 28,942.72         |
| Doubtful assets     | 28,730.40           | -                 |
|                     | <b>1,040,550.00</b> | <b>832,973.93</b> |

**15. Other non-current assets**

(₹ in lacs)

| Particulars                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-------------------------------------|-------------------------|-------------------------|
| a. Premium on derivative contracts* | 2,711.18                | 2,954.33                |
|                                     | 2,711.18                | 2,954.33                |

\* In respect of hedging foreign currency risk.

**16. Trade receivables**

Unsecured, considered good

|  |        |        |
|--|--------|--------|
| a. Outstanding for a period exceeding six months from the date they were due for payment | 8.79   | -      |
| b. Others  | 558.43 | 114.14 |
|  | 567.22 | 114.14 |

**17. Cash and cash equivalents :**

|  |          |          |
|--|----------|----------|
| a. Cash-in-hand  | 0.06     | -        |
| b. Cheques on hand   | 119.40   | -        |
| c. Balance with banks  |          |          |
| -In current accounts   | 2,256.07 | 1,731.24 |
| -In deposit accounts (Refer note below)                      | 575.00   | 500.00   |
| -In earmarked accounts                                       |          |          |
| i. Unclaimed share application money lying in escrow account | 1.82     | 1.82     |
| ii. Unclaimed interest on debentures                         | 567.81   | 230.77   |
| iii. Unclaimed dividend                                      | 18.31    | 12.40    |
|  | 3,538.47 | 2,476.23 |

Note:

Balances with banks include deposits ₹ 275.00 lacs (previous year ₹ Nil lacs) with remaining maturity of more than 12 months from the balance sheet date.

**18. Short-term loans and advances**

Secured, considered good

|                    |           |           |
|--------------------|-----------|-----------|
| a. Loans financing | 20,000.00 | 20,000.00 |
|--------------------|-----------|-----------|

Unsecured, considered good

|   |           |           |
|---|-----------|-----------|
| a. Prepaid expenses                       | 67.17     | 81.72     |
| b. Unexpired discount on commercial paper | 623.70    | 63.45     |
| c. Balances with government authorities   | 5.42      | 12.30     |
| d. Advance to employees                   | 5.70      | 12.14     |
| e. Receivables from sale of investment    | -         | 500.00    |
| f. Other receivables                      | 45.55     | 14.75     |
|   | 20,747.54 | 20,684.36 |

The classification of loans under the RBI guidelines is as under:

|                     |           |           |
|---------------------|-----------|-----------|
| Standard assets     | 20,000.00 | 20,000.00 |
| Sub-standard assets | -         | -         |
|                     | 20,000.00 | 20,000.00 |

**19. Other current assets**

|   |           |           |
|---|-----------|-----------|
| a. Current maturities of long term loan financing | 41,302.49 | 40,703.98 |
| b. Interest accrued and due on                    |           |           |
| -Loan financing                                   | 4,993.28  | 2,173.68  |
| c. Interest accrued but not due on                |           |           |
| -Fixed deposits                                   | 13.32     | 43.63     |
| -Loan financing                                   | 3,842.80  | 3,700.34  |
| -Debentures                                       | -         | 55.89     |
|   | 50,151.89 | 46,677.52 |

## 20. Revenue from operations

| Particulars   | (₹ in lacs)                  |                              |
|---|------------------------------|------------------------------|
|   | Year ended March<br>31, 2017 | Year ended<br>March 31, 2016 |
| <b>Interest income from</b>   |                              |                              |
| a. Loan financing   | 111,001.01                   | 90,937.47                    |
| b. Debentures   | 368.22                       | 1,203.29                     |
| <b>Other operating income</b>   |                              |                              |
| a. Dividend income on non-current unquoted trade investments in equity shares                   | 454.93                       | 288.12                       |
| b. Profit on sale of investments  |                              |                              |
| - Non-current unquoted trade investments in equity shares                                       | 13,101.96                    | 20,692.84                    |
| - Non-current unquoted trade investments in debenture   | 1,158.71                     | -                            |
| - Current unquoted non-trade investment in mutual funds   | 10.67                        | 2.44                         |
| c. Interest on fixed deposits   | 46.35                        | 186.29                       |
| d. Fee based income   | 8,491.14                     | 4,999.34                     |
| e. Sale of power  | 445.84                       | 381.62                       |
|   | <b>135,078.83</b>            | <b>118,691.41</b>            |
| <b>21. Other income</b>   |                              |                              |
| Interest income   | 1.47                         | 1.45                         |
| Miscellaneous Income  | 107.77                       | -                            |
|   | <b>109.24</b>                | <b>1.45</b>                  |
| <b>22. Employees benefits expense</b>   |                              |                              |
| a. Salaries and other allowances  | 1,139.11                     | 933.12                       |
| b. Contributions to provident fund (Refer note 28)  | 49.22                        | 38.52                        |
| c. Employee stock option (ESOP) scheme*   | -                            | (24.89)                      |
| d. Staff welfare expenses   | 88.97                        | 68.60                        |
|   | <b>1,277.30</b>              | <b>1,015.35</b>              |
| *Due to forfeiture/ surrender of Employee Stock options   |                              |                              |
| <b>23. Finance costs</b>  |                              |                              |
| <b>Interest expense on:</b>   |                              |                              |
| a. Infrastructure bonds   | 2,238.65                     | 2,184.75                     |
| b. Debentures   | 4,456.63                     | 3,820.53                     |
| c. Rupee term loans from banks  | 36,930.12                    | 33,575.56                    |
| d. Rupee term loans from financial institutions   | 9,830.68                     | 2,398.01                     |
| e. External commercial borrowings from financial institutions                                   | 2,111.24                     | 1,480.74                     |
| f. Commercial paper   | 7,381.80                     | 6,523.42                     |
| g. Delayed payment of income tax  | 0.01                         | 12.74                        |
| <b>Other borrowing cost:</b>  |                              |                              |
| a. On term loans and other borrowings   | 78.27                        | 726.69                       |
| b. Bank charges   | 1.18                         | 1.16                         |
| c. Amortisation of foreign currency translation   | 1,440.76                     | 2,287.17                     |
|   | <b>64,469.34</b>             | <b>53,010.77</b>             |
| <b>24. Provisions and contingencies</b>   |                              |                              |
| a. Contingent provision against standard assets   | 3,578.20                     | 1,235.40                     |
| b. Provision for non-performing assets  | 7,119.21                     | 5,608.30                     |
| c. Provision for contingencies  | 675.17                       | 2,675.10                     |
| d. Provision for diminution in value of unquoted non-current trade investments in equity shares | 2,884.16                     | -                            |
|   | <b>14,256.74</b>             | <b>9,518.80</b>              |



**25. Other expenses**

(₹ in lacs)

| Particulars  | Year ended March<br>31, 2017 | Year ended<br>March 31, 2016 |
|--|------------------------------|------------------------------|
| a. Rent  | 342.69                       | 325.32                       |
| b. Repairs and maintenance   |                              |                              |
| - Plant and machinery  | 90.07                        | 84.03                        |
| - Others   | 155.98                       | 88.40                        |
| c. Insurance   | 10.81                        | 10.36                        |
| d. Rates and taxes   | 77.33                        | 115.76                       |
| e. Communication   | 25.39                        | 20.64                        |
| f. Travelling and conveyance   | 69.25                        | 83.30                        |
| g. Advertising and business development  | 66.53                        | 55.27                        |
| h. Donation  |                              |                              |
| i. Legal and professional  | 791.50                       | 567.82                       |
| Auditors' remuneration :-  |                              |                              |
| -For statutory audit   | 24.50 *                      | 10.00                        |
| -For quarterly audit/limited review  | 15.00 **                     | 10.50                        |
| -For tax audit   | 2.50                         | 2.50                         |
| -For other certification (including services tax charge on auditors' remuneration) | 8.51                         | 4.05                         |
| -For out of pocket expenses  | 0.27                         | 0.41                         |
| j. Loss on fixed assets sold   | 0.23                         | 1.19                         |
| k. Directors' sitting fees   | 72.49                        | 53.03                        |
| l. Miscellaneous expenses  | 225.67                       | 141.48                       |
|  | 1,978.72                     | 1,574.06                     |

\* Including ₹ 6.50 lacs related to previous year

\*\* Including ₹ 1.50 lacs related to previous year

**26. Details of PTC India Financial Services Limited's associate companies which have been considered in these consolidated financial statements are as follows:**

| Name of the Company                      | Country of<br>Incorporation | % voting power as<br>an associate held as<br>at 31.03.2017 | Share of associates profit /<br>(loss) included in consolidated<br>Statement of Profit and Loss<br>as at 31.03.17 (₹ in lacs) | Share of associates profit /<br>(loss) included in consolidated<br>Statement of Profit and Loss<br>as at 31.03.16 (₹ in lacs) |
|--|-----------------------------|--|---|---|
| R.S. India Wind Energy Private Limited * | India                       | 37%  | -   | -   |
| Varam Bio Energy Private Limited **      | India                       | 26%  | -   | -   |

\* refer note 35 below

\*\* Net-worth of the associate company completely eroded.

**27. Contingent liabilities and commitments in respect of:**

(₹ in lacs)

| Particulars                      | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|----------------------------------|-------------------------|-------------------------|
| (a) Contingent liabilities       |                         |                         |
| (i) Income tax                   | 3,193.62                | 2,153.86                |
| (b) Commitments                  |                         |                         |
| (i) Loan financing               | 1,73,236.00             | 27,253.00               |
| (ii) Capital Commitments         | 5,050.00                | -                       |
| (c) Guarantees furnished to bank | 2,500.00                | 2,500.00                |

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<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|---|------------------------------|------------------------------|
| Employer’s contribution to provident fund | 49.22                        | 38.52                        |

(b) Defined benefit plans

Changes in the present value of the defined benefit obligation:

(₹ in lacs)

| Particulars                               | Gratuity                        |                                 | Compensated absences            |                                 | Post Retirement medical benefit |                                 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|   | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 |
| Opening defined benefit obligation        | 60.96                           | 43.83                           | 86.62                           | 64.15                           | 9.92                            | 6.44                            |
| Current service cost                      | 14.91                           | 10.15                           | 20.39                           | 15.18                           | 2.57                            | 1.67                            |
| Interest cost                             | 4.88                            | 3.51                            | 6.93                            | 5.13                            | 0.79                            | 0.51                            |
| Benefits paid                             | -                               | -                               | (8.78)                          | (5.15)                          | -                               | -                               |
| Actuarial loss / (gain)                   | 11.11                           | 3.47                            | 15.62                           | 7.31                            | 3.83                            | 1.30                            |
| <b>Closing defined benefit obligation</b> | <b>91.86</b>                    | <b>60.96</b>                    | <b>120.78</b>                   | <b>86.62</b>                    | <b>17.11</b>                    | <b>9.92</b>                     |
| <b>Disclosure of defined benefit into</b> |                                 |                                 |                                 |                                 |                                 |                                 |
| Long-term provisions                      | 89.88                           | 59.27                           | 116.77                          | 83.45                           | 17.10                           | 9.91                            |
| Short-term provisions                     | 1.98                            | 1.69                            | 4.01                            | 3.17                            | 0.01                            | 0.01                            |

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

(₹ in lacs)

| Particulars                                      | Gratuity                        |                                 | Compensated absences            |                                 | Post Retirement medical benefit |                                 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|  | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 |
| Closing defined benefit obligation               | 91.86                           | 60.96                           | 120.78                          | 86.62                           | 17.11                           | 9.92                            |
| Closing fair value of plan assets                | -                               | -                               | -                               | -                               | -                               | -                               |
| <b>Net liability recognised in balance sheet</b> | <b>(91.86)</b>                  | <b>(60.96)</b>                  | <b>(120.78)</b>                 | <b>(86.62)</b>                  | <b>(17.11)</b>                  | <b>(9.92)</b>                   |

Expense recognised in the Statement of Profit and Loss:

(₹ in lacs)

| Particulars  | Gratuity                        |                                 | Compensated absences            |                                 | Post Retirement medical benefit |                                 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|  | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 | Year ended<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 |
| Current service cost   | 14.91                           | 10.15                           | 20.39                           | 15.18                           | 2.57                            | 1.67                            |
| Interest cost  | 4.88                            | 3.51                            | 6.93                            | 5.13                            | 0.79                            | 0.51                            |
| <b>Net actuarial loss / (gains)</b>  | <b>11.11</b>                    | <b>3.47</b>                     | <b>15.62</b>                    | <b>7.31</b>                     | <b>3.83</b>                     | <b>1.30</b>                     |
| Net expense  | 30.90                           | 17.13                           | 42.94                           | 27.62                           | 7.19                            | 3.48                            |
| Experience adjustment on actuarial loss/ (gain) for present value obligation | 1.25                            | 3.58                            | 2.75                            | 8.52                            | 3.83                            | 0.05                            |

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

| Particulars            | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|------------------------|------------------------------|------------------------------|
| Discounting rate       | 7.54%                        | 8.00%                        |
| Future salary increase | 6.50%                        | 6.00%                        |

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

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

(₹ in lacs)

| Particulars                                     | Year ended March 31, 2015 |                      | Year ended March 31, 2014 |                      | Year ended March 31, 2013 |                      |
|---|---------------------------|----------------------|---------------------------|----------------------|---------------------------|----------------------|
|   | Gratuity                  | Compensated absences | Gratuity                  | Compensated absences | Gratuity                  | Compensated absences |
| Defined benefit obligation                      | 43.83                     | 64.15                | 31.99                     | 36.60                | 18.33                     | 24.51                |
| Net asset / (liability)                         | (43.83)                   | (64.15)              | (31.99)                   | (36.60)              | (18.33)                   | (24.51)              |
| Experience adjustment on actuarial (gain)/ loss | 2.36                      | 14.66                | 4.49                      | 0.58                 | 1.02                      | (6.23)               |

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  |
| Fellow subsidiary Company | : PTC Energy Limited   |
| Associate companies       | : R.S. India Wind Energy Private Limited<br>: Varam Bio Energy Private Limited   |
| Key management personnel  | : Dr. Ashok Haldia -Managing Director and CEO<br>(w.e.f. from July 7, 2015)<br>: Dr. Pawan Singh -Whole time Director and CFO<br>: Shri Rajender Mohan Malla -Managing Director and CEO (Superannuation w.e.f. May 15, 2015) |

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

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

(₹ in lacs)

| Particulars                                 | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---------------------------|---------------------------|
| Expenses reimbursed                         | 32.60                     | 14.64                     |
| Director sitting fees paid                  | 20.80                     | -                         |
| Dividend paid                               | 4,047.00                  | 3,372.50                  |
| Share Capital received from holding Company | 30,877.00                 | -                         |
| Outstanding balance payable                 | -                         | 11.61                     |

##### (ii) Transactions with fellow subsidiary company

(₹ in lacs)

| Particulars                            | Year ended March 31, 2017 | Year ended March 31, 2016 |
|--|---------------------------|---------------------------|
| Fee base income                        | -                         | 1.14                      |
| Interest income                        | 763.70                    | 123.03                    |
| Reimbursement of expenses (receivable) | 0.96                      | -                         |
| Term loan given                        | 650.74                    | 6,671.75                  |
| Term loan repayment                    | 130.76                    | -                         |
| Term loan outstanding                  | 7,191.73                  | 6,671.75                  |

(iii) Transactions with key management personnel

(₹ in lacs)

| Particulars               | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|---------------------------|------------------------------|------------------------------|
| Reimbursement of expenses |                              |                              |
| Shri Rajender Mohan Malla | -                            | 0.14                         |
| Dr. Ashok Haldia          | 3.67                         | 2.72                         |
| Dr. Pawan Singh           | 2.60                         | 2.08                         |
| Remuneration paid         |                              |                              |
| Shri Rajender Mohan Malla | -                            | 29.68                        |
| Dr. Ashok Haldia          | 97.10                        | 83.00                        |
| Dr. Pawan Singh           | 75.65                        | 71.46                        |

Note:-Managerial remuneration does not include provisions for gratuity and leave encashment since the provisions are based on actuarial valuation for the Company as a whole.

(iv) Transactions with associate companies

(₹ in lacs)

| Particulars   | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|---|------------------------------|------------------------------|
| <b>Investment balances outstanding at the balance sheet date before provision for diminution:</b> |                              |                              |
| R.S. India Wind Energy Private Limited (equity shares)  | 6,112.14                     | 6,112.14                     |
| Varam Bio Energy Private Limited (equity shares)  | 439.00                       | 439.00                       |
| Varam Bio Energy Private Limited (debentures)   | 428.58                       | 428.58                       |
| <b>Closing provision for diminution in investment in equity shares</b>                            |                              |                              |
| R.S. India Wind Energy Private Limited (equity shares)  | 6,112.14                     | 6,112.14                     |
| Varam Bio Energy Private Limited (equity shares)  | 439.00                       | 439.00                       |
| Varam Bio Energy Private Limited (debentures)   | 428.58                       | 428.58                       |

31. Earnings per share

| Particulars   | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|---|------------------------------|------------------------------|
| Profit after tax attributable to equity shareholders (₹ in lacs) (a)                                    | 34,533.28                    | 39,109.70                    |
| Weighted average number of equity shares outstanding during the year (Nos.) (b)                         | 589,109,636                  | 562,083,335                  |
| Basic earnings per share of face value ₹ 10 each (in ₹) (a) / (b)                                       | 5.86                         | 6.96                         |
| Add: ESOP expenses (₹ in lacs) (c)  | -                            | (24.89)                      |
| Profit after tax attributable to equity shareholders (₹ in lacs) before ESOP expenses [(d) = (a) + (c)] | 34,533.28                    | 39,084.81                    |
| Effect of potential dilutive equity shares on Employee Stock Options outstanding (e)                    | -                            | -                            |
| Weighted average number of equity shares in computing diluted earnings per share [(f) = (b) + (e)]      | 589,109,636                  | 562,083,335                  |
| Diluted earnings per share of face value ₹ 10 each (in ₹) (d) / (f)                                     | 5.86                         | 6.96                         |

32. Total number of electricity units generated and sold during the year 12,275,504

KWH (previous year 10,508,023 KWH).

33. Expenditure incurred in foreign currency (accrual basis)

(₹ in lacs)

| Particulars                                | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 |
|--|------------------------------|------------------------------|
| Fees for external commercial borrowings    | 59.20                        | 609.19                       |
| Interest on external commercial borrowings | 2,111.24                     | 1,480.74                     |
| Travelling and others                      | 8.90                         | 63.50                        |
| <b>Total</b>                               | <b>2,179.34</b>              | <b>2153.43</b>               |

34. 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<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Future minimum lease payments</b>   |                         |                         |
| - not later than one year  | -                       | 342.78                  |
| - later than one year and not later than five years                                  | -                       | 266.60                  |
| <b>Lease payments recognised in the Statement of Profit and Loss during the year</b> | <b>342.69</b>           | <b>325.32</b>           |

35. (a) In the year 2014-15, based on an independent investigation into the affairs of R. S. India Wind Energy Private Limited (Associate), the Company had concluded that in earlier years, the Associate and its promoters had misrepresented various facts to it and induced it to make investments aggregating ₹ 6,112.14 lacs in the Associate. The Company had filed a criminal complaint against the Associate and its promoters and is taking suitable steps both under civil and criminal law to safeguard its investments and to recover the same. Pending outcome thereof, the Company has fully provided for the diminution in value of investment held in this Associate.
- (b) Further, the financial statements for the year ended March 31, 2017 of RS India Wind Energy India Private Limited (RSIWEPL) and Varam Bio Energy Pvt Ltd, associates of the Company are not available for consolidation purposes. However, in view of the management, since the Company has made full provision for diminution for its investments held in these 2 Associates and there is no further obligation over and above the cost of the investments, there will be no impact thereof on these financial statements in terms of the requirements of Accounting Standard – 23 “Accounting for Investments in Associate in Consolidated Financial Statements”.

36. Foreign currency exposures

Foreign currency exposures that have not been hedged by a derivative instrument or otherwise, but revalued at the year-end exchange rates are:

| Particulars | As at March 31, 2017          |           | As at March 31, 2016          |           |
|-------------|-------------------------------|-----------|-------------------------------|-----------|
|             | Amount in<br>foreign currency | ₹ in lacs | Amount in foreign<br>currency | ₹ in lacs |
| Payables    | US \$ 338,549.44              | 220.29    | US \$ 383,611.32              | 254.68    |

37. Expenditure on Corporate Social Responsibility (CSR):

- (a) Gross amount required to be spent by the Company during the year ended March 31, 2017 ₹ 1,448.80 lacs (including the unspent amount of ₹ 782.00 lacs of Financial Year 2015-2016)
- (b) Amount spent during the year March 31, 2017 - ₹ Nil (previous year ₹ Nil).

38. Detail of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-

(In ₹)

| Particulars                           | SBNs   | Other  | Total  |
|---------------------------------------|--------|--------|--------|
| Closing cash in hand as on 8.11.2016  | 14,000 | 415    | 14,415 |
| (+) Permitted receipts                | -      | 68,880 | 68,880 |
| (-) Permitted payments                | -      | 54,500 | 54,500 |
| (-) Amount deposited in Banks         | 14,000 | -      | 14,000 |
| Closing cash in hand as on 30.12.2016 | -      | 14,795 | 14,795 |

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

For and on behalf of the Board of Directors

Sd/-  
Dr. Ashok Haldia  
Managing Director and CEO  
DIN: 00818489

Sd/-  
Dr. Pawan Singh  
Whole-time Director  
DIN: 00044987

Sd/-  
Vishal Goyal  
Company Secretary  
M.No.-A19124

Sd/-  
Gaurav Kaushik  
Chief Financial Officer

Place : New Delhi  
Date : May 22, 2017



## PTC India Financial Services Limited

CIN: L65999DL2006PLC153373

(A subsidiary of PTC India Limited)

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

Board: +91 11 26737300 / 26737400 Fax: 26737373 / 26737374

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

### PROXY FORM FORM NO. MGT-11

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]  
11<sup>th</sup> Annual General Meeting- 25<sup>th</sup> September, 2017

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

I/We, being the member(s) of ..... 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 11<sup>th</sup> Annual General Meeting of the Company, to be held on **Monday, 25<sup>th</sup> September, 2017 at 11:00 A.M. at Dr. SRKVS Auditorium (Dr. Sarvepalli Radhakrishnan Auditorium), Kendriya Vidyalaya No. 2, APS Colony, Gurgaon Road Delhi Cantt, New Delhi- 110010** and at any adjournment thereof in respect of such resolutions as are indicated below:

| S. No.                   | Resolution   | Vote (Optional see Note no. 2) |         |
|--------------------------|--|--------------------------------|---------|
|                          |  | For                            | Against |
| <b>Ordinary Business</b> |  |                                |         |
| 1.                       | Adoption of Audited Standalone & Consolidated Financial Statements for the year ended 31st March, 2017 |                                |         |
| 2.                       | To recommend dividend for the Financial Year 2016-17   |                                |         |
| 3.                       | Re-appointment of Dr. Ashok Haldia (DIN: 00818489) as a Director, who retires by rotation              |                                |         |
| 4.                       | Ratification of appointment of Statutory Auditor and fix their Remuneration in this regard             |                                |         |
| <b>Special Business</b>  |  |                                |         |
| 5.                       | Appointment of Shri Arun Kumar (DIN: 01853255) as Nominee Director                                     |                                |         |
| 6.                       | Appointment of Shri Kulamani Biswal (DIN: 03318539) as Nominee Director                                |                                |         |
| 7.                       | Appointment of Dr. Rajib Kumar Mishra (DIN: 06836268) as Nominee Director                              |                                |         |
| 8.                       | Appointment of Dr. Pawan Singh (DIN : 00044987) as Whole-Time Director of the Company                  |                                |         |
| 9.                       | Increase in borrowing power of the Board of Directors of the Company                                   |                                |         |
| 10.                      | Creation of security on the properties of the Company in favour of the lenders                         |                                |         |
| 11.                      | Issuance of Non-Convertible Debentures on private placement basis.                                     |                                |         |

✂ Signed this ..... day of ..... 2017

Signature of Member .....

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

|                                    |
|------------------------------------|
| Affix<br>₹ 1/-<br>Revenue<br>Stamp |
|------------------------------------|

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. It is optional to indicate your preference. If you leave the 'for' or 'against' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 11<sup>th</sup> Annual General Meeting



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

### ATTENDANCE SLIP

**11<sup>TH</sup> ANNUAL GENERAL MEETING- 25<sup>TH</sup> SEPTEMBER, 2017**

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. PLEASE ALSO BRING YOUR COPY OF THE ANNUAL REPORT.

I hereby record my presence at the 11<sup>th</sup> Annual General Meeting to be held on Monday, the 25<sup>th</sup> September, 2017 at 11:00 A.M. at "Dr. SRKVS Auditorium (Dr. Sarvepalli Radhakrishnan Auditorium), Kendriya Vidyalaya No. 2, APS Colony, Gurgaon Road Delhi Cantt, New Delhi- 110010"

|                            |  |               |  |
|----------------------------|--|---------------|--|
| DP ID No.*                 |  | Folio No.     |  |
| Client ID No.*             |  | No. of shares |  |
| Name of the shareholder    |  |               |  |
| Address of the shareholder |  |               |  |

\* Applicable for investors holding shares in electronic form

.....  
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.





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### Form No. MGT-12

### Polling paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21 (1) (c) of the Companies (Management and Administration) Rules, 2014]

### BALLOT PAPER

| S. No.   | Particulars  | Details                  |                            |                               |
|--|--|--------------------------|----------------------------|-------------------------------|
| 1.   | Name of the First Shareholder  |                          |                            |                               |
| 2.   | Postal Address   |                          |                            |                               |
| 3.   | Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)             |                          |                            |                               |
| 4.   | Class of Share   |                          |                            |                               |
| I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner: |  |                          |                            |                               |
| No   | Item No.   | No. of shares held by me | I assent to the resolution | I dissent from the resolution |
| <b>Ordinary Businesses:</b>  |  |                          |                            |                               |
| 1.   | Adoption of Audited Standalone & Consolidated Financial Statements for the year ended 31 <sup>st</sup> March, 2017 |                          |                            |                               |
| 2.   | To recommend dividend for the Financial Year 2016-17   |                          |                            |                               |
| 3.   | Re-appointment of Dr. Ashok Haldia (DIN: 00818489) as a Director, who retires by rotation                          |                          |                            |                               |
| 4.   | Ratification of appointment of Statutory Auditor and fix their Remuneration in this regard                         |                          |                            |                               |
| <b>Special Businesses:</b>   |  |                          |                            |                               |
| 5.   | Appointment of Shri Arun Kumar (DIN: 01853255) as Nominee Director   |                          |                            |                               |
| 6.   | Appointment of Shri Kulamani Biswal (DIN: 03318539) as Nominee Director  |                          |                            |                               |
| 7.   | Appointment of Dr. Rajib Kumar Mishra (DIN: 06836268) as Nominee Director  |                          |                            |                               |
| 8.   | Appointment of Dr. Pawan Singh (DIN : 00044987) as Whole-Time Director of the Company                              |                          |                            |                               |
| 9.   | Increase in borrowing power of the Board of Directors of the Company   |                          |                            |                               |
| 10.  | Creation of security on the properties of the Company in favour of the lenders                                     |                          |                            |                               |
| 11.  | Issuance of Non-Convertible Debentures on private placement basis.   |                          |                            |                               |

Place:

Date:

(Signature of the Shareholder)

#### INSTRUCTIONS:

1. Members may fill up the Ballot Form printed and submit the same to the Scrutinizer, M/s. Ashish Kapoor & Associates, Practising Company Secretary.
2. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

3. In case the member casts his votes through both the processes i.e., E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
4. The right of voting by Ballot Form shall not be exercised by a proxy.
5. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/ demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the registrar and share transfer agent of the Company i.e. M/s Karvy Computershare Private Limited. Members are requested to keep the same updated.
6. The votes should be cast either in favour or against by putting the tick (/) mark in the column provided for asset or dissent. Ballot Form bearing tick marks in both the columns will render the Ballot Form invalid.
7. Voting rights shall be reckoned on the paid up value of the shares registered in the name(s) of the Member(s) / Beneficial Owner(s) on the date of dispatch of the Notice.
8. There will be only one Ballot Form for every Folio/ DP ID & Client ID irrespective of the number of joint members
9. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint shareholder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
10. Where the Ballot Form has been signed by an authorized representative of the Body Corporate/ Trust/ Society etc., a certified copy of the relevant authorization/ Board Resolution to vote should accompany the ballot Form.
11. Instructions for e-voting procedure are available in the Notice of the Annual General Meeting. Please follow the steps for e-voting procedure as given in the Notice of AGM or as available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
12. The date of declaration of the results of ballot shall be taken to be the date of passing of the resolution.

**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:<br>(Please provide a cancelled / Photo copy cheque) |
| Registered Address:   |

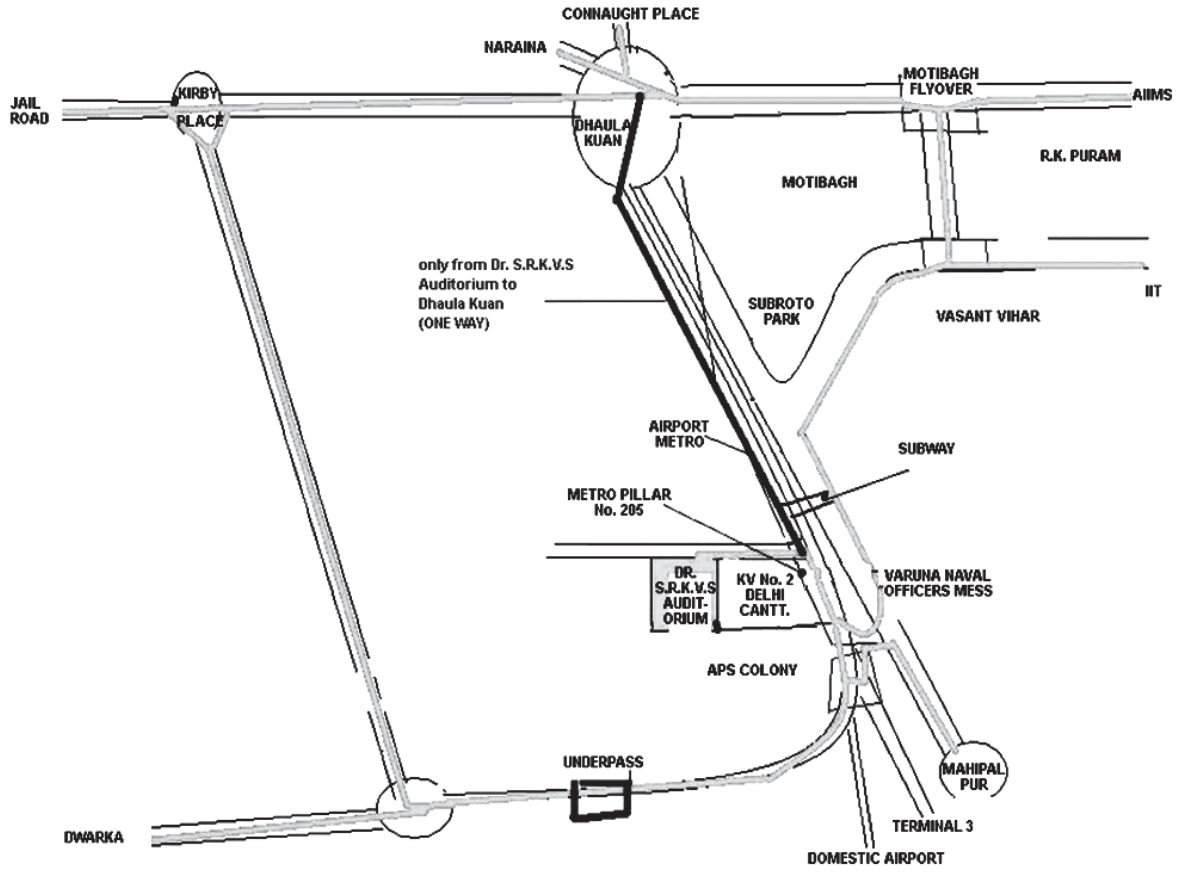
\_\_\_\_\_  
Signature of 1<sup>st</sup> holder

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

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

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

### Route Map of the location of AGM



## “ “ **OUR CUSTOMER SPEAKS**

What is remarkable and distinguishes PFS from others, is an integrated approach adopted in adding value in structuring and developing the project. This has given a new dimension to the concept of development & financing of infrastructure projects in India. ” ”

“Growing Responsibility for Customer Delight”



**PTC India Financial Services Ltd.**

(A Subsidiary of PTC India Limited)

CIN: L65999DL2006PLC153373

Registered Office:

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