

PTC INDIA LIMITED

12<sup>TH</sup> ANNUAL REPORT 2010 - 2011

### Vision

“To be a frontrunner in power trading by developing a vibrant power market and striving to correct market distortions”

### Mission

- Promote Power Trading to optimally utilize the existing resources.
- Develop power market for market based investments into the Indian Power Sector.
- Facilitate development of power projects particularly through private investment.
  - Promote exchange of power with neighbouring countries.

### Values

- Transparency
- The Customer is always right
- Encouraging Individual initiative
- Continuous Learning
- Teamwork

#### TWELVETH ANNUAL GENERAL MEETING

To be held on Wednesday, 28.09.2011 at 04 PM at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi Cantt., (Delhi-Gurgaon Road) New Delhi-110010

#### NOTE:

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

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## BOARD OF DIRECTORS

1. Shri T.N. Thakur, Chairman & Managing Director, PTC
2. Shri Deepak Amitabh, Director, PTC
3. Shri Sudhir Kumar, Joint Secretary, MOP
4. Shri A.B.L. Srivastava, CMD, NHPC
5. Shri M.K. Goel, Director, PFC
6. Shri R.N. Nayak, Director, PowerGrid
7. Shri I.J. Kapoor, Director, NTPC
8. Shri P. Abraham, Director, PTC
9. Shri D.P. Bagchi, Director, PTC
10. Shri S. Balachandran, Director, PTC
11. Shri Hemant Bhargava, Director, PTC
12. Shri Ved Jain, Director, PTC
13. Shri Dipak Chatterjee, Director, PTC
14. Shri Akhilesh Mishra, Joint Secretary, MEA

### Company Secretary

Shri Rajiv Maheshwari

### Statutory Auditors

M/s. T.R. Chadha & Co.

### Internal Auditors

M/s. Ravi Rajan & Co.

### Registrar and Share Transfer Agents

M/s. MCS Limited

F-65, Okhla Industrial Area, Phase-I

New Delhi - 110 020

Phone: 41406149; Fax: 41709881

### Principal Bankers

IDBI Bank Ltd.

Indian Overseas Bank

State Bank of Travancore

ICICI Bank

Indian Bank

Indusind Bank

Corporation Bank

Yes Bank

## NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the Members of PTC India Ltd. (PTC) will be held on Wednesday the 28th September, 2011 at 4 :00 p.m. at Dr. Sarvepali Radhakrishnan Auditorium, Kendriya Vidyalaya No.-2 APS Colony, Delhi Cantt., New Delhi-110010 to transact the following business: -

### ORDINARY BUSINESS

#### 1. Adoption of Accounts

To receive, consider and adopt the Balance Sheet as at 31st March 2011, Profit & Loss Account for the year ended on that date, the Auditors' report thereon and the Director's Report for the financial year 2010-11.

#### 2. Declaration of Dividend

To consider and if thought fit, to pass with or without modification (s), the following resolution for dividend for the Financial Year 2010-2011 as ordinary Resolution:

"Resolved that pursuant to provision of Section 205 and other applicable provisions of the Companies Act, 1956, dividend at the rate of 15% (Rs.1.5 per equity share of Rs.10 each) be and is hereby declared for the financial year 2010-11, out of the profits of the Company on the 294,97,3571 equity shares of Rs. 10/- each fully paid up to be paid as per the ownership as on 17th September, 2011".

#### 3. Re-appointment of Retiring Directors

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

"Resolved that Shri. I.J.Kapoor who retires by rotation and who is eligible for re-appointment be and is hereby re-appointed as Director"

#### 4. Appointment of Auditors

To consider and if thought fit, to pass with or without modification (s), the following resolution for appointment and fixation of the remuneration for the Statutory Auditors for the Financial Year 2011-2012 as Special Resolution:

"Resolved that pursuant to the provisions of Section 224A of the Companies Act, 1956, M/s K.G.Somani & Co. Chartered Accountants (ICAI Registration no.006591N),3/15, Asif Ali Road, New Delhi-110002, be and is hereby appointed as the Statutory Auditor of the Company for the Financial Year 2011 - 2012 to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors or the Audit Committee of the Company.

Further resolved that the Board of Directors/ Audit Committee of the Company be and is hereby authorized to take necessary actions in this regard.

### SPECIAL BUSINESS

#### 5. Appointment of Shri Ved Jain as a Director, liable to retire by rotation

To appoint Shri Ved Jain (who in pursuance of section 260 of the Companies Act, 1956 was appointed as an Additional Director by the Board of Directors as to hold the office of Director only up to the date of this meeting), in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director.

To consider and if thought fit, to pass with or without modification (s), the following resolution for appointment Shri Ved Jain as Director as ordinary Resolution:

"Resolved that pursuant to Section 257 of the Companies Act, 1956, Shri Ved Jain be and is hereby appointed as a Director of the Company and

shall be liable to retire by rotation."

Further resolved that any Director or Company Secretary of the Company be and is hereby authorized to do all such acts including filing of necessary intimation with ROC for above purpose."

#### 6. Appointment of Shri Dipak Chatterjee as a Director, liable to retire by rotation

To appoint Shri Dipak Chatterjee (who in pursuance of section 260 of the Companies Act, 1956 was appointed as an Additional Director by the Board of Directors to hold the office of Director only up to the date of this meeting), in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director.

To consider and if thought fit, to pass with or without modification (s), the following resolution for appointment Shri Dipak Chatterjee as Director as ordinary Resolution:

"Resolved that pursuant to Section 257 of the Companies Act, 1956, Shri Dipak Chatterjee be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation."

Further resolved that any Director or Company Secretary of the Company be and is hereby authorized to do all such acts including filing of necessary intimation with ROC for above purpose."

#### 7. Appointment of Shri Akhilesh Mishra as a Director, liable to retire by rotation

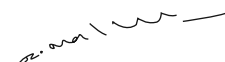
To appoint Shri Akhilesh Mishra (who in pursuance of section 260 of the Companies Act, 1956 was appointed as an Additional Director by the Board of Directors to hold the office of Director only up to the date of this meeting), in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director.

To consider and if thought fit, to pass with or without modification (s), the following resolution for appointment Shri Akhilesh Mishra as Director as ordinary Resolution:

"Resolved that pursuant to Section 257 of the Companies Act, 1956, Akhilesh Mishra be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation."

Further resolved that any Director or Company Secretary of the Company be and is hereby authorized to do all such acts including filing of necessary intimation with ROC for above purpose."

By Order of the Board of Directors,



For PTC INDIA LTD.  
(Rajiv Maheshwari)  
Company Secretary

Place: New Delhi  
Date:25th August, 2011

#### Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. A proxy form is enclosed. The instrument appointing a proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business set out in the notice is enclosed.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of Board Resolutions authorizing their representative to attend and vote on their behalf at the meeting.
4. All documents referred to in the notice or in the accompanying explanatory statement are open for inspection at the registered office of the Company between 11:00 a.m and 1:00 p.m. on all working days upto the date of Annual General Meeting.
5. The details pertaining to the appointment / reappointment of Directors are furnished in statement of Corporate Governance in the Directors' Report/ in the Explanatory Statement in the notice.
6. Mr. D.P.Bagchi and Mr. P. Abraham are also retiring on this AGM and they are not interested in their re-appointment as Directors.
7. The register of members and the share transfer books of the Company will be closed from 17th September, 2011 to 28th September, 2011 both days inclusive. The dividend in respect of equity shares held in the electronic form will be paid on the basis of beneficial ownership existing as on 17th September, 2011 and as per details available from NSDL and CDSL.
8. Members/ proxies should bring their copy of the Annual Report for reference at the meeting as also the attendance slip duly filled in for attending the meeting.
9. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Shareholders holding the shares in physical form and desirous of making nominations, as provided by Section 109A of Companies Act 1956, are requested to send their requests in Form No. 2B in duplicate (which will be made available on request).
11. In respect of shareholders' holding shares in electronic form, members are requested to notify any change of address and change in bank details to their Depositories Participants.
12. As per mutual discussions with exiting Statutory Auditors it is decided that M/s T.R.Chadha &Co., are not being re-appointed as Statutory Auditors of the Company.
13. The communication address of our Registrar and Share Transfer Agent (RTA) is MCS Limited, F-65, Okhla Industrial Area -Phase-I, New Delhi-110020.
14. For Electronic Clearing System facility for crediting dividend directly to your designated bank accounts, shareholders are requested to give their mandate in the form enclosed.
15. The entire Annual Report is also available at the Company's Website [www.ptcindia.com](http://www.ptcindia.com).
16. The Company is not providing Video Conferencing facility for this meeting.
17. As per circular no.18/2011 on Green initiative, the Company will send annual Report along with other documents through email to all members, who have registered their email address with the depository and physical hard copies will be dispatched to others. In case any member desire to get hard copy of Annual Report, they can write to Company at registered office address or email at [cs@ptcindia.com](mailto:cs@ptcindia.com) OR [admin@mcsdel.com](mailto:admin@mcsdel.com).

### **Important Communication to Members**

The Ministry of Corporate Affairs (MCA), Government of India, has taken a Green Initiative in the Corporate Governance by allowing paperless compliance by the Companies and has issued circulars stating that service of notice/ Documents including annual report can be sent by email to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their respective Depository Participants. Members who hold shares in physical form are requested to provide details of their email addresses to Registrar and Transfer Agent of the Company at [admin@mcsdel.com](mailto:admin@mcsdel.com).

To: All Shareholders, Directors and Auditors

Annexure to the Notice

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

**Item no. 3**

Shri I.J. Kapoor is liable to retire by rotation and is eligible for reappointment.

**Shri I.J. Kapoor**

Shri I.J. Kapoor, aged about 54 years is a Graduate in Mechanical Engineering and Master in Business Administration (Marketing)

He is a nominee Director of NTPC Limited, which is a Promoter Company of PTC where he is Director (Commercial.). He is Fellow of Institution of Engineers, India.

Other Directorships of Shri I.J.Kapoor in Public Companies are:-

- (1) NTPC Limited - Whole-time Director
- (2) National Power Exchange Limited - Part-time Chairman
- (3) NTPC Vidyut Vyapar Nigam Limited – Part-time Director

Shri I.J.Kapoor does not have any shareholding in the Company and he is not a member / Chairman of Committee of Board in the other Companies

Shri I.J.Kapoor is interested in the proposal of his own re-appointment. The Board recommends the above proposal for approval.

**Item no. 5 and 6 & 7**

**Shri. Ved Jain**

Shri Ved Jain, aged, 57 years is appointed as Independent Director. He is Chartered Accountant by Profession and ex-President of ICAI. He has rich experience of Finance.

Other Directorships in Public Companies are:

- (1) Maytas Properties Limited,
- (2) NALCO,
- (3) IL&FS Engineering and Construction Company Ltd.

Chairman and Membership of other Committees:

- (1) IL&FS Engineering and Construction Company Ltd. –

- Audit Committee (Chairman)
- Remuneration Committee(Member)
- Executive Committee (Member)
- Shareholder/ Investor grievance
- Committee(Member)

- (2) Maytas Properties Limited

- Audit Committee(Chairman)

Shri. Ved Jain does not have any shareholding in the Company.

Shri Ved Jain is interested in his own appointment. The Board recommends the above proposal for approval.

**Shri. Dipak Chatterjee**

Shri Dipak Chatterjee, aged, 67 years is appointed as Independent Director. He is a Retd. IAS officer and has worked as Secretary to Government of India. He does not have any shareholding in the Company.

Other Directorships in Public Companies are:

- (1) United Stock Exchange of India Ltd.
- (2) Bombay Stock Exchange Ltd.

Chairman and Membership of other Committees:

- (1) USE India Ltd.- Audit Committee (Member)

Shri Dipak Chatterjee does not have any shareholding in the company.

Shri Dipak Chatterjee is interested in his own appointment. The Board recommends the above proposal for approval.

**Shri Akhilesh Mishra**

Shri Akhilesh Mishra, aged, 45 years is appointed as an Independent Director. He is an IFS officer, and is working as Joint Secretary (North), Government of India.

Shri Akhilesh Mishra does not have directorships in Public Companies.

Shri Akhilesh Mishra does not have any shareholding in the Company and he is not a member / Chairman of Committee of Board in the other Companies.

Shri Akhilesh Mishra is interested in his own appointment. The Board recommends the above proposal for approval.

By Order of the Board of Directors,  
For PTC India Ltd.



(Rajiv Maheshwari)  
Company Secretary

Place: New Delhi  
Date: 25th August, 2011

## DIRECTOR'S REPORT

To,  
The Members, PTC India Ltd.

Your Directors take great pleasure in presenting to you, the Twelfth Annual Report on the activities of your company, together with the Audited Annual Accounts for the Financial Year 2010-11.

### Performance and Financial Highlights

Your Company has completed another successful year of its operations, wherein it has sustained and maintained its leadership position in the industry. The trading volumes were 34.25% higher this year at 24481MUs as against 18236 MUs during the previous year. With a turnover of Rs. 90603 Million (including other income) for the year 2010-2011 as against Rs.78445 Million (Including other income) in the financial year 2009-10, your Company has earned a profit after tax of Rs.1385 Million as against Rs. 941 Million in the previous year.

Your Company has two subsidiaries, namely PTC India Financial Services Limited (60% owned) and PTC Energy Limited (Wholly Owned). The consolidated turnover of the group is Rs 92627 million for the current financial year as against Rs. 79257 million for the financial year 2009-10. The consolidated profit after tax of the group is Rs1660.26 million for the current financial year as against Rs. 1072.69 million for the financial year 2009-10.

The financial results of the company for the FY 2010-11 vis-a-vis 2009-10 under broad heads are summarized as under:-

Financial results of the company for the FY 2010-2011 vis -a-vis 2010-11

Particulars	(in Rs. Million)	
	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Sales (including rebate on purchase of power, service charges and surcharge)	89972.75	77703.41
Other Income (including income from consultancy services)	630.41	741.66
Purchase (including rebate on sale of power)	88370.81	76750.60
Employee Cost	69.58	184.35
Other Expenses etc.	144.37	135.13
Profit before amortization, depreciation and prior period items	2018.40	1374.99
Amortization and Depreciation	50.34	55.21
Prior Period Expenses/(Income)	0.09	1.85
Profit Before Tax	1967.97	1317.93
Provision for Taxation (including deferred tax income )	582.78	376.92
Profit After Tax	1385.19	941.01
Balance as per last accounts	938.52	691.98
Transferred to General Reserves	415.56	282.30
Dividend (incl. dividend tax)	514.24	412.17
Transfer to contingent reserves	-	-
Balance carried forward to Balance Sheet	1393.91	938.52
<b>Earning Per Share in Rs.</b>	<b>4.70</b>	<b>3.31</b>

### Appropriations

#### Dividend

Your Directors are pleased to recommend for your consideration and approval dividend @ 15% for the financial year 2010-11 i.e. Rs.1.50 per equity share (as against Rs.1.20/-per equity share in the previous year) of Rs. 10 each. The dividend if approved at ensuing Annual General Meeting will absorb Rs.514.24 million including corporate dividend tax amounting to Rs.71.78 million.

The dividend will be paid to members whose names appear in the register of members as on a record date; in respect of shares held in dematerialized form whose names are furnished by the Depositories, as beneficial owners

#### Reserves

Out of the profits of the Company, a sum of Rs.415.56 Million has been transferred to General Reserves during the year and total reserves and surplus of the Company are Rs.18,852.06Million (including share premium) as on 31st March 2011.

#### Fixed Deposits

The Company has not accepted any public deposits during the year and as such, no amount on account of principal or interest was outstanding as on the date of Balance Sheet.

#### Capital Structure

As on 31st March 2011, PTC has Authorized Share Capital of Rs. 750,00,00,000 and Paid-Up Capital of Rs. 2,949,735,710/- divided into 294,97,3571 equity shares of Rs.10 each. The equity shares of your Company are listed on 'Bombay Stock Exchange Limited' (BSE) and 'The National Stock Exchange of India Ltd.' (NSE). The promoters i.e. NTPC Ltd. (NTPC) , Power Grid Corporation of India Ltd. (POWERGRID), Power Finance Corporation Ltd. (PFC) and NHPC Ltd. (NHPC) individually hold 4.07% each, or 16.27% collectively of the paid-up equity and subscribed share capital of your Company and the balance of 83.73% of the equity paid-up and subscribed share capital of your Company is held by Power Entities, Financial Institutions, Life Insurance Corporation of India and other Insurance Companies, Banking Institutions, Corporations, Investment Companies, Foreign Institutional Investors, Private Utilities and others including general public at large. The shareholding pattern of your Company as on 31.03.2011 is as follows:-

Category	No. of shares held	Percentage of Shareholding
<b>A Promoter's holding</b>		
1 Promoters		
- Indian Promoters	48,000,000	16.27
- Foreign Promoters	-	
2 Persons acting in concert	-	
Sub-Total	48,000,000	16.27
<b>B. Non-Promoter's Holding</b>		
1 Institutions		
Mutual Funds and UTI	45412084	15.40
Banks and Financial Institutions	29293789	9.93
Insurance Companies	63320717	21.47
FIs	49880437	16.91
Sub-Total B(1)	187907027	63.71
2 Non Institutions		
Bodies Corporate ( incl. DVC)	32521984	11.03
Individuals		
(holding nominal share capital upto Rs. One lac)	21223168	7.19
Individuals		
(Holding nominal share capital in excess of Rs. One lac)	3696216	1.02
Others		
- NRIs	1574976	0.53
- Ocb	100	.00
- Trusts and Foundations	50100	0.02
Any other total	1625176	0.55
Sub-Total B (2)	44,136,432	20.02
Total Public Shareholding	246973571	83.73
<b>GRAND TOTAL</b>	<b>294973571</b>	<b>100.00</b>



Distribution of shareholding - As on 31.03.2011

Nominal value of each share is Rs.10/-

No of Folio	Range	No of Shares	% to Total Capital	
112452	Upto	500	12439187	4.2171
4147	501	1000	3395595	1.1512
1757	1001	2000	2663362	.9029
522	2001	3000	1334370	.4524
227	3001	4000	813541	.2758
201	4001	5000	959152	.3252
301	5001	10000	2254758	.7644
245	10001	50000	5381019	1.8242
53	50001	100000	3944357	1.3372
158	100001	Above	261788230	88.7497
120063	Total	294973571	100.00	

#### Net Worth and Earning Per Share (EPS)

As on 31st March 2011, net worth of your Company aggregates to Rs.21,801.80 Mn as compared to Rs. 20962.37 Mn for the previous year thereby registering a growth of 4.00%.

EPS of the Company as on 31.03.2011 stands at Rs.4.70 in comparison to Rs. 3.31 as on 31.03.2010

#### TRANSFER OF UNPAID/UNCLAIMED DIVIDEND AMOUNT AND UNPAID/ UNCLAIMED REFUND AMOUNT OF IPO TO IEPF:-

Pursuant to provisions of Section 205(A)(5) of Companies Act 1956, the declared dividend of FY 2003-04 and unpaid/ unclaimed amount of refund of IPO, which remain unpaid for the period of seven years has been transferred by company to the Investor Education Provident Fund (IEPF), established by Central Government, pursuant to Section 205(C) of said Act.

#### MANAGEMENT DISCUSSION AND ANALYSIS

With the financial crisis almost over and country back on growth track, India achieved a robust GDP growth rate last fiscal. There are some concerns about current fiscal after rise in oil prices and Japanese natural disaster but global outlook on India continues to be positive. There is a strong correlation between the GDP growth rate and the growth of power sector. The Indian growth story looks positive in the long term which will lead to higher economic activities and more demand for power. In order to sustain the GDP growth, India needs to add power generation capacity commensurate with this pace. This becomes more important given the energy deficit and peak deficit of 8.5% and 9.8% respectively in FY11 which are expected to rise even more. We have continuously witnessed slippages in generation capacity addition targets in every plan. The capacity addition target of 78700 MW for the current plan was also reduced in mid-term appraisal and we expect the achievement to be about 50,000 MW.

But power sector has the attention at the highest level in the Government of India which has taken several initiatives to facilitate capacity addition and encouraging private sector participation. Among the major thrust areas have been the Ultra Mega Power Projects (UMPPs) and the procurement of power by distribution utilities through competitive bids. However, the results on both the fronts have been mixed. Out of nine Ultra Mega Power Projects (UMPP) of 4 GW each identified for development, only four have been awarded. UMPP at Mundra in Gujarat is expected to be commissioned during 2011-12 and remaining ones are expected during 2014 to 2017.

The Finance Minister of India, in his budget, waived off 10 per cent manufacturing duty on supplies to expansion of mega power projects and also extended the 10-year income tax holiday to power generation and transmission projects commissioned by March 31, 2012. The move would lead to cheaper power equipment, reduction in tariffs and would generally encourage the government's efforts to scale up the country's power generation capacity.

One positive trend has been the rising contribution of private sector in the generation capacity addition including undertaking independent power

transmission systems. Trading volumes directly depend on the new generation and transmission capacity created.

Finalization of Case-I competitive bidding by states for procurement of power is moving slowly. Your company has been actively participating in Case-1 bidding invited by several states. Letter of Intent

(LoI) has been received for 300 MW and the company is competitively placed in several other bids.

Apart from the bidding document, scrapping of the tender, re-bidding/re-opening of selected bids and reneging on contracts are some of the issues that need to be addressed. The bidding process is further diluted by allowing exemptions to PSUs and by State Government policies of mandating sharing of electricity generated through some projects. Your Company is taking up those issues for consideration of the Ministry of Power, Government of India, Appropriate Commissions and the concerned State Government/ State power utilities with the objective to ensure a level playing field for the private power developers and to expedite the bid process.

Fuel shortages, especially coal has emerged as one of the major concerns for the power sector. This has led to apprehensions that the ambitious capacity addition targets of 90 to 100 GW in the upcoming 12th plan period (2012-17) may not be met. Coal production in the country has remained stagnant as compared to previous year and concerns are being expressed that the existing as well as upcoming coal-based thermal power projects would have to run on lower PLF due to coal shortages. Delay in land acquisition, getting forest clearances, and law and order problems in some mining areas add to the list of problems in coal production. The Coal India limited (CIL) is reluctant to sign new fuel supply agreements and is unable to commit delivery of coal conforming to the sanctioned linkage quantity for the last two years due to which lenders are reluctant to fund new coal-based thermal power projects which are on the anvil. Large quantity of coal up to 100 million tons would have to be imported in the coming years to bridge the gap between domestic coal supply and demand. Since coal prices in the international market are quite volatile and spot sales are preferred over long term tie-ups, it has created lot of uncertainties to the investors and developers and may result in higher electricity tariffs. The Government and the Industry collectively need to take action to mitigate the situation as coal is expected to remain the mainstay of power production in the country in the foreseeable future.

On regulation front, the Central Electricity Regulatory Commission (CERC) this year, amended the grant of grid connectivity and open access regulations and reduced threshold capacity for connecting to inter-state grid to 50 MW for hydroelectric generating stations and others using renewable sources of energy. If the stations have individually installed capacity of less than 50 MW, they can now approach the Central Transmission Utility (CTU) collectively with an aggregate installed capacity of 50 MW or above. This is expected to benefit many hydro-electric projects of small and medium size, particularly in hydro-rich states, which will thus have the option to access national power market through central transmission grid, and would encourage rapid development of such renewable projects.

CERC is also in the process of getting implemented the point of connection tariff for sharing the cost of inter-state transmission services that will replace the regional postage stamp method. Under the new proposed mechanism, all the users will be default signatories to the Transmission Service Agreement (TSA) requiring users to pay point of connection charge. This commercial arrangement would also facilitate financial closure of transmission investments. The mechanism would also facilitate integration of electricity markets and enhance open access and competition by obviating pan-caking of transmission charges. Further, it will facilitate fair and transparent competition for case-1 bids as the bid processes were getting distorted because of pan-caking of transmission charges.

The regulations on Renewable energy including Renewable Energy Certificates (RECs) has been introduced to overcome the geographical limitations of RE generation and give boost to such sources of energy and increase their share. The trade in REC is limited to Power Exchanges only and Over-the-Counter (OTC) trade in REC has not been allowed by the

Regulators. For the scheme to be successful, the State Electricity Regulatory Commissions (SERCs) have to ensure strict implementation of Renewable Power Obligations (RPOs) and all states have to support REC as a valid instrument for fulfillment of their RPOs.

CERC has taken several initiatives to encourage market players to shift from Unscheduled Interchange to Scheduled Interchange as unpredictability in the behavior of various market players has serious implications for grid security. Since UI is envisaged as a balancing mechanism, CERC recognized the need for limiting UI volumes and accordingly under-drawls and over injections beyond the permissible quantities are now dis-incentivised and priced at lower rates. Tightening of permissible operating band for frequency has been done with the objective to improve the frequency profile of the grid. Prevailing UI prices are also showing lower trend which is a positive development and implies that buyers are willing to pay a premium for scheduled power supply. UI volumes on an average are presently in the range of 3 to 4% of the total energy generation and strict implementation by way of further tightening of frequency band and higher UI charges would result in such volumes moving to power exchanges and bi-lateral power market.

The short term power market in volume terms has been growing at a CAGR of 30 % over the last three years and sustained growth is expected with increase in the generation capacity addition by Independent Power Producers and Merchant Power Producers besides easing up of open access regime for the captive and industry. The size of power market is in the range of 6% to 7% of total energy generation in the country (~53.5 BUs), which comprises about 4.5% through bi-lateral and about 2% through Power Exchanges excluding volumes traded through UI (~28 BUs). As per the assessment, the All India energy generation has reached about 810 Billion units, a rise of 5.55% over FY 10.

The prices of traded power in both bi-lateral and power exchange has been showing a downward trend as compared to previous years - primarily due to competitive pressures but also due to market aberrations. Many distribution utilities continue to have poor financial health due to rising ATC losses thus severely limiting their buying power. So even when the prices offered in the short term market have been quite competitive, distribution utilities unfortunately prefer to have power cuts rather than buy power to meet the growing demand. Regulatory Commissions would have to enforce performance standards otherwise such market distortions would not only deprive genuine consumers of reliable supply of power but would also vitiate the positive investment climate so painstakingly crafted with the success of power market.

As far as performance of your company is concerned, it has witnessed yet another eventful financial year. 24.48 Billion Units were traded during 2010-11, an increase of 34.25% over the previous year. Round The Clock (RTC) trading has been responsible for bulk of the volume accounting for 96.7 % (marginally up from 95 % in FY 10) of the trade with remaining power traded during peak and off-peak periods. Trade with Captive Power Plants increased by 110 % Units as compared to last year with volumes traded this year crossing the 4 Billion units mark.

Among our key suppliers of electricity are Government of Himachal Pradesh, J&K Power Development Corporation, Chhattisgarh State Power Trading Co, Lanco Amarkantak Power Limited, Jindal power, Torrent etc. On the other hand, Tamil Nadu, Himachal Pradesh, West Bengal, Punjab, Bihar, Rajasthan, Karnataka are among the key purchasers of power.

Projects in Bhutan sold to us 5.3 Billion units last year and this year with a marginal growth it has reached 5.5 Billion units. Your company also supplied about 46 Million units to Nepal on commercial terms to meet their emergent needs. Some positive developments have taken place in building the transmission inter-connections with Nepal and Bangladesh. A Cross-border Power Transmission company, promoted by IL&FS and POWERGRID among others has been issued license by CERC to undertake construction of 400kV double circuit Mujaffarpur-Dhalkebar transmission line to inter-connect India and Nepal. Decision has also been taken to build 400kV double

circuit transmission Inter-connection between India and Bangladesh. This will help in offering opportunities for sale and purchase of power among the countries. Both the projects are expected to be commissioned by the year 2013-14.

PTC trade on exchange grew by 121 % (volumes crossing 4 Billion units) showing that your company is capitalizing on the growth of exchanges. RECs started trading on exchanges and a total of 425 RECs were traded on both the exchanges in FY 11. REC trade volume is expected to grow and a new market is in the making. PTC is gearing up to provide value-added services to the clients to trade REC on power exchanges.

Inter-state open access has made good progress but intra-state open access continues to be a major barrier in the expansion of the market, resultant competition and higher liquidity. Some State Governments denied open access to embedded generators by invoking section 11 of the Electricity Act'2003. Higher state level transmission charges and losses, load dispatch fees, cross-subsidy surcharges and additional surcharges make the transaction onerous for the industries seeking power from outside the state.

PTC India Financial Services Ltd. (PFS), our subsidiary company, has been awarded the 'Infrastructure Finance Company' status by RBI. It had raised Rs. 42.00 crore through the issuance of the Long Term infrastructure bonds with the benefit of Section-80 CCF of Income Tax Act, 1961. It had also raised its equity capital by issuance of new share through IPO during March, 2011. Earlier in the year, it entered into ECB Loan Agreement with DEG, Germany for USD 26 million and also signed a mandate letter with IFC for USD 50 million. During the year, PFS sanctioned a long term debt of Rs.1518 crores to 18 projects taking the cumulative sanctioned debt to Rs. 3542 crore of which Rs. 2817 crore is long term and Rs. 725 crore is short term.

PTC Energy Ltd. (PEL), our another subsidiary, had ventured into Coal trading in FY 2009-10. It tied up imported coal for supplying a total of 2.4 Million Metric Ton i.e. 1.76 Million Metric Ton (MT) per annum for a period of 5 years to support power projects of total 450 MW capacity and further it had also entered into long term coal sale/purchase agreement for 5 years for the supply of 0.7 Million MT per annum (0.3 Million MT for the first year). The company had purchased and supplied total quantity of 280,492 MT of imported coal during FY-2010-11.

PTC has also been able to make significant progress in the area of energy efficiency management. Bureau of Energy Efficiency (BEE) have entrusted PTC with seven energy efficiency studies for which investment grade energy audit have been successfully carried out. Out of the above seven studies, three energy intensive utilities have placed Letter of Intent (LOI) for the implementation of energy cost saving measures, which are in different stages of implementation based on ESCO concept. This model is supposed to be replicated on its success, in other areas of economy, based on market-based returns and committed performance.

Your company has pioneered the development of Indian Power Trading market. Over the past few years, we have invested in other parts of Energy Value Chain through our subsidiaries PFS and PEL. Going forward, PTC faces substantial imminent risks like uncertain regulatory environment, return risk from investments, managerial fragmentation due to multiple organizations etc. Changes to the competitive landscape and market will put business under pressure. Hence, the company has engaged a leading consultant to carry out a restructuring exercise so as to equip the company for next phase of growth and better manage the risks and challenges.

#### **Short Term Trading**

Your Company has completed another significant year of its operations, one in which it has further consolidated its position in the industry despite intense competition, purchases made by the buyers only in distress, massive load shedding resorted by the utility buyers across the country and less than expected contribution from PTC's long term supply sources. This has been made possible through steep rise in domestic trade by maintaining close interaction with customers, bringing innovative solutions regularly and managing key portfolio of some States so as to remain the front runner.

PTC volume on Power exchanges during 2010-11 reached 4044 MU against the previous year figure of 1830 MU-registered a growth of 121% over the previous year. Share of PTC traded volume on Power Exchange is about 16.52% of its portfolio. Long term power from projects have started contributing to trading volumes and the total MU traded from projects under long term PPA 1274 MUs.

Your Company extended its existing agreements with Chhattisgarh, CPPs/ IPPs for sale of their surplus power for period ranging between 1- 3 years. Negotiations are in advance stage with some other surplus States/Utilities for signing agreements on similar lines.

Initiatives such as Intra- State power trading in Tamil Nadu and enhancing trade from captive sources have also contributed to increased trade volumes. The Company also carried out a number of energy banking transactions during the year.

#### **Power trade with Bhutan**

Your Company continues to import power from 3 hydroelectric projects in Bhutan under long term bilateral arrangement.

Surplus power from 336 MW (4X84 MW) Chhukha project is being supplied to the Eastern Region constituents namely Bihar, DVC, Orissa, Jharkhand, Sikkim and West Bengal.

Surplus power from 60 MW (4X15 MW) Kurichhu project is being supplied to Eastern Region constituents namely West Bengal and DVC.

Surplus power from 1020 MW ( 6X170 MW) Tala project is being supplied to Bihar, DVC, Orissa, Jharkhand and West Bengal in the Eastern Region and to Delhi, Haryana, J&K, Punjab, Rajasthan and Uttar Pradesh in the Northern Region.

During the year 2010-11, the total energy imported from Bhutan was 5569 MUs which is 4% higher than the energy imported during the year 2009-10.

#### **Power Trade with Nepal**

The bilateral exchange of power between the two countries is carried out under two categories: (a) arrangement under Indo-Nepal Power Exchange Committee and (b) commercial power transactions

Under commercial arrangement, your Company exports power to Nepal to meet their urgent requirement. Generally power on commercial principles is supplied to Nepal Electricity Authority (NEA) during winter months when their own hydro generation drops significantly. Your Company arranged 16.5 MW RTC power from 1st January 2011 till 30th April 2011 and about 58 MUs were exported to Nepal.

Your Company is also exploring possibilities of entering into long term PPAs with the prospective IPPs in Nepal for import of power through new transmission corridor being proposed between India and Nepal.

#### **Power Exchange Operation**

The share of power exchange in the short term market is growing rapidly as compared to the growth in the bilateral trade. In absolute terms, volume traded on exchange increased by about 118% from about 7.2 BU in the FY 2010 to 15.5 BU in the FY 2011. At present, two national power exchanges are in operation namely Indian Energy Exchange and Power Exchange of India Ltd. Indian Energy Exchange (IEX), co-promoted by PTC Group continues to be the dominant player in the power exchange market in India. There is also a sharp increase in the client members on the IEX. More than 900 members are availing exchange facility to predominantly meet their day ahead power requirement. CERC has also given nod to a third power exchange in India, namely National Power Exchange Ltd. promoted by NTPC, NHPC, PFC and Tata Consultancy Services (TCS). The long-term objective of exchanges is to drive the Indian power sector towards competition-based pricing that will ultimately benefit the end consumers.

PTC is among the leading members of both the exchanges and has the biggest portfolio of State Utilities trading power on the exchanges via traders. Apart

from the state utilities, PTC's list of clients range from various high power consumption industries to captive power plants in the states.

PTC provides its clients with a unique service of daily Power Status Report which includes information on price & volume of the power traded, weather forecast and system related information enabling the clients to schedule/ plan their daily power requirements as also assist in predicting their power supply/demand in future on the basis of comprehensive details.

### **I) Long Term Agreements for Purchase of power**

#### **(A) Commissioned Projects**

##### **i. Power Projects commissioned before FY 2010 – 11**

- (a) Baglihar HEP (450 MW) and Middle & Lower Kolab HEP (37 MW) were commissioned in the FY 2009-10. PTC has a contracted capacity of 225 MW from 450 MW Baglihar HEP and the balance power is being consumed within the state of J&K. Out of 225 MW capacity, PTC has to enter into long term Agreements for 150 MW and the balance 75 MW would be sold by PTC through short term contracts. As of now, the entire 225 MW is being sold in short-term .Energy from Middle & Lower Kolab aggregating to 37 MW is being supplied to GRIDCO through long term Agreements.
- (b) Samal HEP in Orissa for 20 MW has been commissioned in October, 2009. Entire capacity from the project is being supplied to GRIDCO through long term Agreement.
- (c) Pathadi Thermal Power Plant (Phase-I 300 MW) of M/s. Lanco Power Ltd. has been commissioned in June, 2009. PTC is trading the power from the project in the short term market.
- (d) SUGEN Gas Based Power Project in Gujarat (100 MW) developed by Torrent Group has been commissioned in August, 2009. PTC has signed PSA with Madhya Pradesh Power Trading Company Limited (MPPTC), for sale of 100 MW plant capacity from the project. Power is flowing to MPPTC through PTC.

##### **ii. Power Projects expected to be commissioned in FY 2011 - 12**

###### **• Malana – II in Himachal Pradesh (100 MW)**

The project developed by M/s. Everest Power Pvt. Ltd. is under advanced stage of construction and is expected to be commissioned in FY 2011-12. PTC has signed PPA for purchase of entire plant capacity with the developer and has also signed PSA for sale of entire capacity with the Punjab State Power Corporation Limited (PSPCL).

###### **• Biomass based power projects in Tamil Nadu (18 + 18 MW)**

The project are being developed by M/s. Auro Mira Biopower India Pvt. Ltd. and M/s. Auro Mira Bio Systems Kanyakumari Pvt. Ltd. and are in advanced stage of construction and are expected to be commissioned in year 2011-12. Power from this project would be sold through short term contracts.

###### **• Simhapuri tolling project in Andhra Pradesh (200 MW)**

The project is under advanced stage of construction and is expected to be commissioned in the year 2011-12. PTC has signed Power Tolling Agreement with the project for 200 MW wherein the power plant would generate power using imported coal supplied by PTC and supply power to PTC. The project is being developed by M/s. Simhapuri Energy Pvt. Ltd.

###### **• Meenakshi Energy tolling Project in Andhra Pradesh (160 MW)**

The Project is in advance stage of construction and is expected to be commissioned in the year 2011-12. PTC has signed

Tolling Agreement for 160MW of the project whereby the project would generate power using imported coal supplied by PTC and supply power to PTC. The project is being developed by Meenakshi Group.

## B. Power Purchase Agreements finalized in 2010 - 11

During the year, PTC entered into Power Purchase Agreements with cumulative capacity of approximately 2013 MW. Power from most of the projects is being offered for sale through Case – 1 bidding process being initiated by State Utilities and Private Discoms. Cumulative PPAs at the end of the year is around 15,220 MW. The projects are based on domestic coal, imported coal, gas and hydro resources.

## C. Memorandum of Understanding / Agreement finalized in 2010 - 11

In addition to the above Projects, PTC has also signed MoUs/MoAs with number of Project developers for purchase of power aggregating to approximately 3505 MW. Cumulative MoUs/MoAs at the end of the year by PTC is around 12,356 MW based on domestic coal, imported coal, gas and hydro resources.

## D. Achievement during the Quarter

During the Quarter, Letter of Intent (LOI) for supply of 300 MW capacity on long term basis for a period of 25 years has been awarded to PTC by Uttar Pradesh Power Corporation Ltd. (UPPCL) based on its participation in the Case – I tender.

## E. Other Projects under consideration by PTC

PTC has received proposals for long term sale of power from various project developers aggregating to a capacity of about 5000 MW. PTC is actively evaluating these projects and is in discussion with developers for signing of MoUs/MoAs, based on marketability of power from these Projects.

## II) Sale of Power

As per the Tariff Policy of Government of India, the long term power procurement by the SEBs/ DISCOMs has to be necessarily done through competitive bidding from 30th Sept, 2006 onwards. As such, sale of power by the Company to the State Utilities has to be through participation in the bidding process. The Company has participated in competitive bids invited by State Utilities of like Bihar, UP, AP and has qualified for about 2000 MW capacity.

In addition to above, the Company is working on bids for participation in others Case- 1 tenders initiated by the State Utilities and Private Discoms like Tamil Nadu, Reliance Infrastructure Ltd. and Tata Power Company Ltd for procurement of power.

During the year, PTC entered into Power Sale Agreement with West Bengal State Electricity Distribution Company Ltd. for 450 MW. Cumulative PSAs at the end of the year is around 5410 MW.

## III. Long –Term export of power to Nepal

PTC is in advanced stage of discussion with Nepal Electricity Authority for entering into a Power Purchase Agreement for export of 150 MW power from India to Nepal on long term basis. Power would be sourced from one of the developers with which PTC has already executed PPA.

## Advisory services

The Advisory Services at PTC continued its successful journey supporting its valued customers on setting up effective internal / external business processes and share its experience in dealing with emerging issues in the development of Power Market.

The gamut of services offered by the group includes tariff and financial modeling for IPPs, preparation of Pre-feasibility reports / DPR's for projects, preparation of RFP & RFQ for competitive bidding of power projects, market study reports amongst others.

The clientele ranges from the regulators, the state electricity boards to the private sector players keen to capitalize on the booming power sector in the country. Some important clients amongst others that availed advisory services this year are Government of Goa, Larsen & Turbo, Aryan Coal

Benefication Ltd., amongst others.

## Business and Knowledge Partnerships

Your Company continues to manage successfully its business and knowledge partnership with industry associations such as CII, FICCI, ASSOCHAM, PHDCC and also organizations like TERI, CBIP, CEA, SWECO GRONER/ NORDPOOL, World Energy Council, USAID/ SARIE among others. A number of officials are serving on various committees of industry associations. The Company actively participates in various conferences, round-table discussions, workshops towards capacity building and also carry out policy and regulatory advocacy on matters critical to the development of power market through such associations.

## Human Resource

Employees are central as well as critical to your Company as they are our only assets. We have created an enabling work environment that encourages originality and innovative thinking. Your Company's brand value, growth and expansion into new areas have enabled us to attract and retain high caliber employees while engaging and nurturing them to achieve leadership in our area of operations.

Your Company has constantly developed and introduced policies and procedures that nurture the potential and talent of all our employees to optimize the benefits from this significant investment. Performance Management System, performance linked incentives, resource planning, training and development, career progression etc. are some of the policies and procedures that have matured over time.

Your Company's key focus has been to bring in fresh minds and leverage their talent and potential to meet the corporate objectives of the company. This is possible through identifying the best talent in campuses and grooming them. Every year we have gone to the very good campuses and have inducted talent across various verticals of your Company.

## Industrial relations

Your company has always maintained healthy, cordial, and harmonious industrial relations at all levels. Despite severe competition the enthusiasm and unstinting efforts of the employees have enabled the Company to grow at a fast rate.

## Employee Stock Option Scheme 2008

Shareholder approval of the scheme was obtained at the Annual General Meeting held on August 6th, 2008 for introduction of Employee Stock Option Scheme at PTC India Ltd. Two grants have been made under the ESOS 2008.

## Period of Vesting

As per PTC India Ltd. Employee Stock Option Plan 2008, there shall be a minimum period of 1 (one) year between the grant of options and vesting of options. Subject to participant's continued employment with the Company or the subsidiary and restrictions if any set out in case of terminal events, the Unvested Options shall vest with the Participants over a four year period as per the following schedule.

Vesting No of years from the grant date% of options vested Cumulative % of options vested

1st	1	15%	15%
2nd	2	15%	30%
3rd	3	30%	60%
4th	4	40%	100%

## Exercise Period

Subject to the conditions laid down for terminal events (death, permanent incapacitation of the employee etc), the vested options shall be exercisable within a period of 5 (five) years from the first vesting date.

### Period of vesting for PFS

Options will vest over four years from the date of grant End of year (from the date of grant) % of Vest

1	15%
2	15%
3	30%
4	40%

### Exercise Period for PFS

Maximum of 3 years from the date of vesting or listing of shares on a recognised stock exchange, whichever is later.

### Conservation of Energy & Technology Absorption

As your Company is engaged in the activity of trading of power and other related activities, the particulars relating to conservation of energy and technology absorption respectively are not applicable to it.

The company had successfully ventured into the field of wind power generation in March, 2008. The 4 X 1.5 MW wind farm project of PTC is located at Sinnar, Nashik in Maharashtra. The PPA for the project has been executed with the state distribution utility (MSEDCL) for Rs. 3.50 / kWh with an escalation of 15 paisa / kWh per annum for 13 years. The project generated about 12.3 MUs of energy worth Rs. 4.70 Crores in FY2010-11.

### Foreign exchange earnings & outgo etc.

The Company has incurred an expenditure of Rs.4.70 Million (on accrual basis) in foreign exchange during the financial year 2010-2011. No foreign exchange was earned during the financial year.

### Particulars of the employees u/s 217 (2A)

During the Financial Year ending 2011, no employee was employed for full or part of the year, who was in receipt of remuneration, which in aggregate or as the case may be, at a rate which, in the aggregate was not less than Rs. 60 lacs per annum or Rs. 5 lakh per month except the following employees the details of whom are given below:-

Name	Sh. T. N. Thakur
Designation	CMD
Qualification	B.Sc. (Engineering )
Nature of Employment	
Whether contractual or otherwise	CMD
Nature of Duties of employees	Overall Managerial functions of company
Last employment held	Power Finance Corporation Ltd.
Number of years of experience	39
Age	62
Date of commencement of employment	11.10.2000
Gross Remuneration (figures in Rs. Million)	11.03 Millions
No. of Equity Shares held (of Rs. 10/- each)	1,94,490
Whether Relative of a Director or Manager No	No
Other terms and conditions of Employment	-

### Auditors:-

#### - Statutory Auditors

M/s. T.R. Chadha & Company, Chartered Accountants were appointed as Statutory Auditors of the Company for the Financial Year 2010-2011 by the Shareholders in the eleventh Annual General Meeting of the Company and shall hold office upto the conclusion of the forthcoming Annual General Meeting of the Company.

The Statutory Auditors have audited the Accounts of the Company for the Year ended 31 March 2011 and Audited Accounts together with the Auditors' Report thereon are annexed to this report.

### Qualification in Audit Report and Management representation thereon

As mentioned by the Statutory Auditors in their Audit Report regarding consolidated accounts, an associate entity of PFS namely, RS India Wind Energy Limited (RSIWEL) wherein PFS holds 37% equity stake, could not provide its financial statement for the FY 2010-11. RSIWEL has informed PFS that they could not finalise accounts for the aforesaid financial year as their request for restructuring the credit facility (lease) and terms and conditions thereof including for conversion of lease facility in to term loan is under consideration of the lending institution (lessor), and which may have material bearing on the accounts of the financial year.

The issue of rotation of the Statutory Auditors has been discussed at Board level and has been mutually agreed with the existing Statutory Auditors. Shareholders will be required to elect auditors for the current year and fix their remuneration. The Board has recommended M/s. K.G.Somani & Co to act as Statutory Auditors for current FY and consent is being taken from M/s. K.G.Somai & Co. to the effect that their appointment, if made, would be in conformity with the limits prescribed in section 224(1B) of the Companies Act, 1956.

The Board recommends the appointment of M/s. K.G.Somani & Co.as the Statutory Auditors of the company for the Financial Year 2011-2012 by the Shareholders in the Twelfth Annual General Meeting of the Company.

### Internal Auditors

M/s. Ravirajan & Co. Chartered Accountants, Delhi were appointed as Internal Auditors of the Company for the Financial Year 2010-2011 and their reports for the year were submitted to the Audit Committee.

### Cost Auditors

The cost auditors of the Company for the 4 X 1.5 MW wind farm project of PTC is located at Sinnar, Nashik in Maharashtra are M/s. Ramnath Iyer & Company.

### Subsidiary Companies

#### PTC India Financial Services Ltd. (PFS)

PTC India Financial Services Limited (PFS), wherein the Company holds 60% stake, is one of the subsidiaries of PTC India Ltd.

PFS has been listed on NSE and BSE with its successful IPO raising in March, 2011. Its capital base post IPO is Rs.1019 Crore. PFS has also been granted status of Infrastructure Finance Company (IFC) from Reserve Bank of India in the month of August, 2010. Pursuant to IFC status, PFS issued long term infrastructure bonds carrying benefits of Section 80CCF of Income Tax Act, 1961. PFS has also successfully finalized ECB with DEG, and International Finance Corporation for USD 26 Million and USD 50 Million respectively.

The operational and financial performance of the Company during the year 2010-11 has maintained rather exceeded growth momentum during the year 2009-10.

During the year 2010-11, the company has recorded revenue income of Rs.1088.52 million rising from Rs. 534.90 million, thus recording 103.50% growth. The profit before tax has increased from Rs. 367.00 million in 2009-10 to Rs. 514.31 million in year 2010-11 recording increase by 40.14 %. The profit after tax recorded increase by 45.48% from Rs. 254.52 million in 2009-10 to Rs. 370.27 million during the year 2010-11.

The amount of debt sanction during the year, excluding those convertible into long term loans, increased to Rs. 17030 million compared to Rs. 12490 million in the previous year. The level of disbursement of debt was Rs. 6236.64 million during the year and Rs. 2827.08 million in previous year. Effective commitments for sanctions of debt as on 31st March, 2011 were Rs. 33649 million as compared to Rs. 18332 million as on 31st March 2010.

Upfront financing of CER amounted to Rs. 222.38 million in the year 2010-11 as against Rs. 50 million in the year 2009-10.

The number of new projects for which financial assistance was sanctioned during the year was 20 taking the total number of sanctioned projects till 31st March, 2011 to 62. The financial assistance sanctioned by PFS so far would help capacity creation of more than 14000 MW.

#### **PTC Energy Limited (PEL)**

PTC Energy Ltd. (PEL), incorporated in 2008, is a wholly owned subsidiary of your Company, primarily to undertake various activities related to the business of power generation, distribution, import of coal and other allied works.

PEL has initiated steps to explore joint development of projects in the energy sector. The core investment strategy of PEL is to jointly develop projects with a view to invest as promoter and hold on to investment rather than investing with intent to exit. PEL has accordingly formulated an investment policy and is pursuing a number of projects in the energy sector.

To bridge the gap in demand supply position for coal based power projects and to overcome fuel supply disruptions, PEL has entered in to this business avenue to play the role of fuel intermediation, thus acquiring a position of strength for tying up imported long-term fuel supply. To expedite fuel intermediation business with a view to meet up the fuel deficiency faced by utilities/clients, PEL is actively engaged in import of coal. Starting its fuel intermediation business operations effectively from November 2009, PEL in its third year of operations i.e. 2010-11, has imported and sold 2.80 lakhs MT of coal as against 1.07 lakhs MT in FY 2009-10 and has recorded coal revenue income of Rs. 92.78 crores rising from Rs. 26.85 crores in FY 2009-10.

The income of PEL has increased to Rs. 93.82 crores as compared to Rs. 27.84 crores in FY 2009-10 and Profit before Tax has increased to Rs. 1.86 crores from Rs. 0.73 crores in FY 2009-10.

PEL has undertaken a strategic investment of 48% equity amounting to Rs. 23.40 crores for joint development of 80 MW wind farm in Tamilnadu.

#### **Annual Accounts of the subsidiary companies**

The Audited Accounts for the financial year 2010-11 of PFS and PEL, being subsidiaries of your Company, have been attached with the Annual Accounts of your Company along with the statements as per the provisions of Section 212 of the Act. A copy each of Balance Sheet, profit and loss account, report of Board of Directors, report of Auditors and statement of interest of your Company in PFS and PEL is also enclosed.

#### **Investment in other Companies**

1. Your Company has earlier executed Equity Subscription Agreement (ESA) for investment in Athena Energy Ventures Pvt. Ltd. (AEVPL). As of now PTC has released Rs. 1500 Million and the other investors of this Company are Athena Power Projects Limited and Infrastructure Development Finance Company Limited (IDFC).
2. Your Company has earlier executed Equity Subscription Agreement (ESA) for investment in Krishna Godavari Power Utilities Limited upto Rs. 400 Million and as of now PTC has released Rs. 195.05 Million.
3. Teesta Urja Limited is developing 1200 MW Teesta-III Hydro Electric Project in the State of Sikkim. Your Company has acquired 11% subscribed equity in Teesta Urja Limited and has released Rs. 1414 Million.

#### **Directors' Responsibility Statement**

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

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed by PTC along with proper explanation relating to material departures;

2. 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 2011 and of the profit of the Company for that period;
3. Proper and sufficient care had been taken by the Directors for maintenance of adequate Accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities and
4. The Annual Accounts had been prepared on a going concern basis.

#### **Corporate Governance**

##### **Company's philosophy on the code of governance**

Corporate Governance implies governance with highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business. Your Company's endeavor has been to inculcate good corporate governance practices in its organizational and business systems and processes with a clear goal to not merely adhere to the letter of law to comply with the statutory obligations, but also to center around following the spirit underlying the same.

The Corporate governance practices followed by the Company include the corporate structure, its culture, policies and practices, personal belief, timely and accurate disclosure of information, commitment to enhancing the shareholder while protecting the interests of all the stakeholders.

Your Company is committed to and firmly believes in practicing good corporate governance practices as they are critical for meeting its obligations towards shareholders and stakeholders. The Company's governance framework is based on the following principles which adhere to sound corporate governance practices of transparency and accountability:

- Constitution of Board of Directors with an appropriate blend of Executive and Non Executive Directors committed to discharge their responsibilities and duties.
- Strict Compliance with all governance codes, Listing Agreements, other applicable laws and regulations.
- Timely and balanced disclosure of all material information relating to the Company to all stakeholders.
- Adoption of 'Code of Conduct' for Directors and Senior Management, and 'Code of Ethics' and 'Policy on Prohibition of Insider Trading' and effective implementation thereof.
- Sound system of Risk Management and Internal Control.
- Regular update of PTC website [www.ptcindia.com](http://www.ptcindia.com) to keep stakeholders informed

#### **1. Board of Directors**

##### **Composition of Board**

Presently, the Board comprises of 14 Directors out of which 2 are executive directors and 12 are non-executive directors, more than 50% of total number of Directors are Independent Directors. The Company is headed by CMD.

##### **Number of Board Meetings**

During the financial year ended 31st March 2011, the Board met ten times i.e. on 27th April 2010, 2nd June 2010, 14th June 2010, 25th June 2010 (adjournment of 14th June 2010), 19th July 2010, 12th August 2010, 21st September 2010, 27th October 2010, 7th December 2010, 8th February 2011, detailed Agenda Notes with necessary information were circulated in advance to the Board.

## Directors' Attendance Record and Directorship in other companies

Sr. No.	Name	Category of Director	Meetings attended during FY 2010-2011	Attendance at the last AGM held on 23 <sup>rd</sup> Sep.-2010	Directorship in other companies (including private Companies) as on 31.03.2011	Membership in Committees of other Companies (Audit/ Shareholders' grievance) as on 31.03.11
1	Mr. T.N Thakur	Chairman & Managing Director / Non-Independent	10	Y	6	Nil
2	Mr. Deepak Amitabh	Whole-time Director Non-Independent	9	Y	5	4
3	Mr. D. P. Bagchi	Non-Executive / Independent	9	Y	8	7
4	Mr. Satish Mehta	Non Executive/ Independent	7	N	2	Nil
5	Mr. M.K. Goel	Non-Executive / Nominee - PPC	6	N	7	4
6	Mr. P. Abraham	Non-Executive / Independent	7	N	14	7
7	Mr. S. Balachandran	Non-Executive / Independent	10	N	4	7
8	Mr. A. B. L. Srivastava	Non-Executive / Nominee Promoter NHPC	9	N	3	7
9	Mr. I. J. Kapoor	Non-Executive / Nominee Promoter NTPC	4	N	6	Nil
10	Mr. Sudhir Kumar, JS of MoP, Gol.	Non-Executive/ Nominee of MoP, Gol	5	N	6	Nil
11	Mr. R.N. Nayak Joined w.e.f. 18 <sup>th</sup> May, 2010	Non- Executive / Nominee of POWERGRID	7	N	4	Nil
12	Mr. Hemant Bhargava Joined w.e.f. 25 <sup>th</sup> June, 10	Non Executive/ Nominee of LIC	6	N	Nil	Nil
13	Mr.Ved Jain Joined w.e.f.07-12-2010	Independent	1	N.A	5	5
14	Mr.Dipak Chatterjee Joined w.e.f. 15, April, 2011	Non-Executive, Independent	N.A	N.A	1	2
15	Mr. G.P. Gupta Ceased to be Director w.e.f 23 <sup>rd</sup> Sep. 2010	Non-Executive / Independent	7	No	N.A.	N.A.
16	Mr. M.S. Verma Ceased to be Director w.e.f 23 <sup>rd</sup> Sep. 2010	Non-Executive / Independent	2	No	N.A.	N.A.
17	Mr.Shashi Shekhar Ceased to be Director w.e.f.17 <sup>th</sup> Jan. 2011	Whole-time Director Non-Independent	9	Yes	N.A.	N.A.
18	Mr. R. G. Yadav Ceased to be Director w.e.f. 30 <sup>th</sup> April, 2010	Non-Executive / Nominee Promoter POWERGRID	1	N.A.	N.A.	N.A.

The Board places on record its deep appreciation for the valuable contribution made by S/Shri M.S. Verma, Shashi Shekhar, G.P.Gupta, R.G. Yadav members of the Board.

None of the Directors of the Board is a member of more than 10 Committees and Chairman of more than 5 committees (as specified in Clause 49), across all the Companies in which he is a Director. The Non-executive Directors do not have any shareholding in the Company. Further, Directors are not relatives of each other and none of the employees of the Company are relative of any of the Directors.

At the last AGM, 10832 shareholders of the Company holding 47993445 number of equity shares recorded presence during the meeting either in person or by proxy.

## 2. Board Procedure

### (A) Decision making process

The Board of Directors acts as trustees of stakeholders and is responsible for the overall functioning of the Company. With a view to professionalize all corporate affairs and setting up systems and procedures for advance planning of matters requiring discussion/decisions by the Board, the Company has defined appropriate guidelines for the meetings of the Board of Directors. These Guidelines facilitate the decision making process at the meetings of Board, in well informed and proficient manner.

### (B) Scheduling and selection of Agenda items for Board /Committee Meetings

- (i) The meetings are being convened by giving appropriate notice after

obtaining the approval of the Chairman of the Board/Committee. To address urgent needs, meetings are also being called at short notice. The Board is also authorized to pass Resolution by Circulation in case of business exigencies or urgency of matters.

- (ii) Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions at the meetings. The Company Secretary while preparing the Agenda ensures that all the applicable provisions of law, rules, guidelines etc. are adhered to. The Company ensures compliance of all the applicable provisions of the Companies Act, 1956, SEBI Guidelines, Listing Agreement, and various other statutory requirements.
- (iii) All the department heads are notified of the Board meeting in advance and are requested to provide the details about the matters concerning their department requiring discussion/approval/ decision at the Board meetings. Based on the information received, the agenda papers are prepared and submitted to concerned department Heads for obtaining approval of the Chairman. Duly approved agenda papers are circulated amongst the Board members by the Company Secretary.
- (ii) Where it is not practicable to attach any document or the agenda due to its confidential nature, the same is tabled before the meeting with the approval of the Chairman. In special and exceptional circumstances, additional or supplemental item(s) to the agenda are circulated. Sensitive subject matters are discussed at the meeting without written material being circulated.
- (iv) The meetings are usually held at the Company's Registered Office in NewDelhi.
- (v) In addition to detailed agenda being already circulated, presentations are also made at the Board/ Committee meetings covering Finance, Operations & Sales, Human Resources, Marketing and major business segments of the Company to facilitate efficient decision making.
- (vi) The members of the Board have complete access to all information of the Company. The Board is also free to recommend inclusion of any matter in agenda for discussion. Senior management officials are called to provide additional inputs to the items being discussed by the Board, as and when necessary.

### (C) Recording minutes of proceedings at the Board Meeting

The minutes of the proceedings of each Board/Committee meeting are recorded and are duly entered in the minutes book kept for the purpose. The minutes of each Board/ Committee meeting are circulated among the Board/ Committee members in the next Board Meeting for their confirmation.

### (D) Follow-up mechanism

The guidelines laid down for the Board and Committee Meetings ensure that an effective post meeting follow-up & review has been done. The actions taken on the decisions are reported to the Board/ Committee in the form of Action Taken Report (ATR) tabled at the immediately succeeding meeting of the Board/ Committee for noting by the Board/ Committee.

## 3. Audit Committee

### a) Composition

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and the provisions of Clause 49 of the listing Agreement, Audit Committee has been constituted by the Board of Directors.

Presently, the Audit Committee of the Company consists of Shri D.P. Bagchi, Shri S. Balachandran, Shri Hemant Bhargava and Shri Ved Jain as members of the Audit Committee. The Chairman of the meetings is decided in the respective meetings. All the members of the Committee including its Chairman are independent Directors.



The Company Secretary acts as the Secretary of the Committee.

#### b) Terms of Reference

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

- Oversight of the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment or removal of the statutory auditor and the fixation of audit fees.
- Reviewing with management the periodical financial statements before submission to the Board for approval, with particular reference to (i) changes in accounting policies and practices, (ii) major accounting entries involving estimates based on exercise of judgment by management, (iii) qualifications in draft audit report (if any), (iv) significant adjustments made in financial statements arising out of the audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with listing and other legal requirements concerning financial statements, (viii) Disclosures of any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the company at large;
- Reviewing with the management performance of statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- Reviewing the adequacy of internal audit functions;
- Discussion with internal auditors any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 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.
- 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 & background, etc. of the candidate.

The terms of reference stipulated by the Board to the Audit Committee are as per Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Audit Committee had reviewed the Annual Financial Statements, before their submission to the Board, as prescribed in Section 292A of the Companies Act 1956. In the past, the meetings of the Audit Committee were attended by the Members of the Committee, Chief Financial Officer of the Company and the Auditors. The minutes of the Committee were placed before the Board of Directors for information. PTC has not denied any personnel access to the Audit Committee of the company in respect of any matter. There was no case of alleged misconduct.

#### c) Number of Committee Meetings and Attendance

The Committee met five times in the FY 2010-2011. Meetings of the Committee were held on 27th April, 2010, 19th July 2010, 11th August 2010, 27th October 2010, 8th Feb., 2011.

Name of Members	Status	No. of Meetings held during the year	No. of Meetings Attended
Shri M.S. Verma	[Ceased to be Director w.e.f 23rd Sep. 2010]	5	1
Shri D.P. Bagchi	Member	5	5
Shri G.P. Gupta	[Ceased to be Director w.e.f 23rd Sep. 2010]	5	3
Shri S. Balachandran	Member	5	4
Shri Hemant Bhargava	Member [joined the Committee during the year]	5	2

Note: - Shri A.B.L. Srivastava, Director also joined the Committee for some time, however, he ceased to be member of the Committee.

#### 4. Remuneration / Compensation Committee

##### a) Terms of Reference

The remuneration/ compensation committee of the Company reviews, approves and recommends to the Board the matters connected with fixation and periodic revision of remuneration of Chairman & Managing Director and Whole time Directors. The Committee also look after the work relating to ESoP as per the SEBI guidelines.

##### b) Composition and meetings

Presently this Committee comprise of Shri P. Abraham as Chairman, Shri D.P. Bagchi, Shri S. Balachandran, Shri Sudhir Kumar and Shri A.B.L. Srivastava as Members. The Committee meets as per requirement.

##### c) Remuneration to Directors

The remuneration paid to the Whole-time Directors during the year 2010-2011 is as under:

Sr. no.	Director	Designation	Remuneration (figures in Rs. million- FY 10-11)
1.	Mr. T.N. Thakur	CMD	11.03
2.	Mr. Shashi Shekhar*	Director	4.10
3.	Mr. Deepak Amitabh	Director	5.84

\*Ceased to be Director w.e.f. 17th January, 2011.

CMD and Whole-time Directors have surrendered their unexercised Stock options of PTC and PFS.

##### Other related information on remuneration in PTC / sitting fee to Non-Executive Directors

The entire CTC of CMD and WTDs is fixed component. Notice period of CMD and WTDs is 3 (three) months.

Presently, other Part-time non-executive Directors in PTC are entitled/ paid sitting fee of an amount of Rs. 20,000/- per meeting for Board and Committees meeting(s).

#### 5. Investors' Grievance Committee

##### a) Composition

The Committee comprises of Shri P Abraham as Chairman and Shri D.P. Bagchi as Member of the Committee. The Committee meets as per requirement.

##### b) Name & Designation of Compliance Officer

Shri Rajiv Maheshwari, Company Secretary of the Company acts as the Compliance Officer of the Company.

##### c) Investors Complaints received and resolved during the year

During the year under review, 161 complaints [including two pending complaints of 31.03.2010] were received, out of which 159 were resolved and 2 complaints were pending at the end of the financial year 2010-11. Complaints were resolved to the satisfaction of the shareholders.

#### 6. Other Committee of the Board of Directors

Presently, Ethics and Compliance Committee comprises of two members namely Shri P. Abraham as Chairman and Shri D.P. Bagchi as member. Shri S.S. Sharma, Executive Vice President of the Company acts as the Compliance officer under the 'Code of Conduct for prevention of Insider Trading and Code of Corporate Disclosure Practices' of PTC. The Committee meets as per requirements.

#### 7. Disclosures

There are no material significant transactions with related parties except those mentioned in the Annual Accounts for the FY 10-11 conflicting with the Company's interest. There was also no instance of non-compliance



on any matter related to the Capital Markets during the last years. The information related to the Company is also available at Company's web-site www.ptcindia.com. The proceeds of the public issue have been used for the purpose(s) for which it was raised.

### 8. Code of conduct for Directors and Senior Management

The Company has framed a Code of Conduct for Directors and senior officers of the Company, which has been complied by the Board members and senior officers of the Company.

### 9. General Body Meetings

#### Annual General Meetings

Details of last three Annual General Meetings are as under:

Financial Year	Date of the Meeting	Time of the Meeting	Venue of the Meeting	Special resolutions passed
2009-10	September, 23, 2010	11:00 p.m.	FICCI Golden Jubilee Auditorium Federation House, Tansenmarg, New Delhi.	1
2008-09	September, 23, 2009	04:00 p.m.	Sri Sathya Sai International Centre, Institutional Area, Pragati Vihar, Lodhi Road, New Delhi	1
2007-08	August 6, 2008	04:00 p.m.	Air-force Auditorium, Dhaula Kuan, New Delhi	3

No resolution has been passed through postal ballot during the year. No Extra ordinary General Meeting was held during the year.

### 10. Means of communication & website

The quarterly results are published in the newspaper i.e. Financial Express in English and Jansatta in Hindi and are also displayed on the website of the Company i.e. www.ptcindia.com along with official news releases and presentations.

### 11. General Shareholders Information

Annual General Meeting No. 11th Dated 23rd September, 2010. Venue - FICCI Golden Jubilee Auditorium Federation House, Tansenmarg, New Delhi. Time- 11:00 a.m.

#### a) Financial Year

The Financial Year of the Company starts from 1st April of the calendar year and ends on 31st March of next calendar year.

#### b) Book Closure

The book closures dates of the Company were from 18th September, 2010 to 23rd September, 2010 both days includes for the purpose of payment of dividend for the FY 2009-10.

#### c) Listing on Stock Exchanges and stock codes

The name of the Stock Exchanges at which the equity shares are listed and the respective stock codes are as under:

Name of Stock Exchange	Stock Code/ Symbol
Bombay Stock Exchange Limited	532524
The National Stock Exchange of India Ltd.	PTC

The ISIN number INE877F01012 is allotted to the company for dematerialisation of shares.

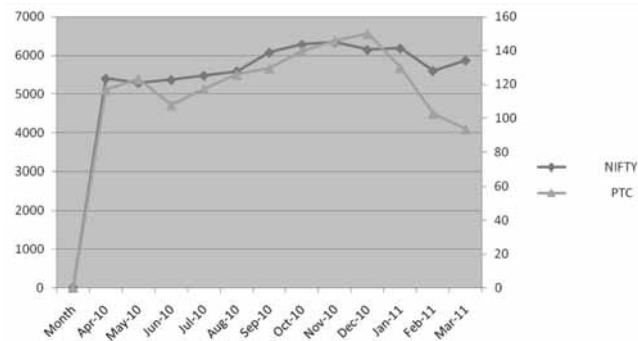
#### e) Market Price Data

The High/Low of the market price of the Company's equity shares traded on Bombay Stock Exchange and National Stock Exchange, during the financial year ended 31st March 2011 were as follows:

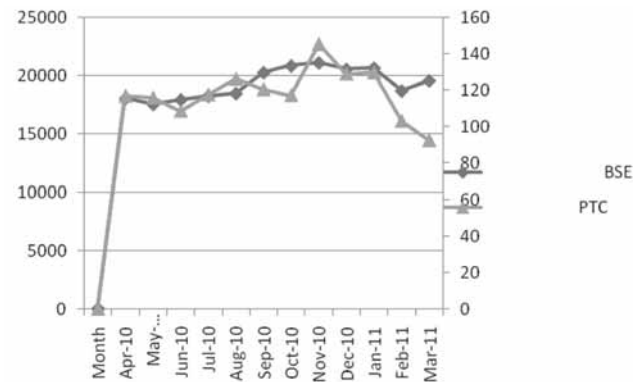
Month	BSE		NSE	
	High	Low	High	Low
April- 10	116.70	109.10	116.75	108.55
May -10	115.65	96.10	123.00	96.50
June -10	108.40	86.80	107.75	100
July -10	117.40	98.55	117.30	98.60
August -10	126.00	109.50	125.90	109.80
September -10	120.25	129.70	129.50	113.55
October -10	117.00	139.90	139.70	116.00
November -10	145.20	105.60	145.85	105.20
December -10	128.90	105.50	150.00	105.05
January -11	129.50	98.55	129.9	98.65
February -11	102.90	74.60	102.70	74.50
March -11	92.35	78.80	93.50	106.00

Performance of Equity Shares in comparison to BSE and Nifty

#### PTC AND NIFTY



#### PTC AND BSE



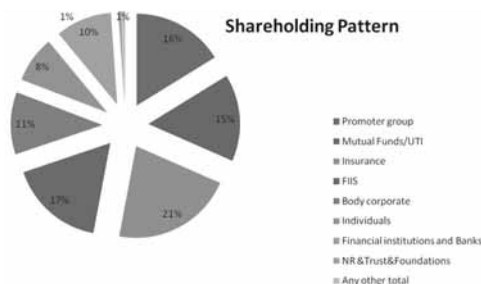
#### d) Registrar & Share Transfer agent

M/s. MCS Limited,  
F-65, Okhla Phase-I,  
New Delhi-110020

#### e) Share Transfer System

All the share transfers are handled by company's Registrar and Share Transfer Agent.

#### f) Distribution of shareholding as on 31st March 2011





**g) Dematerialization of shares and liquidity**

As on 31st March 2011, 294,97,3571 of the Company's equity shares representing 272945901 shares were held in dematerialized form and balance are held in physical form. The shares of the Company are actively traded securities on the stock exchanges.

**h) Registered office and address for correspondence**

Rajiv Maheshwari,  
Company Secretary & Compliance officer,  
PTC India Limited.  
2nd Floor, NBCC Towers, 15 Bhikaji Cama Place,  
New Delhi-110066

**Acknowledgments**

The Board of Directors acknowledge with deep appreciation the co-operation received from the Government of India, particularly the Ministry of Power and the Ministry of External Affairs, State Electricity Utilities, State Governments, Regional Power Committees, Central

Electricity Authority, Central Electricity Regulatory Commission and State Electricity Regulatory Commissions, Power Sector Organizations viz. Power Grid Corporation of India Ltd., NTPC Ltd., Power Finance Corporation Ltd., NHPC Ltd. , Life Insurance Corporation of India and valuable investors of the Company and look forward to their continued support in future.

The Board wishes to place on record its appreciation for efforts and contribution made by the employees at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board of Directors  
(Tantra Narayan Thakur)  
Chairman & Managing Director  
DIN00024322

Place: New Delhi

Date: 8th August, 2011

**Details in respect of the PTC India Limited Employees Stock Option Scheme pursuant to Clause 12 of SEBI (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999 as on 31.03.2010.**

Sr. No.	Description	Particulars of Employee Stock Option Scheme -2008 :-1 <sup>st</sup> tranche		Particulars of Employee Stock Option Scheme -2008 :-2 <sup>nd</sup> tranche
A.	Options granted	4,548,380 Options were granted to the employees and Directors of Company on August 21, 2008		1705643 options were granted to the employees and Directors of the Company on July 22 <sup>nd</sup> , 2009
B	Pricing formula	Category of Participants	Exercise Price	75% of the market price on date of grant
		Category I (who joined the Company or the Group on or before March 31, 2003)	Rs. 10, being higher of the following: Rs. 8.58, being 10% of Market Price, or Rs. 10	
		Category II (who joined the Company or the Group between April 01, 2003 to March 31, 2006)	Rs. 25.73, being higher of the following Rs. 25.73, being 30% of Market Price, or Rs. 10	
		Category III (who joined the Company or the Group on or after April 01, 2006 onwards)	Rs. 42.88, being higher of the following Rs. 42.88, being 50% of Market Price, or Rs. 10	
C	Options vested	675507 + 272100		131435
D	Options exercised	331956		94214
E	The Total number of Shares arising as a result of exercise of Options	331956		94214
F	Options lapsed	2449573		829387
G	Variation of terms of Options	Nil		Nil
H	Money realized by exercise of Options	Rs 7309154		6048544
I	Total number of Options in force	1304050		782043
J	Details of options granted to :			
	i) Senior Managerial Personnel :	Sh. T.N. Thakur *Sh. Shashi Shekhar Sh. Deepak Amitabh Sh. Ashok Haldia. Shri Arun Kumar *ceased to be Director during the year Out of above, following Director have surrendered their options during the year as per detailed below:- Sh. T.N. Thakur-9,84,300 Sh. Shashi Shekhar-5,20,500 Sh. Deepak Amitabh-449123 Sh. Ashok Haldia (PFS)-2,00,000	1,158,000 520,500 528,380 2,00,000 3,00,000	317258 119651 119651 92470 79,737  Following Director have surrendered all of their unexercised options:-  Sh.T.N.Thakur Sh.Shashi Sekhar Sh.Deepak Amitabh Sh.Ashok Haldia (PFS)
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Same as (i) above	Same as (i) above	Same as (i) above
	iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issue capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil		
K	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share.	Re 4.68 per share		

Sr. No.	Description	Particulars of Employee Stock Option Scheme -2008 :-1 <sup>st</sup> tranche	Particulars of Employee Stock Option Scheme -2008 :-2 <sup>nd</sup> tranche		
L	i) Method of calculation of employee compensation cost.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost for the financial year 2009-10.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost for the financial year 2009-10		
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	( 5.69)Million.			
	iii) The impact of this difference on Profits and on EPS of the Company.	The effect of adopting the fair value method on the net income and earnings per share is presented below:			
			Rs. in mn.		
		Net Income as reported	1385.19		
		Add: Intrinsic value Compensation cost	(44.89)		
		Less: Fair value compensation cost (as per Black Scholes)	(50.58)		
		On the basis of Fair Valuation Method Adjusted Net Income	1390.87		
		Earning Per Share (Rs.)		Basic	Diluted
	As reported		Rs. 4.70	Rs. 4.68	
As adjusted		Rs. 4.72	Rs. 4.70		
M	Weighted average exercise price and weighted average fair value of Options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	- Weighted average exercise price of options outstanding : Rs. 25.48			
		- Weighted average fair value of first tranche : Rs. 66.18	- Weighted average fair value of second tranche : Rs. 46.45		
N.	A description of the method and significant assumptions used during the year to estimate the fair values of options	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions (weighted values)			
		(i)	9.10%	Risk free interest rate	6.80%
		(ii)	6 years	Expected life	6 years
		(iii)	67.53%	Expected volatility	52.04%
		(iv)	1.23%	Expected dividend	1.47%
		(v)	Rs. 81.35	The price of the underlying shares in market at the time of option grant	Rs. 81.90

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
PTC India Limited  
2nd Floor, NBCC Tower,  
15 Biikaji Cama Place  
New Delhi-110066

We have examined the compliance of conditions of Corporate Governance by PTC India Limited, for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

For Ashish Kapoor & Associates

Company Secretaries

Sd/-

Ashish Kapoor

Proprietor

CP No. 7504

Place: New Delhi

Date: 11/08/2011

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### PTC India Limited

#### **Audited results for the year ended March, 2011.**

- a. We have reviewed financial statements and the cash flow statement for the year ended March, 2011 and that to the best of our knowledge and belief:-
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee;
- i) Significant changes in internal control during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

**CFO**                      **sd/-**

**CEO**                        **sd/-**

Dated: - 08th-August-2011

## AUDITOR'S REPORT

### TO THE MEMBERS OF PTC INDIA LIMITED

1. We have audited the attached Balance Sheet of PTC India Limited as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditors' Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:-
- 4.1 We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 4.2 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 such books.

- 4.3 The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement referred to in the report are in agreement with the books of account.
- 4.4 In our opinion, the Balance sheet, the Profit and Loss account and the Cash Flow Statement, dealt with by this report comply with Accounting Standards as referred to in Section 211(3) (c) of the Companies Act, 1956.
- 4.5 On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- 4.6 In our opinion and to the best of our information and according to explanations given to us the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement read together with significant accounting policies and notes on the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
  - (i) In the case of Balance Sheet of the State of Affairs of the Company as at 31st March, 2011,
  - (ii) In the case of Profit and Loss Account of the Profit for the year ended on that date, and
  - (iii) In the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

**For T.R.Chadha & Co.**  
(Firm Registration No. 006711N)  
Chartered Accountants

Place: New Delhi  
Date: 8th August, 2011

(Neena Goel)  
Partner  
M.No. 057986

### ANNEXURE Referred to in Paragraph 3 of Our Report of Even Date

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. According to the explanations given to us, all the fixed assets have been verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets and no material discrepancy was noticed on such verification as compared to book records.
3. The company has not disposed off substantial part of the fixed assets during the year.
4. The company does not have any inventory hence paragraphs 4 (ii) (a) to (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
5. The company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and hence paragraphs 4 (iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
6. The company has not taken any loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 hence paragraphs 4 (iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
7. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purpose of purchase of fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
8. In our opinion and according to the information and explanations given to us, during the year under audit there have been no transactions which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
9. In view of our comments at para 8 above paragraph 4 (v) (b) of the Companies (Auditor's Report) Order, 2003 is not applicable to it.
10. According to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
11. The company is having an internal audit system commensurate with the nature and size of its business.
12. We have broadly reviewed the records maintained by the company for generation of power pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with

a view to determine whether these are accurate and complete.

13. The company has been regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and any other statutory dues with the appropriate authorities. There were no undisputed statutory dues outstanding as on 31.3.11 for a period of more than six months from the date they became payable except service tax of Rs.10.76 mn (Refer Note No.33 of schedule K).
14. According to the records of the company, the dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty which have not been deposited on account of a dispute and the forum where the dispute is pending, is as under:-

S. No	Name of the Statute	Nature of dues	Period to which amount relates	Amount (Rs. in Millions)	Forum where dispute is pending	Remark
1	Income Tax Act, 1961	Income Tax	Assessment year 2008-09	13.98	Commissioner of Income Tax (Appeals)	Not required to be deposited as the advance tax deposited is in excess for the assessment year.

15. The company has neither accumulated losses as at 31st March 2011, nor has it incurred any cash loss during the financial year ended on that date or in the immediately preceding financial year.
16. According to the information and explanation given to us the company has not defaulted in repayment of dues to a bank. The company does not have any loan from any financial institution and has not issued any debentures.
17. According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provision of paragraph 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to it.
18. The company is not a chit fund, or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

19. The company is not dealing or trading in shares, securities and debentures 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company
20. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
21. According to information and explanations given to us, the company has not obtained any term loan from any bank/ financial institution during the year. Therefore, the provisions of paragraph (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
22. According to the information and explanations given to us and based on our examination of the books of account of the company we have not observed any instance of funds raised for short term basis which were used for long term investment.
23. According to the information and explanations given to us the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of paragraph 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
24. The Company has not issued any debentures during the year covered by our audit therefore the provisions of Clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
25. As per the information and explanations given to us, the company has not raised any money by public issue during the year.
26. As per the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**For T.R.Chadha & Co.**  
(Firm Registration No. 006711N)  
Chartered Accountants

Date: August 8, 2011  
Place: New Delhi

(Neena Goel)  
Partner  
M.No. 057986

## ACCOUNTING POLICIES

### 1 Basis of preparation of Accounts

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards in India. The financial statements adhere to the relevant presentational requirement of the Companies Act, 1956.

### 2 Fixed Assets

- i. Fixed Assets are stated at original cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses related to acquisition, installation and commissioning. Expenses incurred on tangible/intangible assets are carried forward as capital work in progress at cost till the same are ready for use.
- ii. Depreciation is provided on Written Down Value method as per the rates and in the manner prescribed in the Schedule XIV to the Companies Act, 1956. Assets costing upto Rs. 5,000/- are fully depreciated in the year of capitalization.
- iii. Computer software recognized as intangible asset is amortised on straight line method on pro-rata basis over a year of three years.
- iv. Capital expenditure on assets not owned by the Company is reflected as distinct item in Capital work-in-progress till the period of completion and thereafter in the Fixed Assets and is amortised over a period of 3 years.
- v. No amortization is provided for in case of leasehold land on perpetual lease. Other Leasehold land are amortised over the lease period.

### 3 Revenue

- i. Revenue from sale of power is accounted for based on rates agreed with the beneficiaries, excluding service charges wherever separately indicated in the agreement.
- ii. Service charges include transaction fee charged under the contracts of purchase and supply of power.
- iii. Revenue in the form of Management and/or Success Fee for services rendered in relation to development work of Potential Power Projects is recognised when such fee is assured and determinable under the terms of the respective contract.
- iv. The surcharge on late/non-payment of dues by sundry debtors for sale of energy is not treated as accrued due to uncertainty of its realization and is, therefore, accounted for on receipt basis.
- v. Consultancy income is recognized proportionately with the degree of completion of services.
- vi. Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable
- vii. Dividend is accounted when the right to receive is established

### 4 Prepaid and prior-period items

Prepaid and prior-period items up to Rs. 5000/- are accounted to natural heads of accounts.

### 5 Employee Benefits

#### i. Short Term Benefits

Employee benefits (other than post employment benefits) which fall due wholly within twelve months after the end of the year in which the employees render the related service are recognized at the amount expected to be paid for it.

#### ii. Post Employment Benefits

##### Defined contribution plans

Liability in respect of defined contribution plans are accounted for to the extent of contributions paid/payable to the separate entity/trust/fund

##### Defined Benefit plan

- (a) Liability in respect of defined benefit plans is accounted for on actuarial valuation basis at the period/year end.
- (b) Actuarial gains and losses are recognized in the statement of profit & loss in the year of its occurrence.

- iii. Liability in respect of gratuity, leave encashment and provident fund of employees on deputation with the company are accounted for on the basis of terms and conditions of deputation of the parent organizations

### 6. Foreign Exchange

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Liability / receivables on account of foreign currency are converted at the exchange rates prevailing as at the end of the year and gains / losses thereon are taken to profit and loss account.

### 7 Employee Stock option based compensation

The excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of the options given to employees under the employee stock option plan is recognize as deferred stock compensation cost and amortized over the vesting period, on a straight line basis.

### 8 Investments

- i. Long term investments are carried at cost less provision, if any, for permanent diminution in the value of such investments. Short term investments are carried at lower of cost or fair value.
- ii. Equity stock futures are recognized at the end of the year/year in the books to the extent of initial/Mark to Market margin paid/received. Equity stock futures are carried at cost where they are used as an instrument for hedging and independent open positions of equity stock future are being carried at lower of cost or fair value.
- iii. Equity index/stock options are recognized at the end of the year/year in the books to the extent of premium paid. Equity index/stock options are carried at cost where they are used as an instrument for hedging and independent open positions of equity index/stock options are being carried at lower of cost or fair value.

### 9 Earnings per Share

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

### 10 Provisions and Contingencies

A provision is recognized when the company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### 11 Income Tax

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

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

### 12 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### 13 Use of Estimates

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



## BALANCE SHEET AS AT 31ST MARCH 2011

(Amount in Rs. Million)

Particulars	Schedule	As at 31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	2,949.74	2,945.47
<b>Reserves and Surplus</b>	B	<u>18,852.06</u>	<u>18,016.90</u>
		21,801.80	20,962.37
<b>Loan Funds</b>			
Secured Loans		-	-
Unsecured Loans		-	-
<b>Deferred Tax Liability ( Net)</b>		74.46	89.65
<b>Total</b>		<u>21,876.26</u>	<u>21,052.02</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	C	620.52	609.57
Less: Accumulated Depreciation/Amortization		<u>240.17</u>	<u>192.49</u>
<b>Net Block</b>		380.35	417.08
<b>Capital Work-in-Progress</b>		<u>-</u>	<u>8.52</u>
		380.35	425.60
<b>Investments</b>	D	10,526.71	8,760.12
<b>Current Assets, Loans and Advances</b>			
Sundry Debtors	E	9,778.91	5,310.20
Cash and Bank Balances		6,877.38	9,943.77
Other Current Assets		100.66	75.71
Loans & Advances		<u>223.20</u>	<u>437.38</u>
		16,980.15	15,767.06
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	F	5,463.46	3,466.52
Provisions		<u>547.49</u>	<u>434.24</u>
		6,010.95	3,900.76
<b>Net Current Assets</b>		10,969.20	11,866.30
<b>Total</b>		<u>21,876.26</u>	<u>21,052.02</u>
<b>Notes to the Accounts</b>	K		

Schedule A to K and accounting policies form integral part of Financial Statements

As Per our Report of Even date attached

For and on behalf of the Board of Directors

For T.R.Chadha & Co.  
Chartered Accountant  
(Firm Registration No. 006711N)

(Neena Goel)  
Partner  
M.No.057986

(Deepak Amitabh)  
Director  
DIN 01061535

(Tantra Narayan Thakur)  
Chairman & Managing Director  
DIN 00024322

Date : August 8, 2011

Place: New Delhi

(Rajiv Maheshwari)  
Company Secretary



## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in Rs. Million)

Particulars	Schedule	For the Year ended 31.03.2011	For the Year ended 31.03.2010
<b>INCOME</b>			
Sale of electricity		88,530.67	76,490.05
Rebate on purchase of power		1,245.79	1,111.15
Service charges		90.90	47.90
Surcharge on sale of power		105.39	54.31
Other Income	G	630.41	741.66
		<b>90,603.16</b>	<b>78,445.07</b>
<b>EXPENDITURE</b>			
Purchase of electricity		87,461.40	75,834.64
Rebate on sale of power		909.41	915.96
Employee cost	H	69.58	184.35
Other expenses	I	144.37	135.13
		<b>88,584.76</b>	<b>77,070.08</b>
<b>Profit/(Loss) before depreciation/amortization and prior period items</b>		2,018.40	1,374.99
Depreciation/amortization	C	50.34	55.21
Prior period adjustments	J	0.09	1.85
<b>Profit Before Tax</b>		<b>1,967.97</b>	<b>1,317.93</b>
Provision for Taxation			
- Current Tax		597.97	381.72
- Deferred tax charge/(credit) (Refer note no. 4)		(15.19)	(4.91)
- Wealth tax		-	0.11
<b>Profit after tax</b>		<b>1,385.19</b>	<b>941.01</b>
<b>Balance as per last account</b>		938.52	691.98
Balance available for appropriations		<b>2,323.71</b>	<b>1,632.99</b>
Less: Appropriations			
- Proposed dividend		442.46	353.46
- Dividend tax on proposed dividend		71.78	58.71
- Transfer to general reserve		415.56	282.30
<b>Balance carried to balance sheet</b>		<b>1,393.91</b>	<b>938.52</b>
<b>Notes to the Accounts</b>	K		
<b>Earnings per share-Basic</b>		<b>4.70</b>	<b>3.31</b>
<b>Earnings per share-Diluted</b>		<b>4.68</b>	<b>3.28</b>

Schedule A to K and accounting policies form integral part of Financial Statements

As Per our Report of Even date attached  
For T.R.Chadha & Co.  
Chartered Accountant  
(Firm Registration No. 006711N)

(Neena Goel)  
Partner  
M.No.057986

For and on behalf of the Board of Directors

(Deepak Amitabh)  
Director  
DIN 01061535

(Tantra Narayan Thakur)  
Chairman & Managing Director  
DIN 00024322

Date : August 8, 2011  
Place: New Delhi

(Rajiv Maheshwari)  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rs. Million)

Particulars	For the Year ended 31.03.2011	For the Year ended 31.03.2010
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	1,967.97	1,317.93
<b>Adjustment for:</b>		
Depreciation	50.34	55.21
ESOP expenses written off	(44.89)	101.41
Provision for investment	0.50	-
Loss on sale of fixed assets	0.38	0.03
Excess Provision written back	(2.05)	(3.91)
Foreign Exchange Fluctuation	-	0.01
Interest-Others	11.23	3.74
Other Income	(600.09)	(555.84)
Profit on Sale of Investment	(14.32)	(156.44)
<b>Operating Profit before Working Capital Changes</b>	<b>1,369.07</b>	<b>762.14</b>
<b>Adjustment for:</b>		
Sundry Debtors	(4,468.70)	(1,764.53)
Loans & Advances	177.46	(253.07)
Current Liabilities	1,996.94	903.21
Provisions	13.35	(3.56)
<b>Cash Generated/( Used) from Operating Activities</b>	<b>(911.88)</b>	<b>(355.81)</b>
<b>Direct Taxes Paid (Net)</b>	<b>(561.25)</b>	<b>(382.03)</b>
<b>Net Cash Generated/(Used) from Operating Activities</b>	<b>(A) (1,473.13)</b>	<b>(737.84)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Other Income	575.14	490.68
Purchase of fixed assets	(5.87)	(5.46)
Sale of fixed assets	0.40	0.09
Sale/(Purchase) of investments in Associates	(817.50)	(180.00)
Sale/(Purchase) of investments (net)	(949.59)	(586.11)
Profit on Sale of Investment	14.32	156.44
<b>Net Cash Generated/ (Used) in Investing Activities</b>	<b>(B) (1,183.10)</b>	<b>(124.36)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issued of additional Shares (including share premium net of expense)	13.36	4,966.89
Interest-Others	(11.35)	(3.91)
Dividend Paid (Including Dividend Tax)	(412.17)	(412.88)
<b>Cash flow Generated/(Used) from Financing Activities</b>	<b>(C) (410.16)</b>	<b>4,550.10</b>
<b>Net increase/ (use) in cash and cash equivalent</b>	<b>(A+B+C) (3,066.39)</b>	<b>3,687.90</b>
<b>Cash and Cash equivalent (Opening Balance)</b>	<b>9,943.77</b>	<b>6,255.87</b>
<b>Cash and Cash equivalent (Closing Balance)</b>	<b>6,877.38</b>	<b>9,943.77</b>

**Note:**

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Companies (Accounting Standards) Rules, 2006.
- Cash and Cash equivalent includes Rs. 6.21mn (Previous year Rs. 5.51 mn) kept in Dividend unpaid account and term deposits of Rs. 310 mn (Previous Year NIL) has been pledged with banks against Letter of credit opened by the subsidiary company..
- Previous year's figures have been rearranged/regrouped wherever necessary.

As Per our Report of Even date attached

For T.R.Chadha & Co.

Chartered Accountant

(Firm Registration No. 006711N)

(Neena Goel)

Partner

M.No.057986

Date August 8, 2011

Place : New Delhi

For and on behalf of the Board of Directors

(Deepak Amitabh)

Director

DIN 01061535

(Tantra Narayan Thakur)

Chairman & Managing Director

DIN 00024322

(Rajiv Maheshwari)

Company Secretary



## SCHEDULES -FORMING PART OF ACCOUNTS

(Amount in Rs. Million)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
750,000,000 (Previous year 750,000,000)	7,500.00	7,500.00
Equity shares of Rs.10/- each	7,500.00	7,500.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP*</b>		
294,973,571 (Previous year 294,547,401)		
Equity Shares of Rs.10/- each fully paid up (* For details of options with respect to equity shares , refer note no. 6)	2,949.74	2,945.47
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Share Premium</b>		
Balance Brought Forward	15,793.37	11,465.79
Add: Additions during the Year		
-Received on Qualified Institutional Placement (QIP)	-	4,333.26
-Transferred from ESOP Outstanding A/C on Exercise of employee stock options (ESOP)	23.19	31.97
-Received on Exercise of ESOP	9.10	3.09
Less: Share Issue Expenses	-	(40.74)
Sub Total (i)	<b>15,825.66</b>	<b>15,793.37</b>
<b>General Reserve</b>		
Balance Brought Forward	1,130.87	848.57
Add: Additions during the year	415.56	282.30
Sub Total (ii)	<b>1,546.43</b>	<b>1,130.87</b>
<b>Contingency Reserve</b>		
Balance Brought Forward	10.47	10.47
Add: Additions during the year	-	-
Sub Total (iii)	<b>10.47</b>	<b>10.47</b>
<b>Surplus being balance in Profit &amp; Loss Account</b>		
Sub Total (iv)	<b>1,393.91</b>	<b>938.52</b>
<b>Employee Stock Options (ESOP)</b>		
ESOP Outstanding	103.95	280.89
Less: Deferred Employee Compensation	(28.36)	(137.22)
Sub Total (v)	<b>75.59</b>	<b>143.67</b>
Grand Total (Sub Total (i)+(ii)+(iii)+(iv)+(v))	<b>18,852.06</b>	<b>18,016.90</b>

### SCHEDULE 'C' FIXED ASSETS

(Amount in Rs. Million)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2010	ADDITIONS	SALES/ ADJUSTMENTS	AS AT 31.03.2011	As at 01.04.2010	FOR THE YEAR	ADJUSTMENTS	AS AT 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
<b>TANGIBLE ASSETS</b>										
Land										
-Leasehold land - perpetual Lease	34.43	-	-	34.43	-	-	-	-	34.43	34.43
-Leasehold land - others	1.26	-	-	1.26	0.12	0.06	-	0.18	1.08	1.14
Buildings	149.17	-	-	149.17	51.00	4.91	-	55.91	93.26	98.17
Furniture and fixtures	20.43	0.22	(0.17)	20.48	14.16	1.15	(0.11)	15.20	5.28	6.27
Vehicle	7.08	0.45	(1.39)	6.14	3.26	0.93	(1.03)	3.16	2.98	3.82
Plant and machinery	354.74	-	-	354.74	91.51	36.47	0.42	128.40	226.34	263.23
Office equipments	27.48	3.62	(1.88)	29.22	21.05	2.15	(1.94)	21.26	7.96	6.43
Capital expenditures not represented by capital asset	5.54	-	-	5.54	3.73	1.81	-	5.54	0.00	1.81
<b>INTANGIBLE ASSETS</b>										
Computer Software	6.44	10.10	-	16.54	6.14	1.86	-	8.00	8.54	0.30
Membership fee to power exchanges	3.00	-	-	3.00	1.52	1.00	-	2.52	0.48	1.48
<b>TOTAL</b>	<b>609.57</b>	<b>14.39</b>	<b>(3.44)</b>	<b>620.52</b>	<b>192.49</b>	<b>50.34</b>	<b>(2.66)</b>	<b>240.17</b>	<b>380.35</b>	<b>417.08</b>
PREVIOUS YEAR	604.11	6.56	(1.10)	609.57	138.26	55.21	(0.98)	192.49	417.08	

## SCHEDULES -FORMING PART OF ACCOUNTS

(Amount in Rs.Million)

Particulars	Face Value Rs.	Quantity As at		As at	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010
<b>SCHEDULE 'D'</b>					
<b>INVESTMENTS</b>					
<b>Long Term Trade Investments - Quoted (At Cost)</b>					
<b>Equity Shares- Fully Paid Up</b>					
<b>Subsidiary Companies</b>					
- PTC India Financial Services Limited*	10	337,250,001	337,250,001	4,460.00	4,460.00
<b>Long Term Trade Investments - Unquoted (At Cost)</b>					
<b>Equity Shares- Fully Paid Up</b>					
<b>Subsidiary Companies</b>					
- PTC Energy Limited (Wholly Owned)	10	41,000,000	41,000,000	410.00	410.00
<b>Associates Companies</b>					
- Athena Energy Ventures Private Limited	10	129,750,000	48,000,000	1,297.50	480.00
- Krishna Godavri Power Utilities Limited ( Refer Note No. 30)	10	19,503,493	19,503,493	195.03	195.03
<b>Joint Venture Company</b>					
- Barak Power Private Limited	10	50,000	50,000	0.50	0.50
<b>Other company</b>					
- Teestha Urja Limited	10	141,086,000	125,400,000	1,414.00	1,257.14
<b>Long Term Non Trade Investments - Quoted (At Cost)</b>					
<b>Mutual Funds</b>					
- HDFC FMP 13M March 2010- Growth Series XII	10	20,000,000	20,000,000	200.00	200.00
- Axis Fixed Term Plan Series1(384Days) -Growth	10	20,000,000	20,000,000	200.00	200.00
- Canara Robeco -FMP- Series 5-13 Month (Plan A )-Growth	10	20,000,000	20,000,000	200.00	200.00
- L&T FMP Series- 12- PLAN 15M -March 10-I- Growth	10	15,000,000	15,000,000	150.00	150.00
- Religare FMP- Series- II Plan -A (13 Months)- Growth	10	30,000,000	30,000,000	300.00	300.00
- Reliance Fixed Horizon Fund -XIV-Series 2-Growth Plan	10	50,000,000	50,000,000	500.00	500.00
- Reliance Fixed Horizon Fund XIX-Series 11 Growth	10	15,000,000		150.00	-
- FIDELITY FMP SR 5 PLAN e growth	10	10,000,000		100.00	-
- JP Morgan FMP 367 D series 1-growth	10	30,000,000		300.00	-
- JP Morgan FMP 400D series 1-growth	10	20,000,000		200.00	-
- Birla Sun Life Fixed Term Plan Series CR Growth	10	10,000,000		100.00	-
- Birla sun life fixed term plan series cw growth	10	15,000,000		150.00	-
- SB I Debt Fund Series 370 Days-10-Growth	10	10,000,000		100.00	-
<b>Others (At Cost)</b>					
- Gold		-	6000 gm	-	5.76
<b>Sub Total (i)</b>				<b>10,427.03</b>	<b>8,358.43</b>
<b>Current Investment Non Trade - Quoted (At Cost)</b>					
<b>Mutual Funds</b>					
- JP Morgan India Short Term Income Fund -Growth Plan *	10	10,000,000	10,000,000	100.00	100.00
<b>Current Investment- Non Trade (Unquoted) (At Cost)</b>					
<b>Mutual Funds</b>					
- Kotak Bond Short Term-Growth	10	-	11,308,126	-	200.10
- Axis Short Term Fund-Institutional- Growth	10	-	10,000,000	-	100.00
- Franklin Templeton Money Plus Account	10	17,906	98,430	0.18	1.59
<b>Sub Total (ii)</b>				<b>100.18</b>	<b>401.69</b>
<b>Total (Sub Total (i)+(ii))</b>				<b>10,527.21</b>	<b>8,760.12</b>
Less: Provision for diminution in value of Investment				0.50	
<b>Net Total</b>				<b>10,526.71</b>	<b>8,760.12</b>
<b>Aggregate market value of quoted investments</b>				<b>11,192.02</b>	<b>1,566.54</b>
<b>Aggregate cost of quoted investments</b>				<b>7,210.00</b>	<b>1,555.76</b>
<b>Aggregate cost of un-quoted investments</b>				<b>3,317.21</b>	<b>7,204.36</b>

\*Unquoted as on 31.03.2010

## SCHEDULES -FORMING PART OF ACCOUNTS

(Amount in Rs. Million)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'E'</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>i. SUNDRY DEBTORS *</b>		
Out standing over six months		
- Secured	-	-
- Unsecured, considered good	859.47	392.54
<b>Out standing for less than six months</b>		
- Secured	-	-
- Unsecured, considered good	8,919.44	4,917.66
*(Refer note no . 16 and 31)		
Sub-total (i)	<b>9,778.91</b>	<b>5,310.20</b>
<b>ii. CASH &amp; BANK BALANCES</b>		
Cash in hand (including foreign currency)	0.13	0.08
Balance with scheduled Banks -		
- Term deposits (Refer Nore No. 23)	5,249.60	9,513.64
- Current accounts	1,627.65	430.05
Sub-total (ii)	<b>6,877.38</b>	<b>9,943.77</b>
<b>iii. OTHER CURRENT ASSETS</b>		
Interest Accrued but not Due	100.66	75.71
Sub-total (iii)	<b>100.66</b>	<b>75.71</b>
<b>iv. LOANS &amp; ADVANCES</b>		
<b>(Unsecured, considered good, unless otherwise stated)</b>		
Employees Loans	10.39	10.71
<b>Advances</b>		
Subsidiaries		
- PTC Energy Limited	2.50	2.65
Joint Venture		
- Barak Power Private Limited	1.54	1.54
Employees	0.36	0.83
<b>Advances Recoverable in Cash or in Kind or for Value to be Received</b>	<b>133.33</b>	<b>131.46</b>
<b>Advance Against Equity</b>		
-Athena Energy Ventures Private Limited	-	210.00
Deposits with Custom, Port Trust & Other Authorities	69.18	37.57
Cash and Cash Equivalent with Port Folio Managers	0.62	0.62
Advance Income Tax [(net of provision for Income Tax Rs. 1625.72 mn) (Previous Year Rs. 1027.75 mn)]	4.71	41.43
Advance Fringe Benefit Tax [(net of provision for Fringe Benefit Tax Rs. 7.56 mn) (Previous Year Rs. 7.56 mn)]	0.57	0.57
Sub-total (iv)	<b>223.20</b>	<b>437.38</b>
<b>Total (Sub Total (i)+(ii)+(iii)+(iv))</b>	<b>16,980.15</b>	<b>15,767.06</b>

## SCHEDULES -FORMING PART OF ACCOUNTS

Particulars	(Amount in Rs. Million)	
	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'F'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>i Current Liabilities</b>		
Sundry Creditors		
- Micro & Small Enterprises	-	-
- Others	5,238.16	3,279.86
Advances from Customers	99.58	82.52
Security Deposit Received	72.48	70.09
Unpaid/Unclaimed Dividend A/c	6.21	5.51
Other Liabilities		
- Statutory Liabilities	19.46	4.84
- Others	27.57	23.70
Sub-total (i)	<u>5,463.46</u>	<u>3,466.52</u>
<b>ii Provisions</b>		
Employee benefits	28.11	15.33
Proposed dividend	442.46	353.46
Dividend tax on proposed dividend	71.78	58.71
Others	5.14	6.74
Sub-total (ii)	<u>547.49</u>	<u>434.24</u>
Total (Sub Total (i)+(ii))	<u>6,010.95</u>	<u>3,900.76</u>

Particulars	(Amount in Rs Million)	
	For the Year ended 31.03.2011	For the Year ended 31.03.2010
<b>SCHEDULE 'G'</b>		
<b>OTHER INCOME</b>		
Interest (Gross) ( Tax deducted at source Rs.40.54 mn , Previous Year Rs.36.76 mn)		
- Deposits ( Previous Year Rs.312.72 mn)	409.63	
- Others ( Previous Year Rs.1.32 mn)	5.92	
	<u>415.55</u>	314.04
Dividend		
- from current investments-non trade( Previous Year Rs.234.97 mn)	176.67	
- from long term investments-non trade ( Previous Year Rs.0.18 mn)	-	
	<u>176.67</u>	235.15
Profit/ (Loss) from Sale of Investment		
- on current investments-non trade (Net) ( Previous Year Rs.0.83 mn)	8.58	
- on long term investments-non trade (Net) ( Previous Year Rs.155.61 mn)	5.74	
	<u>14.32</u>	156.44
Rental Income (Gross) ( Tax deducted at source Rs.0.42 mn, Previous Year Rs.0.97 mn)	7.87	6.65
Consultancy Income(Gross) ( Tax deducted at source Rs.1.06 mn, Previous Year Rs.4.10 mn)	13.12	19.72
Foreign currency fluctuation (net)	-	(0.01)
Excess provisions written back	2.05	3.91
Miscellaneous income	0.83	5.76
	<u>630.41</u>	<u>741.66</u>

## SCHEDULES -FORMING PART OF ACCOUNTS

(Amount in Rs. Million)

Particulars	For the Year ended 31.03.2011	For the Year ended 31.03.2010
<b>SCHEDULE 'H'</b>		
<b>EMPLOYEE COST</b>		
Salaries, allowances & benefits	84.44	63.97
Contribution to provident fund	4.14	2.90
Gratuity & leave encashment	13.59	3.33
Staff welfare expenses	12.30	12.74
Employee compensation expense (ESOP) (Refer Note No. 29)	(44.89)	101.41
	<b>69.58</b>	<b>184.35</b>
<b>SCHEDULE 'I'</b>		
<b>OTHER EXPENSES</b>		
Legal & professional charges	24.86	16.47
Consultancy expenses	22.25	30.04
Rent for company leased accomodation	0.64	0.60
Advertisement	3.79	3.25
Communication	5.74	6.76
Business development	11.02	7.88
Travelling and conveyance expenses	15.75	18.68
Printing & stationery	3.09	3.71
Fees & expenses to directors	2.46	2.27
Repair & maintenance expenses		
- Building	2.61	2.11
- Others	2.47	1.94
- Wind Mill - operation & maintenance	7.03	3.43
Bank charges	10.00	9.57
EDP expenses	1.23	1.38
Books & periodicals	0.25	0.19
Insurance expenses	0.52	0.47
Water & electricity expenses	3.71	3.62
Rates, fees & taxes	3.45	3.17
Security expenses	1.31	1.04
Property tax	0.60	0.40
Other general expenses	7.95	12.69
Interest expenses	11.23	3.74
Charity & donation	0.66	1.08
(Profit) /loss on sale of fixed assets (net)	0.38	0.03
Provision for Diminution in Value of Investments	0.50	-
Auditor's remuneration	0.87	0.61
	<b>144.37</b>	<b>135.13</b>
<b>SCHEDULE 'J'</b>		
<b>PRIOR PERIOD ADJUSTMENTS</b>		
Legal & professional charges	0.05	1.48
Consultancy expenses	-	0.01
Others	0.04	0.36
	<b>0.09</b>	<b>1.85</b>



**SCHEDULE-K**
**NOTES TO THE ACCOUNTS**

- 1 The company has called for and received in 2007-08, Rs. 11,999.95 millions from Qualified Institutional Placement (QIP). The company has also called for and received in 2009-10, Rs. 4,999.92 millions from Qualified Institutional Placement (QIP). The amount raised has been utilized in the following manner:-

(Rs. in Million)			
Sl. No.	Particulars	Up to 31.03.2011	Up to 31.03.2010
i.	Equity Shares issue expenses	121.91	121.91
ii.	Private Equity investments in the companies.	6,934.53	6,170.17
iii.	Investments in debt instruments of Mutual Funds/Fixed Deposits	9,943.43	10,707.79
<b>Total</b>		<b>16,999.87</b>	<b>16,999.87</b>

- 2 Share issue expenses amounting to Rs. NIL (Previous Year Rs. 40.74 million) have been adjusted against the Share Premium Account as per Section 78 of Companies Act, 1956.
- 3 As per Power Purchase Agreements entered into with the off takers of Chukha and Kurichhu power projects (Bhutan), the interest earned on the Term Deposits made with commercial banks for the payments received on behalf of these projects is passed back to them. Accordingly interest income as well as expense is accounted for in the books of account.
- 4 Deferred Tax Liability/Asset has been determined on the basis of Accounting Standard 22 "Accounting for Taxes on Income" and the details thereof are as follows:

(Rs. in Million)		
Particulars	As at 31.03.2011	As at 31.03.2010
<b>Deferred Tax Liability on account of timing differences in:</b>		
Depreciation	82.54	93.87
<b>Sub-Total (a)</b>	<b>82.54</b>	<b>93.87</b>
<b>Deferred Tax Asset arising on account of timing differences in:</b>		
Employee Benefits	8.08	4.22
<b>Sub-Total (b)</b>	<b>8.08</b>	<b>4.22</b>
<b>Net Deferred Tax Liability/(Asset) (a-b)</b>	<b>74.46</b>	<b>89.65</b>

- 5 The company is primarily in the business of trading of power. Generation of power and consultancy income have not been reported separately as the same is insignificant. As such, there are no separate reportable segments as per Accounting Standard -17 on Segment Reporting as notified by the Companies (Accounting Standards) Rules 2006.

- 6 The Details of the Employee Stock Options Scheme (ESOP) is given as under:

a) Particulars of Scheme	
Date of Grant	21-Aug-2008, 22-July-2009
Date of Board Approval	21-Aug-08
Date of Shareholders' Approval	06-Aug-2008
Number of Options Granted	6,254,023
Method of Settlement	Equity
Vesting Period	1 to 4 Years

Exercise Period 5 years from the date of first vesting  
 Vesting Conditions Employee's continued employment during vesting Period (as per clause 10 of the Plan) with the company or group.

- b) Details of vesting:

Vesting Period from the Grant Date	Vesting Schedule
On completion of 1st year	15%
On completion of 2nd Year	15%
On completion of 3rd year	30%
On completion of 4th Year	40%

- c) The details of activity under the plan have been summarized below:-

Particulars	As at 31.03.2011		As at 31.03.2010	
	Number of Shares (Nos)	Weighted Average Exercise Price (Rs.)	Number of Shares (Nos)	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the Year	5,540,376	32.31	4,508,380	22.33
Granted during the Year	-	-	1,705,643	64.20
Forfeited/surrendered during the Year	3,011,367	34.66	210,846	40.34
Exercised during the Year	426,170	31.34	462,801	16.67
Expired during the Year	-	-	-	-
Outstanding at the end of the Year	2,102,839	25.48	5,540,376	32.31
Exercisable at the end of the Year	107,129	41.62	212,706	34.69
Weighted average remaining Contractual Life (in years)	3.73	-	4.66	-
Weighted average fair value of option granted during the Year	-	-	1705643	46.45

- d) The details of exercise price for stock options outstanding at the end of the Year are as given

Particulars	As at 31.03.2011	As at 31.03.2010
Range of Exercise Prices (Rs.)	10 to 64.20	10 to 64.20
Number of Options Outstanding	2,102,839	5,540,376
Weighted average remaining Contractual Life of Options (in years)	3.73	4.66
Weighted average Exercise Price (Rs.)	25.48	32.31

- e) Effect of ESOP scheme on profit & loss and financial position:-  
 i) Effect on profit & loss:-

Particulars	(Rs. in million)	
	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Employee Compensation Cost pertaining to ESOP plan during the Year	(44.89)	101.41

ii) Effect on financial position:-

Particulars	(Rs. in Million)	
	As at 31.03.2011	As at 31.03.2010
Liability for Employee Stock Options outstanding as at the Year end	103.95	280.89
Deferred Compensation Cost outstanding as at the Year end	28.36	137.22

f) Impact on reported profit and earnings per share, if the employee compensation cost would have been computed using the fair value method:- “

Particulars	(Rs. in Million)	
	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Profit as reported for the Year	1385.19	941.01
Add: Employee stock compensation under intrinsic value method	(44.89)	101.41
Less: Employee stock compensation under fair value method	(50.58)	117.21
Pro forma profit	1390.87	925.21

g) Earning per share (Rs.)

Particular	(Rs. in Millions)	
	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Basic		
- As reported	4.70	3.31
- As pro forma	4.72	3.26
Diluted		
- As reported	4.68	3.28
- As pro forma	4.70	3.23

(h) The fair value of each stock option issued during the year has been estimated using Black Scholes Options Pricing model after applying the following key assumptions (Weighted Value):

Particulars	Options granted during the year ended 31.03.2011	Options granted during the year ended 31.03.2010
Price Per Option (Rs.)		
Volatility	52.04%	67.53%
Expected dividend	1.47%	1.23%
Risk free rate of interest	6.80%	9.10%
Option life (years)	6	6
The price of underlying shares in the market	81.90	81.35
Fair value per option	46.45	66.18

7 Estimated amount of capital commitments:

(Rs. In Million)	
As at 31.03.2011	As at 31.03.2010
NIL	1.24

8 Details of Contingent liabilities:

a) Claims against the company not acknowledged as debt:

Particulars	(Rs. In Million)		Remarks
	As at 31.03.2011	As at 31.03.2010	
Claims of suppliers	1,285.64	1,285.64	1. Out of total claims, Rs. 849.50 Million pertains to claim of Himachal Pradesh State Electricity Board. The Arbitrator concluded the arbitration in favour of PTC on 31.10.2008, however HPSEB has contested the award in the High Court of Himachal Pradesh.

2. Gujarat Urja Vikas Nigam Limited (GUVNL) has raised bills for compensation for an amount of Rs.432.77 mn. GUVNL has filed a petition before GERC for direction of payment. In the opinion of the company and also as per legal opinion, the said compensation is not payable and PTC has challenged the contention of GUVNL and the matter is pending in APTEL on the issue of jurisdiction of GERC to adjudicate on the matter.

Income Tax Demands	-	9.81
Others	2.58	2.23
<b>Total</b>	<b>1,288.23</b>	<b>1,297.67</b>

b) Bank Guarantees :

(Rs. In Million)	
As at 31.03.2011	As at 31.03.2010
5654.60	2803.00

c) \*Letter of Credit:

(Rs. In Millions)	
As at 31.03.2011	As at 31.03.2010
200.00	906.77

\*against energy banking

9 Quantitative information

a) Quantitative information in respect of purchase and sale of power:

Particulars	Qty. in MUs**		Value (Rs. in Million)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Sale*	24,468.72	18,222.63	88483.62	76,441.20
Purchase*	24,471.22	18,227.57	87461.40	75,834.64

\* Difference is due to the delivery point of sale being different from that of purchase

\*\* MU's traded include 1582.81 MU's (Previous Year 1064.56 MU's) under "Energy Banking Arrangement".

b) Quantitative information in respect of production and sale of power:

Particulars	Qty. in MUs		Value (Rs. in Million)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Sale	12.33	13.36	47.05	48.85

c) Details of licensed capacity, installed capacity and actual production in respect of generation of electricity:-

Particulars	As at	As at
	31.03.2011	31.03.2010
Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity (per day)	6 MW	6 MW
Actual Production (Net) MU's	12.33	13.36

10 \*Remuneration to Directors (including Chairman & Managing Director):

Particulars	(Rs. In Million)	
	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Salary, Allowances & Benefits	20.41	16.31
Leave Salary Contribution	0.16	0.17
Contribution to Pension Fund	0.40	0.42
Directors' Sitting Fees	2.46	2.27
<b>Total</b>	<b>23.43</b>	<b>19.17</b>

(Rs. in Million)

Particulars	Mr. T.N. Thakur	Mr. Shashi Shekhar**	Mr. Deepak Amitabh
Designation	Chairman & Managing Director	Director	Director
Period of employment in the same capacity	01.04.2010 to 31.03.2011	01.04.2010 to 17.01.2011	01.04.2010 to 31.03.2011
Salaries & Allowance (CTC basis)	10.49	3.54	5.58
Employers Contribution of PF	0.54	-	0.26
Gratuity, Pension & Leave Salary Contribution	-	0.56	-
<b>Total</b>	<b>11.03</b>	<b>4.10</b>	<b>5.84</b>

In addition to the above remuneration, the whole time directors have been allowed the use of staff car on payment of Rs.780/- p.m.

Remuneration of CMD and Mr Deepak Amitabh (Director) does not include provision for leave salary and gratuity for the year which have been included in the overall provision for leave salary and gratuity made on actuarial basis.

\*Does not include expenses/reversal of expenses on account of amortization/written back of ESOP.

\*\* Ceased to be director w.e.f. 17/01/2011

#### 11 Expenditure in foreign currency (on accrual basis):

(Rs. In Million)

Particulars	For the year ended 31.03.2011	For the Year ended 31.03.2010
Travelling*	1.91	2.63
Consultancy**	0.98	13.32
Others	1.81	1.52

\* Includes Rs. NIL million (Previous Year Rs. 0.01 million) on account of foreign exchange fluctuation.

\*\* includes Rs. NIL million (Previous Year Rs. 7.75 million) for QIP expenses adjusted against Share Premium A/c

#### 12 Details of Auditors' Remuneration:

(Rs. In Million)

Particulars	For the year ended 31.03.2011	For the Year ended 31.03.2010
Statutory Audit fees	0.54	0.44
Tax Audit fees	0.07	0.06
Tax Matter	-	0.01
Other Matters	0.21	0.09
Out of Pocket Expenses	0.05	0.01
Fees and out of pocket expenses for QIP related work and adjusted with the share premium account as per Note No. 2 above	-	0.46
<b>Total *</b>	<b>0.87</b>	<b>1.07</b>

\*Including Service Tax

#### 13 Income earned in foreign exchange:

(Rs. In Million)

For the year ended 31.03.2011	For the Year ended 31.03.2010
NIL	NIL

14 Investment in PTC Financial Services Limited (subsidiary) includes six shares of Rs.10 each held by the nominees on behalf of the Company.

15 In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

16 Book Debts are hypothecated to the banks for availing the non- fund based working capital facilities.

17 The disclosures as required by AS-15 (Revised) on Employees Benefits are as under:

a) The amounts recognized in the balance sheet are as follows:

(Rs. In Million)

Particulars	Leave Encashment (Unfunded) 31.03.2011	Leave Encashment (Unfunded) 31.03.2010	Post-employment medical benefits (Unfunded) 31.03.2011	Post-employment medical benefits (Unfunded) 31.03.2010	Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
Present value of obligation	22.36	14.27	0.74	0.73	9.28	4.39
Fair value of plan assets	-	-	-	-	4.26	4.07
Net assets / (liability) recognized in Balance Sheet	(22.36)	(14.27)	(0.74)	(0.73)	(5.01)	(0.32)

b) Changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:

(Rs. In Million)

Particulars	Leave Encashment (Unfunded) 31.03.2011	Leave Encashment (Unfunded) 31.03.2010	Post-employment medical benefits (Unfunded) 31.03.2011	Post-employment medical benefits (Unfunded) 31.03.2010	Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
Present value of obligation as at the beginning of the Year	14.27	13.06	0.73	2.35	4.39	3.65
Interest cost	1.14	0.98	0.06	0.18	0.35	0.27
Past service cost	-	-	-	-	-	0.74
Current service cost	2.82	3.03	-	-	1.25	0.65
Curtailment cost/(Credit)	-	-	-	-	-	-
Settlement cost/(Credit)	-	-	-	-	-	-
Benefits paid	(0.65)	(1.42)	(0.07)	(0.07)	(0.08)	(0.14)
Actuarial (gain)/loss on obligation	4.78	(1.38)	0.02	(1.72)	3.37	(0.78)
Present value of obligation as at the end of Year	22.36	14.27	0.74	0.73	9.28	4.39

c) Changes in the fair value of plan assets are as follows:

(Rs. In Million)

Particulars	Gratuity (Funded) As at 31.03.2011	Gratuity (Funded) As at 31.03.2010
Fair value of plan assets as at the beginning of the Year	4.07	2.15
Expected return on plan assets	0.33	0.17
Actuarial gain/(loss) on obligation	(0.05)	0.02
Contributions	-	1.87
Benefits paid	(0.08)	(0.14)
Fair value of plan assets as at the end of the Year	4.26	4.07

- d) Percentage of each category of plan assets to total fair value of plan assets as at the end of the Year:-

Particulars	Gratuity (Funded)	Gratuity (Funded)
	As at 31.03.2011	As at 31.03.2010
Administered by ICICI Prudential Life Insurance Bank Balance	99.31%	53%
	0.69%	47%

- e) The amounts recognized in the profit and loss account for the Year are as follows:-

Particulars	(Rs. In Million)					
	Leave Encashment (Unfunded) 31.03.2011	Leave Encashment (Unfunded) 31.03.2010	Post-employment medical benefits (Unfunded) 31.03.2011	Post-employment medical benefits (Unfunded) 31.03.2010	Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
Current service cost	2.82	3.03	-	-	1.25	0.65
Past service cost	-	-	-	-	-	0.74
Interest cost	1.14	0.98	0.06	0.18	0.35	0.27
Expected return on plan assets	-	-	-	-	(0.33)	(0.17)
Curtailed cost/(Credit) Settlement cost/(Credit)	-	-	-	-	-	-
Net actuarial (gain)/ loss recognized in the year	4.78	(1.38)	0.02	(1.72)	3.42	(0.80)
Expenses recognized in the profit and loss account	8.74	2.63	0.08	(1.54)	4.70	0.69

The Company expects to contribute Rs.1.62 millions to gratuity and Rs.2.11 millions to leave encashment in 2011-12.

- f) Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post retirement medical benefits scheme.

Sr. No.	Particulars	One percent point increase in medical inflation rate	One percent point decrease in medical inflation rate
I	Increase/(decrease) on aggregate service and interest cost of post retirement medical benefits	0.005	(0.004)
II	Increase/(decrease) on present value of defined benefit obligations as at 31st March, 2011	0.055	(0.049)

- g) Economic Assumption:

The principal assumptions are the discount rate and salary increase. The discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary increase takes.

Particulars	Leave Encashment (Unfunded) 31.03.2011	Leave Encashment (Unfunded) 31.03.2010	Post-employment medical benefits (Unfunded) 31.03.2011	Post-employment medical benefits (Unfunded) 31.03.2010	Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
Discounting Rate	8.00%	7.50%	8.00%	7.50%	8.00%	7.50%
Future salary Increase	5.50%	5.00%	5.50%	5.00%	5.50%	5.00%
Expected Rate of return on plan assets	N. A.	N. A.	N. A.	NA	8.00%	8.00%
Expected Average remaining working lives of employees in number of years	21.98	22.54	N.A	N.A	21.98	23.49

- h) Demographic Assumption

Particulars	Leave Encashment (Unfunded) 31.03.2011	Leave Encashment (Unfunded) 31.03.2010	Post-employment medical benefits (Unfunded) 31.03.2011	Post-employment medical benefits (Unfunded) 31.03.2010	Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
Retirement Age	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years
Mortality Table	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified
Ages	Withdrawal rates					
upto 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
from 31 to 44 Years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Note- The estimates of future salary increases, considered in Actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- 18 Details of expenses incurred for defined contribution plans during the Year:

(Rs. in Million)

Defined Contribution Plans	For the year ended 31.03.2011	For the year ended 31.03.2010
Provident Fund	4.14	2.90

- 19 The company has entered into the following related party transactions. Such parties and transactions have been identified as per Accounting Standard 18 "Related Party Disclosures" notified under Companies (Accounting Standards) Rules, 2006.

(Rs. in Million)

Name of Related Party	Influence	Nature of Transaction	For the year ended 31.03.2011	For the year ended 31.03.2010
NTPC Ltd.	Significant Influence	Director sitting fees to nominee directors	0.08	0.15
Power Grid Corporation of India Ltd.	Significant Influence	Director sitting fees to nominee directors	0.14	0.14
		Services Received (Wheeling Charges)	1.71	1.83
Power Finance Corporation Ltd.	Significant Influence	Director sitting fees to nominee directors	0.12	0.18
		Pledging of Shares (Refer note no.30)	-	-
NHPC Ltd.	Significant Influence	Director sitting fees to nominee directors	0.32	0.15
PTC India Financial Services Limited	Subsidiary	Payment of expenses etc on behalf of the subsidiary	19.94	9.60
		Rental Income (Including service tax)	2.68	1.34
PTC Energy Limited	Subsidiary	Payment of expenses etc on behalf of the subsidiary	11.50	5.90
Athena Energy Ventures Private Limited	Associate	Equity Contribution	817.50	180.00
		Advance Against Equity	-	210.00
		Payment of expenses by associate on behalf of the Company	0.04	0.02

Key Management Personnel			(Rs. In Million)	
Mr. T.N.Thakur	Chairman & Managing Director	Directors remuneration	11.03	8.39
		Amount Received by Company on Exercise of ESOP	-	1.74
		Amount received on sale of asset.	0.11	-
Mr. Shashi Shekhar	Director	Directors remuneration	4.10	4.41
Mr. Deepak Amitabh	Director	Directors remuneration	5.84	4.10
		Amount Received by Company on Exercise of ESOP	1.01	1.03

#### INVESTMENT OUTSTANDING

		(Rs. In Million)	
Name of the Company	Relationship	As at 31.03.2011	As at 31.03.2010
PTC Energy Limited	Subsidiary	410.00	410.00
PTC India Financial Services Limited	Subsidiary	4460.00	4460.00
Athena Energy Ventures Private Limited	Associate	1297.50	480.00
Krishna Godavri Power Utilities Limited	Associate	195.03	195.03
Barak Power Private Limited	Joint Venture	0.50	0.50

#### Provision for diminution in the value of investment

		(Rs. In Million)	
Name of the Company	Relationship	As at 31.03.2011	As at 31.03.2010
Barak Power Private Limited	Joint Venture	0.50	-

#### BALANCE OUTSTANDING

			(Rs. In Million)	
Name of the Company	Relationship	Nature	As at 31.03.2011	As at 31.03.2010
PTC India Financial Services Limited	Subsidiary	Balance Recoverable	-	-
		Maximum Balance	13.61	7.86
PTC Energy Limited	Subsidiary	Balance Recoverable	2.50	2.65
		Maximum Balance	9.55	4.71
Barak Power Private Limited	Joint Venture	Balance Recoverable	1.54	1.54
		Maximum Balance	1.54	1.54

20 The elements considered for calculation of Earning per Share (Basic and Diluted) are as under:

Particulars	For the year ended 31.03.2011	For the year ended 31.03.2010
Opening equity shares (Qty in Millions)	294.55	227.42
Equity shares issued during the year (Qty in Millions)	0.43	67.13
Closing equity shares (Qty in Millions)	294.97	294.55
Weighted Average Number of equity shares used as denominator for Basic earning (Qty in Millions)	294.63	284.07

Weighted Average Number of equity shares used as denominator for diluted (Qty in Millions)	296.06	286.54
Net Profit after Tax used as numerator (Amount in Rs. Millions)	1385.19	941.01
Basic Earnings per Share (Amount in Rs.)	4.70	3.31
Diluted Earnings per Share (Amount in Rs.)	4.68	3.28
Face value per share (Amount in Rs.)	10.00	10.00

21 Based on the information available with the Company, there are no dues as at March 31, 2011 payable to enterprises covered under "Micro Small and Medium Enterprises Development Act, 2006". No interest is paid/payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

22 The management is of the opinion that no case of impairment of assets exists under the provision of Accounting Standard (AS)-28 on Impairment.

23 Term Deposits of Rs. 310 mn ( Previous Year NIL) has been pledged with banks against Letter of credit opened by the subsidiary company.

24 The company has taken a warehouse on operating lease. The disclosures as per AS-19 are given as under:-

- Rs. 0.64 million has been debited to profit and loss account. (Previous Year Rs. 0.60 million)
- Details of future lease payment (Rs. in Million)

Particulars	As at 31.03.2011	As at 31.03.2010
Year up to 1 year	0.66	0.60
Year later than 1 year and not later than 5 years	0.61	1.95
Year later than 5 years	Nil	Nil

#### 25 Investments purchased and sold during the Year.

Scheme	Face Value	Units	Cost (Rs. in mn)
Axis Liquid Fund Daily Dividend-Reinvestment	1000	1,961,010	1,961.03
Axis Short Term Fund Insti Weekly Dividend	10	10,139,236	101.66
Axis Treasury Advantage Fund	1000	241,424	241.42
Religare Liquid Fund-Super Institutional Plan-Daily Dividend	10	539,575,150	5,711.85
Religare Ultra Short Term Plan-Institutional Plan-Daily Dividend	10	68,432,794	685.47
Religare Short Term Plan-Institutional Plan-Daily Dividend	10	178,864,509	1,799.67
Reliance Liquid Fund-Cash Plan-Daily Dividend Plan	10	576,373,271	6,421.66
Reliance Medium Term Fund-Daily Dividend -Reinvestment Plan	10	115,690,028	1,977.83
Reliance Floating Rate Fund-Short Term Plan-Daily Dividend Plan	10	50,039,194	503.89
Reliance Liquid Fund-Treasury Plan-Daily Dividend Plan	10	369,927,946	5,655.23
Jp Morgan India Treasury Fund-Daily Dividend - Reinvestment	10	339,946,491	3,402.49
Jp Morgan India Liquid Fund-Daily Dividend-Reinvestment	10	732,997,804	7,335.77

Jp Morgan India Short Term Income Fund-Weekly Dividend-Reinvestment	10	10,099,531	101.23	Birla Sunlife Short Term Fund Insti Fortnightly Dividend Reinvestment	10	39,224,394	401.14
Hdfc High Interest Fund - Short Term Plan - Dividend	10	19,102,341	202.61	Birla Sunlife Cash Plus Fund Insti Premium Plan Dividend Reinvestment	10	883,848,246	8,855.72
Hdfc Liquid Fund Premium Plan Dividend Reinvestment	10	76,970,425	943.64	Birla Sunlife Savings Fund Insti Dividend Reinvestment	10	104,484,575	1,045.56
Hdfc Floating Rate Fund Dividend Reinvestment	10	49,302,806	497.02	Birla Sunlife Savings Cash Manager Ip Daily Reinvestment	10	122,126,058	1221.63
Principal Cash Management Fund - Liquid Plan Ip-Daily Dividend - Reinvestment	10	15,804,288	158.05	Jm High Liquidity Fund Insti Dividend Reinvestment	10	22,679,185	227.17
Principal Floating Rate Fund Fmp-Insti - Daily Dividend - Reinvestment	10	5,801,697	58.09	Templeton India Treasury Management Account-Super Ip-Daily Dividend-Reinvestment	1000	4,884,394	4,887.68
Uti Floating Rate Fund - Short Term Plan-Insti-Daily Dividend Plan	1000	451,306	451.65	Templeton India Ultra Short Term Bond Fund-Super Ip-Daily Dividend-Reinvestment	10	279,558,104	2,798.82
Uti Money Market Fund -Insti Daily Dividend Reinvestment	1000	199,585	200.26	Icici Prudential Liquid Super Insti Plan Daily Dividend-Reinvestment	100	17,120,043	1,712.38
Uti Treasury Advantage Fund - Insti Plan-Daily Income Option Reinvestment	1000	305,155	305.22	Icici Prudential Floating Rate Plan D Daily Dividend Reinvestment	100	2,413,437	241.40
Uti Liquid Cash Plan - Insti-Daily Income Option Reinvestment	1000	588,622	600.07	Icici Prudential Blended Plan B Daily Dividend Reinvestment	10	10,174,008	101.82
Idfc Savings Advantage Fund Plan A Daily Dividend	1000	352,392	352.47	Icici Prudential Flexible Income Plan-Premium Daily Dividend-Reinvestment	100	14,946,871	1,580.41
Idfc Money Manager Fund-Investment Plan-Inst Plan B Daily Dividend	10	25,057,722	250.95	Taurus Liquid Fund Super Ip Daily Dividend Reinvestment	1000	1,182,060	1,182.08
Idfc Money Manager Fund-Tp-Sip Daily Dividend	10	133,804,844	1,338.25	Taurus Ultra Short Term Bond Fund Super Ip Daily Dividend Reinvestment	1000	690,562	691.69
Idfc Cash Fund Super Insti Plan C Daily Dividend	10	215,793,782	2,158.48	Baroda Pioneer Treasury Advantage Fund-Insti Daily Dividend	10	215,002,212	2,152.06
Kotak (Insti) Daily Dividend-Reinvestment	10	534,664,243	6,537.93	Baroda Pioneer Liquid Fund-Insti Daily Dividend	10	332,855,761	3,330.65
Kotak Floater Short Term - Daily Dividend	10	143,300,181	1,449.65	Canara Robecotreasury Advantage Fund Super Ip -Insti-Daily Dividend	10	141,616,281	1,757.05
Kotak Floater Long Term Daily Dividend	10	361,346,029	3,642.30	Canara Robeco Liquid Fund-Insti-Daily Dividend	10	144,705,171	1,455.01
Lic Floating Rate Fund-Dividend Option-Daily	10	377,419,619	3,774.20	Hsbc Floating Rate - Long Term Plan-Insti Option - Weekly Dividend	10	26,768,844	300.84
Lic Liquid Fund-Dividend Option	10	1,096,063,226	12,034.88	Hsbc Ultra Short Term Bond Fund - Inst Plus -Daily Dividend	10	32,801,070	332.13
Lic Income Plus Fund-Dividend Option	10	316,434,874	3,164.35	Hsbc Ultra Short Term Bond Fund - Inst -Daily Dividend	10	3,699,885	37.05
Lic Savings Plus Fund-Dividend Option	10	278,869,468	2,788.69	Hsbc Cash Fund - Insti Plus-Daily Dividend	10	63,072,649	631.08
Dws Ultra Short Term Fund Ip Dividend Reinvestment	10	134,221,145	1,344.61	Fidelity Cash Fund Super Ip Daily Dividend	10	83,306,719	850.60
Dws Treasury Fund Cash Ip Dividend Reinvestment	10	35,974,134	361.53	Dsp Blackrock Money Manager Fund Ip Daily Dividend Reinvestment	1000	308,373	308.62
Dws Insta Cash Plus Fund Ip Dividend Reinvestment	10	332,962,179	3,339.74	Dsp Blackrock Floating Rate Fund Ip Daily Dividend Reinvestment	1000	94,581	94.63
Birla Sunlife Medium Term Plan Insti Weekly Dividend Reinvestment	10	116,739,774	1,170.67	Dsp Blackrock Liquidity Fund Ip Dailydividend	1000	722,142	722.37
Birla Sunlife Floating Rate Fund Long Term Insti Weekly Dividend	10	10,042,889	100.55	L&T Freedom Income Stp Insti-Daily Dividend Reinvestment	10	44,345,067	450.33
Birla Sunlife Ultra Short Term Fund Daily Dividend	10	68,884,496	689.22				

L&T Liquid Insti Daily Dividend Reinvestment Plan	10	146,127,854	1,478.27
Sbi Magnum Insta Cash Fund Daily Dividend Option	10	45,395,563	760.39
Idbi Ultra Short Term Fund Daily Dividend Reinvestment	10	40,082,900	400.83
Idbi Liquid Fund Daily Dividend Reinvestment	10	27,020,031	270.20
Peerless Liquid Fund Super Ip Daily Dividend Reinvestment	10	27,531,595	275.36
Axis Fixed Term Plan Sr 4 (3 Months) Dividend	10	5,000,000	50.00
Axis Fixed Term Plan Sr 3 Dividend	10	15,000,000	150.00
Birla Sunlife Short Term Fmp Series 1 Dividend	10	10,000,000	100.00
Dsp Blackrock Fmp 3M Sr 20 Dividend Payout	10	10,000,000	100.00
Dsp Blackrock Fmp 3M Sr 21 Dividend Payout	10	10,000,000	100.00
Dsp Blackrock Fmp 3M Sr 22 Dividend Payout	10	10,000,000	100.00
Fidelity Fmp Series 2 - Plan A-Dividend	10	50,000,000	500.00
Fidelity Fmp Series 2 - Plan E-Dividend	10	20,000,000	200.00
Fidelity Fmp Sr 4 Plan A Dividend	10	10,001,530	100.02
Bnp Paribas Fixed Term Fund Sr 17D Dividend Payout	10	10,000,000	100.00
Hdfc Fmp 90D June 2010 Dividend	10	25,000,000	250.00
L&T Fmp -1 (June 91D A) Dividend	10	20,000,000	200.00
L&T Fmp -1 (July 91D A) Dividend	10	10,000,000	100.00
Principal Fmp-64 - 91 Days Dividend Payout	10	10,000,000	100.00
Reliance Fixed Horizon Fund Xv-Series 2 Dividend	10	30,000,000	300.00
Reliance Fixed Horizon Fund Xv-Series 1 Dividend	10	35,000,000	350.00
Reliance Fixed Horizon Fund Xv-Series 3 Dividend	10	15,000,000	150.00
Sbi Debt Fund Series 90 Days-37-Dividend	10	10,000,000	100.00
Sbi Debt Fund Series 90 Days Dividend	10	10,000,000	100.00

26 Dividend Received from subsidiary company -NIL

**As Per our Report of Even date attached  
For T.R.Chadha & Co.  
Chartered Accountant**

**(Neena Goel)  
Partner  
M.No. 057986**

**Date: August 8, 2011  
Place: New Delhi**

27 As per Accounting Standard - 27 - 'Financial reporting of interest in Joint Ventures' notified under Companies (Accounting Standards) Rules 2006., the Company's share of ownership interest, assets, liabilities, income, expenses, contingent liabilities and capital commitments in the joint venture company, incorporated in India, are given below:

Particulars	As at	
	31.03.2011	31.03.2010
Name of the Joint Venture	Barak Power Private Ltd.	Barak Power Private Ltd
Company's ownership interest	50%	50%
Assets (Rs. in millions)	0.47	1.25
Liabilities (Rs. in millions)	0.80	0.79
Income (Rs. in millions)	NIL	NIL
Expenditure (Rs. in millions)	0.79	0.04
Contingent Liabilities (Rs. in millions)	NIL	NIL
Capital Commitments (Rs. in millions)	NIL	NIL

28 Loans and Advances due from directors-NIL.

29 The employee stock option (ESOP) expenses for the year has become negative due to reversal of ESOP expenses in accordance with the accounting treatment prescribed under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, on account of surrender/forfeiture of employee stock option.

30 The Company has pledged, in favour of Power Finance Corporation Limited (PFC), its 77,77,500 Equity Shares of Rs 10 each at Par held by it in M/s. Krishna Godavari Power Utilities Limited (KGPUL) along with the promoter of KGPUL to comply with the lending requirements of PFC.

31 Sundry Debtors include an amount of Rs.162.30 mn due from Tamil Nadu Electricity Board (TNEB) towards compensation claim. The Company considers the said amount good and recoverable even though TNEB has not accepted the claim of the company and the matter has been referred to Madras High Court for appointment of an Arbitrator in this respect.

32 Dividend paid to non- resident shareholders ( In foreign currency):

Number of shareholders	1476	1800
Number of shares held	1484978	1461002
Dividend remitted ( Rs.in millions)	1.78	1.75
Year to which it relates	2009-10	2008-09

33 The Company has based on legal opinion determined that service tax was payable on professional charges on power exchange transactions. Accordingly, the company has, subsequent to the balance sheet date, paid an amount of Rs. 15.78 mn being liability on service tax on power exchange transaction upto March 31, 2011.

34. Figures of the previous Year have been regrouped/reclassified wherever considered necessary to confirm to current Year classification.

35 Schedules A to K and accounting policies form an integral part of accounts.

**For and on behalf of the Board of Directors**

**(Deepak Amitabh)  
Director  
Din 01061535**

**(Tantra Narayan Thakur)  
Chairman & Managing Director  
Din 00024322**

**(Rajiv Maheshwari)  
Company Secretary**



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I Registration Details

Registration Number	99328	State Code	55
Balance Sheet Date	31st March 2011		

### II Capital raised during the year

(Amount – Rs. in thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	426,170

\*Shares issued on vesting of ESOP

### III Position of Mobilisation and Deployment of Funds

(Amount – Rs. in thousands)

Total Liabilities	27,887,210	Total Assets	27,887,210
Sources of Funds		Reserves and Surplus	18,852,060
Paid-up Capital	2,949,736	Unsecured Loans	Nil
Secured Liabilities	Nil		
Deferred Tax Liability	74,456	Investments	10,526,705
Application of Funds			
Net Fixed Assets*	380,347		
*Includes Capital Work in Progress of Rs. NIL			
Net Current Assets	10,969,200		
Accumulated Losses	Nil		

### IV Performance of Company

(Amount – Rs. in thousands)

Turnover*	90,603,156	Total Expenditure	88,635,191
* including 'Other Income'			
Profit/(Loss) before Tax	1,967,965	Profit/(Loss) after Tax	1,385,185
Earnings per share in Rs.	4.70	Dividend Rate %	15
Dilutive earnings per share in Rs.	4.68		

### V Generic Names of Three Principal Products/

Services of the Company (as per monetary terms)

Product/Service Description

1. Trading of power

Item Code Number

Not Applicable

As Per our Report of Even date attached  
For T.R.Chadha & Co.  
Chartered Accountant  
(Firm Registration No. 006711N)

Neena Goel  
(Partner)  
M.No.057986

For and on behalf of the Board of Directors

(Deepak Amitabh)  
Director  
DIN 01061535

(Tantra Narayan Thakur)  
Chairman & Managing Director  
DIN 00024322

(Rajiv Maheshwari)  
Company Secretary

Dated : August 8, 2011  
Place : New Delhi



## AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF PTC INDIA LIMITED

1. We have audited the attached Consolidated Balance Sheet of PTC India Limited (the Company), its subsidiaries, its associates and a joint venture (collectively referred to as "the Group") as at 31st March 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit, which have been prepared in accordance with Accounting Standards, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211 (3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the consolidated financial statements of one of subsidiaries, whose consolidated financial statements reflect total assets of Rs. 17,109.09 millions as at 31st March 2011, the total consolidated revenue of Rs. 1,088.34 millions and consolidated cash flows amounting to Rs. 2,490.02 millions for the year then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on such report.
4. We did not audit the financial statements of the associate companies for the year ended March 31, 2011 viz Krishna Godavari Power Utilities Limited and Athena Energy Ventures Private Limited, whose financial statements reflect net accumulated losses of 78.66 millions, the Group's share of net losses of Rs. 1.87 millions for the year then ended as considered in consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to them by the Company's management, and their opinion, in so far as it relates to the amounts included in respect of those associates is based solely on the reports of the other auditors.
5. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and (AS) 27 Financial Reporting of Interest in Joint Ventures prescribed by the Companies (Accounting Standards) Rules 2006 except that in the absence of financial statements of R.S. India Wind Energy Limited (an associate company of the subsidiary) for the year ended March 31, 2011, being available, the Company's investment could not be adjusted for the changes during the year in the Company's share of net assets of this associate company (Refer note 1 (a) of Accounting Policies).
6. Based on our audit as aforesaid and to the best of our information and according to the explanations given to us, and on consideration of report of other auditors on the financial statements as explained in paragraphs 3 and 4 the consolidated financial statements and subject to our comment in paragraph 5 above give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March 2011;
  - (ii) in the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For T.R.Chadha & Co.  
(Firm Registration No. 006711N)  
Chartered Accountants

(Neena Goel)  
Partner  
M.N 057986

Date: 8th August, 2011  
Place: New Delhi

## ACCOUNTING POLICY

### 1 Group Companies

The consolidated financial statements relate to PTC India Limited (The Company) and its subsidiaries, associates and joint venture, all incorporated in India (The Group). The subsidiaries, associates and joint venture considered in the consolidated financial statements are as under:

(Rs in Million)						
SR.No.	Name of Company	Relationship	Percentage of ownership interest		Share of Associates Profit / (Loss) included in Consolidated Profit and Loss Account (Rs. in million)	
			As on 31.03.2011	As on 31.03.2010	As on 31.03.2011	As on 31.03.2010
1	PTC India Financial Services Limited	Subsidiary	60.00%	77.60%	NA	NA
2	PTC Energy Ltd	Subsidiary	100%	100%	NA	NA
3	Barak Power Private Limited	Joint Venture	50%	50%	NA	NA
4	Athena Energy Ventures Private Limited	Associate	20%	20%	(1.87)	(5.92)
5	Krishna Godavari Power Utilities Limited**	Associate	34.65%	34.65%	-	-
6	Teesta Urja Limited*	Associate	-	-	-	(59.85)
7	Ind-Barath Energy (Utkal) Limited**	Associate	20.55%	20.55%	-	-
8	Ind-Barath PowerGenCom Limited	Associate	26%	26%	49.68	2.99
9	India Energy Exchange Limited	Associate	21.12%	26%	36.74	9.94
10	Meenakshi Energy Private Limited#	Associate	-	26%	-	-
11	PTC Bermaco Green Energy Systems Limited**	Associate	26%	26%	(0.61)	-
12	RS India Wind Energy Limited (refer note (a) below.	Associate	37%	37%	-	(1.26)
13	Varam Bio Energy Private Limited	Associate	26%	26%	(14.62)	(23.89)
14	RS India Global Energy Limited	Associate	48%	48%	(0.28)	(1.75)

(a) Due to non availability of financial statements of the R.S India Wind Energy Limited (an associate company) for the year ended March 31, 2011, these financial statements do not incorporate the change during the year in Company's share in net assets of this associate company. As such, the impact on the consolidated financial statements can not be determined.

\* ceased to be an associate on March 10, 2010

#ceased to be an associate on March 29, 2011

\*\* Since the associate has not prepared profit and loss account, investments have been stated at their cost in the consolidated financial statements

### 2 Basis of preparation of Accounts

- The consolidated financial statements of the group are prepared under the historical cost convention and in accordance with applicable Accounting Standards in India. The financial statements adhere to the relevant presentational requirement of the Companies Act, 1956 and other applicable laws.
- The financial statements of the company and the subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating

intra-group balance/transactions in full as per Accounting Standard-21 on Consolidated Financial Statements.

- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. Goodwill arising on consolidation is amortized over a period of 5 years.
- Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company
- Investments in Associate are accounted for using the equity method as per Accounting Standard-23 on Accounting for Investments in Associates in Consolidated Financial Statements. All unrealized surplus and deficit on transactions between the group companies are eliminated.
- The interest in the Joint Venture Companies is accounted by using the proportionate consolidation method as per AS-27 on Financial Reporting of Interests in Joint Venture.

### 3 Fixed Assets

- Fixed Assets are stated at original cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses related to acquisition, installation and commissioning. Expenses incurred on tangible/intangible assets are carried forward as Capital Work In Progress at cost till the same are ready for use.
- Depreciation is provided on Written Down Value method as per the rates and in the manner prescribed in the Schedule XIV to the Companies Act, 1956. Assets costing upto Rs. 5,000/- are fully depreciated in the year of capitalization
- Computer software recognized as intangible asset is amortised on straight line method on pro-rata basis over a period of three years.
- Capital expenditure on assets not owned by the Company is reflected as distinct item in Capital work-in-progress till the period of completion and thereafter in the Fixed Assets and is amortised over a period of 3 years.
- No amortization is provided for in case of leasehold land on perpetual lease. Other Leasehold land are amortised over the lease period.
- Expenses directly related to construction activity or incidental thereto, are allocated to fixed assets at the time of completion of the project

### 4 Revenue

- Revenue from sale of power is accounted for based on rates agreed with the beneficiaries, excluding service charges wherever separately indicated in the agreement.
- Service charges include transaction fee charged under the contracts of purchase and supply of power.
- Revenue in the form of Management and/or Success Fee for services rendered in relation to development work of Potential Power Projects is recognised when such fee is assured and determinable under the terms of the respective contract
- The surcharge on late/non-payment of dues by sundry debtors for sale of energy is not treated as accrued due to uncertainty of its realization and is, therefore, accounted for on receipt basis.
- Consultancy income is recognized proportionately with the degree of completion of services.

- vi) Revenue from sale of coal is recognized on transfer of all significant risks and reward to the customer and it is not unreasonable to expect ultimate collection.
- vii) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable
- viii) Dividend is accounted when the right to receive is established
- ix) Fess based incomes are recognized when reasonable right of recovery is established and the revenue can be reliably measured

## 5 Earnings per Share

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

## 6 Prepaid and prior-period items

Prepaid and prior-period items up to Rs. 5000/- are accounted to natural heads of accounts.

## 7 Employee Benefits

### i) Short Term Benefits

Employee benefits (other than post employment benefits) which fall due wholly within twelve months after the end of the period in which the employees render the related service are recognized at the amount expected to be paid for it.

### ii) Post Employment Benefits

#### Defined contribution plans

Liability in respect of defined contribution plans are accounted for to the extent of contributions paid/payable to the separate entity/trust/fund.

#### Defined Benefit plan

- a) Liability in respect of defined benefit plans is accounted for on actuarial valuation basis at the year/period end.
- b) Actuarial gains and losses are recognized in the profit and loss account in the year of its occurrence.
- iii) Liability in respect of gratuity, leave encashment and provident fund of employees on deputation with the group are accounted for on the basis of terms and conditions of deputation of the parent organizations.

## 8 Foreign Exchange

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Liabilities / receivables on account of foreign currency are converted at the exchange rates prevailing as at the end of the year and gains / losses thereon are taken to the profit and loss Account.

## 9 Employee Stock option based compensation

The excess of market price of underlying equity shares as of the date

of the grant of options over the exercise price of the options given to employees under the employee stock option plan is recognize as deferred stock compensation cost and amortized over the vesting period, on a straight line basis.

## 10 Investments

- i) Long term investments are carried at cost less provision, if any, for permanent diminution in the value of such investments. Short term investments are carried at lower of cost or fair value.
- ii) Securities held as stock for trade are valued at lower of cost or market value.
- iii) Equity stock futures are recognized at the end of the year/period in the books to the extent of initial/Mark to Market margin paid/received. Equity stock futures are carried at cost where they are used as an instrument for hedging and independent open positions of Equity stock futures are being carried at lower of cost or fair value.
- iv) Equity index/stock options are recognized at the end of the year/period in the books to the extent of premium paid. Equity index/stock options are carried at cost where they are used as an instrument for hedging and independent open positions of Equity index/stock options are being carried at lower of cost or fair value.

## 11 Provisions and Contingencies

A provision is recognized when the company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## 12 Income Tax

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

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

## 13 Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## 14 Use of Estimates

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



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rs. million)

Particulars	Schedule	As at 31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share capital	A	2,949.74	2,945.47
<b>Reserves and surplus</b>	B	<u>20,494.88</u>	<u>18,390.00</u>
		23,444.62	21,335.47
<b>Minority interest</b>		4,118.76	1,419.75
<b>Loan Funds</b>			
Secured loans	C	5,698.75	3,108.01
Unsecured loans		-	-
<b>Deferred tax liability (Net)</b> (Refer Note No. 2)		121.40	128.35
	<b>Total</b>	<u><b>33,383.53</b></u>	<u><b>25,991.58</b></u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross block	D	978.51	960.15
Less: Depreciation		<u>295.59</u>	<u>193.28</u>
<b>Net block</b>		<u>682.92</u>	<u>766.87</u>
<b>Capital Work-in-Progress</b>		-	9.48
		682.92	776.35
<b>Incidental expenditure during construction</b>	E	-	0.77
<b>Investments</b>	F	10,571.17	8,095.96
<b>Loan financing</b>	G	6,755.88	2,662.01
<b>Current Assets, Loans and Advances</b>			
Sundry debtors		10,000.17	5,315.16
Cash and bank balances		11,882.84	12,451.59
Other current assets		142.17	123.30
Loans and advances		<u>637.87</u>	<u>552.81</u>
		<u><b>22,663.05</b></u>	<u><b>18,442.86</b></u>
<b>Less: Current liabilities and provisions</b>	I		
Current liabilities		6,721.59	3,551.69
Provisions		<u>567.90</u>	<u>434.68</u>
		<u><b>7,289.49</b></u>	<u><b>3,986.37</b></u>
<b>Net Current Assets</b>		15,373.56	14,456.49
	<b>Total</b>	<u><b>33,383.53</b></u>	<u><b>25,991.58</b></u>

**Notes to the Accounts**

P

Schedule A to P and accounting policies form integral part of the consolidated financial statements

As Per our Report of Even date attached  
For T.R.Chadha & Co.  
Chartered Accountant  
(Firm Registration No. 006711N)

(Neena Goel)  
Partner  
M.No.057986

For and on behalf of the Board of Directors

(Deepak Amitabh)  
Director  
DIN 01061535

(Tantra Narayan Thakur)  
Chairman & Managing Director  
DIN 00024322

(Rajiv Maheshwari)  
Company Secretary

Date : August 8, 2011  
Place: New Delhi



## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rs Million)

Particulars	Schedule	For the Year ended 31.03.2011	For the Year ended 31.03.2010
<b>INCOME</b>			
Sales of electricity		88,574.03	76,490.06
Sales of coal on high sea		927.77	268.51
Other operational income	J	1,009.05	419.75
Rebate on purchase of power		1,245.79	1,111.15
Service charges		90.90	47.90
Surcharge on sale of power		105.39	54.31
Other income	K	674.38	865.55
		<b>92,627.31</b>	<b>79,257.23</b>
<b>EXPENDITURE</b>			
Purchase of electricity		87,461.40	75,834.64
Purchase of coal		902.25	257.68
Rebate on sale of power		909.41	915.96
Provision for contingencies		17.77	-
Employee cost	L	97.31	217.12
Other expenses	M	184.73	152.19
Interest and other charges	N	448.87	129.43
		<b>90,021.74</b>	<b>77,507.02</b>
<b>Profit/(Loss) before depreciation/amortisation and prior period items</b>		<b>2,605.57</b>	<b>1,750.21</b>
Depreciation/amortisation	D	105.00	55.69
Prior period adjustments (net)	O	0.09	2.31
<b>Profit before tax</b>		<b>2,500.48</b>	<b>1,692.21</b>
<b>Provision for taxation</b>			
-Current tax		704.88	447.95
-Deferred tax charge/(credit) (Refer Note No.2)		27.87	37.48
-Wealth tax		-	0.11
<b>Profit for the year before share of associates and minority interest</b>		<b>1,767.73</b>	<b>1,206.67</b>
Profit/(loss) of associates (including share of Rs.NIL (Previous year Rs.13.51mn) for prior period expenses)		69.04	(79.69)
Less: Minority interest in profit/(loss)		176.51	54.29
<b>Net profit for the year after share of associates and minority interest</b>		<b>1,660.26</b>	<b>1,072.69</b>
Balance as per last account		1,030.38	703.11
Less: Adjustment on consolidation (Refer Note No. 21)		(55.90)	-
<b>Balance available for appropriations</b>		<b>2,634.74</b>	<b>1,775.80</b>
Less: Appropriations			
- Proposed dividend		442.46	353.46
- Dividend Tax on proposed dividend		71.78	58.71
- Transfer to statutory reserve fund		74.10	50.95
- Transfer to general reserve		415.56	282.30
<b>Balance carried to balance sheet</b>		<b>1,630.84</b>	<b>1,030.38</b>
<b>Notes to the Accounts</b>			
<b>Earnings per share-Basic</b>	P	<b>5.64</b>	<b>3.78</b>
<b>Earnings per share-Diluted</b>		<b>5.61</b>	<b>3.74</b>

Schedule A to P and accounting policies form integral part of the consolidated financial statements

As Per our Report of Even date attached  
For T.R.Chadha & Co.  
Chartered Accountant  
(Firm Registration No. 006711N)

(Neena Goel)  
Partner  
M.No.057986

Date : August 8, 2011  
Place: New Delhi

For and on behalf of the Board of Directors

(Deepak Amitabh)  
Director  
DIN 01061535

(Rajiv Maheshwari)  
Company Secretary

(Tantra Narayan Thakur)  
Chairman & Managing Director  
DIN 00024322



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(Amount in Rs. Million)

Particulars	For the Year ended 31.03.2011	For the Year ended 31.03.2010
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	2,500.48	1,692.21
<b>Adjustments for:</b>		
Depreciation	105.00	55.69
ESOP expenses written off	(52.66)	112.81
Provision for contingencies	17.77	-
Pre-operative expenses written off	-	0.02
Preliminary expenses written off	-	0.03
Incidental expenses during construction period written off	0.77	-
Loss on sale of fixed assets	0.42	0.04
Excess provision written back	(2.29)	(4.09)
Interest others	437.74	116.15
Other income	(656.94)	(679.52)
Profit on sale of investment	(14.32)	(156.44)
<b>Operating profit before adjustments (including working capital changes)</b>	<b>2,335.97</b>	<b>1,136.91</b>
<b>Adjustments for:</b>		
Disbursement of loan financing	(4,093.87)	(2,462.01)
Purchase of investments (net)	(563.99)	(2,066.92)
Sundry debtors	(4,685.00)	(1,769.47)
Loans and advances	(83.70)	(329.77)
Current liabilities & provisions	2,233.59	908.43
<b>Cash generated/ (used) from/for operating activities</b>	<b>(4,857.01)</b>	<b>(4,582.83)</b>
Direct taxes paid (net)	(701.79)	(502.66)
<b>Net cash generated/ (used) from/for operating activities (A)</b>	<b>(5,558.80)</b>	<b>(5,085.49)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Other income	651.93	587.89
Purchase of fixed assets	(12.39)	(356.14)
Sale of fixed assets	0.40	0.15
Sale/ (purchase) of investments in associates	(817.50)	(198.03)
Sale/ (purchase) of other investments (net)	(949.59)	(586.11)
Profit on sale of investment	14.32	156.44
<b>Net cash generated/ (used) in investing activities (B)</b>	<b>(1,112.83)</b>	<b>(395.80)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of additional Shares (including share premium net of expense)	3,519.80	4,966.89
Received pursuant to sale of equity shares of Macquarie India Holdings Ltd	807.76	-
Equity shares application money refundable	13.93	-
Proceeds from long term borrowings	2,836.74	2,662.01
Proceeds from short term borrowings	(246.00)	246.00
Interest and other charges	(417.18)	(44.59)
Dividend paid (Including dividend tax)	(412.17)	(412.88)
<b>Cash flow generated/(used) from financing activities (C)</b>	<b>6,102.88</b>	<b>7,417.43</b>
<b>Net increase/ (use) in cash and cash equivalent (A+B+C)</b>	<b>(568.75)</b>	<b>1,936.14</b>
<b>Cash and Cash equivalent (Opening Balance)</b>	<b>12,451.59</b>	<b>10,515.45</b>
<b>Cash and Cash equivalent (Closing Balance)</b>	<b>11,882.84</b>	<b>12,451.59</b>

Note:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement issued under 'The Companies (Accounting Standards) Rules, 2006.
- Cash and Cash equivalent includes Rs. 6.21mn (Previous year Rs. 5.51 mn) kept in Dividend unpaid account, term deposits of Rs. 310 mn (Previous Year NIL) pledged with banks against Letter of credit opened and escrow accounts of Rs. 821.67 mn (Previous Year Nil).
- Previous year's figures have been rearranged/regrouped wherever necessary.

As Per our Report of Even date attachedFor  
T.R.Chadha & Co.  
Chartered Accountant  
(Firm Registration No. 006711N)  
Chartered Accountants

(Neena Goel)  
1st Partner  
M.No.057986  
Partner

For and on behalf of the Board of Directors

(Deepak Amitabh)  
Director  
DIN: 01061535

(Rajiv Maheshwari)  
Company Secretary

(Tantra Narayan Thakur)  
Chairman & Managing Director  
DIN: 00024322

## SCHEDULE - FORMING PART OF CONSOLIDATED ACCOUNTS

(Amount in Rs. Million)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
750,000,000 (Previous year 750,000,000) Equity shares of Rs.10/- each	7,500.00	7,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP*</b>		
294,973,571 (Previous year 294,547,401) Equity shares of Rs.10/- each fully paid up	2,949.74	2,945.47
(*For details of options with respect to equity shares, refer Note No. 4)	<u>2,949.74</u>	<u>2,945.47</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Share Premium</b>		
Balance brought forward	15,917.45	11,589.87
Add: Addition during the year		
-Received on qualified institutional placement (QIP)	-	4,333.26
-Share in amount received pursuant to equity shares issued by subsidiary company (Refer Note No. 21)	1,351.22	-
-Transferred from ESOP Outstanding A/c on exercise of Employee Stock Option (ESOP)	23.19	31.97
-Received on exercise of ESOP	9.10	3.09
Share of securities premium of associate compny on issue of compulsorily convertible preference shares	40.52	-
Less: Share in share issue expenses (net of taxes) incurred by subsidiary company	(43.18)	(40.74)
Less: Adjustment on consolidation (Refer Note No. 21)	(292.56)	-
Sub Total (i)	<u>17,005.74</u>	<u>15,917.45</u>
<b>General Reserve</b>		
Balance brought forward	1,130.87	848.57
Add: Additions during the year	415.56	282.30
Sub Total (ii)	<u>1,546.43</u>	<u>1,130.87</u>
<b>Capital Reserve on Consolidation</b>		
Balance brought forward	79.54	77.63
Add: Share of capital reserve in associate company	1.38	1.91
Sub Total (iii)	<u>80.92</u>	<u>79.54</u>
<b>Statutory Reserve Fund</b>		
<b>[in terms of Section 45-IC of the Reserve Bank of India, 1934]</b>		
Balance brought forward	68.01	17.06
Add: Additions during the year	74.10	50.95
Sub Total (iv)	<u>142.11</u>	<u>68.01</u>
<b>Contingency Reserve</b>		
Balance brought forward	10.47	10.47
Add: Additions during the year	-	-
Sub Total (v)	<u>10.47</u>	<u>10.47</u>
<b>Surplus being balance in Profit and Loss Account</b>		
	1,630.84	1,030.38
Sub Total (vi)	<u>1,630.84</u>	<u>1,030.38</u>
<b>Employee Stock Options (ESOP)</b>		
ESOP Outstanding	109.25	322.61
Less: Deferred employee compensation	(30.88)	(169.33)
Sub Total (vii)	<u>78.37</u>	<u>153.28</u>
<b>Grand Total (Sub Total (i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii))</b>	<u><b>20,494.88</b></u>	<u><b>18,390.00</b></u>

## SCHEDULE - FORMING PART OF CONSOLIDATED ACCOUNTS

Particulars	(Amount in Rs. million)	
	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'C'</b>		
<b>LOAN FUNDS</b>		
<b>SECURED</b>		
Term loans from banks (Refer note I below)	2,377.89	862.01
Debentures (Refer note II below)	2,900.00	2,000.00
Long Term Infrastructure bond ( refer note(iii) below)	420.86	-
Short term loan from bank ( Refer note iv below)	-	246.00
	<b>5,698.75</b>	<b>3,108.01</b>

**NOTES:**

- (i) The term loans from banks are secured by first pari-passu charge by way of hypothecation of the current assets including book debts, investments and other receivables (other than assets created by line of credit of other financial institutions / banks). Additionally, the loans are backed by an agreement of assignment of the project assets financed from proceeds of the loans, in favour of respective lenders. Amount repayable within one year Rs.45.45 mn (previous year - Rs. 3.13 mn)
- ii) 1,000 (previous year 1000) privately placed 10.60% secured redeemable non convertible debentures of Rs.1,000,000 each (Series 1) allotted on October 1, 2009 redeemable at par in three equal annual installments commencing from September 30, 2012.  
1,000 (previous year 1000) privately placed 9.35% secured redeemable non convertible debentures of Rs.1,000,000 each (Series 2) allotted on February 3, 2010 redeemable at par entirely on February 2, 2012.  
900 (previous year Nil) privately placed 10.50% secured redeemable non convertible debentures of Rs 1,000,000 each (Series 3) allotted on January 27, 2011 redeemable at par in six equal annual installments commencing from January 26, 2018.  
Series 1, Series 2 and Series 3 are secured by way of mortgage of immovable building and first charge by way of hypothecation of the receivables of the loan assets created by the proceed of respective debentures. Further, Series 1 and Series 3 have also been secured by pari passu charge by way of hypothecation of the receivable of loan assets created by the PTC India Financial Services Limited (PFS) out of its own sources which are not charged to any other lender to the extent of 125% of debentures.
- iii) 84,172 (previous year Nil) privately placed 8.25% / 8.30% secured redeemable non convertible long term infrastructure bonds of Rs.5,000 each (Series 1) allotted on March 31, 2011 redeemable at par in five to ten years commencing from March 30, 2016.  
Series 1 are to be secured by way of first charge on the receivables of the assets created from the proceeds of infrastructure bonds issue and other unencumbered receivables to provide 100% security coverage.
- iv) The short term loan from banks are secured by way of pledge of fixed deposits with commercial bank. Amount payable within one year Rs. Nil mn (previous year - Rs. 246 mn)

### SCHEDULE 'D' FIXED ASSETS

(Amount in Rs. Million)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	AS AT 01.04.2010	ADDITIONS	SALES/ AD- JUSTMENTS	AS AT 31.03.2011	UPTO 01.04.2010	FOR THE YEAR	SALES/ ADJUSTMENTS	UP TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
<b>TANGIBLE ASSETS</b>										
Land										
-Leasehold land - perpetual Lease	34.43	-	-	34.43	-	-	-	-	34.43	34.43
-Leasehold land - others	1.26	-	-	1.26	0.12	0.06	-	0.18	1.08	1.14
Buildings	150.36	-	-	150.36	51.02	4.97	-	55.99	94.37	99.34
Furniture and fixtures	20.53	0.40	(0.17)	20.76	14.17	1.18	(0.11)	15.24	5.52	6.36
Vehicle	7.08	1.43	(1.39)	7.12	3.26	1.03	(1.03)	3.26	3.86	3.82
Plant and machinery	702.68	4.34	-	707.02	91.67	90.45	0.42	182.54	524.48	611.01
Office equipments	28.78	4.23	(1.95)	31.06	21.62	2.56	(1.97)	22.21	8.85	7.16
Capital expenditures not represented by capital asset	5.54	-	-	5.54	3.74	1.80	-	5.54	0.00	1.80
<b>INTANGIBLE ASSETS</b>										
-Computer software	6.49	11.47	-	17.96	6.16	1.94	-	8.10	9.86	0.33
-Membership fee to power exchanges	3.00	-	-	3.00	1.52	1.01	-	2.53	0.47	1.48
<b>TOTAL</b>	<b>960.15</b>	<b>21.87</b>	<b>(3.51)</b>	<b>978.51</b>	<b>193.28</b>	<b>105.00</b>	<b>(2.69)</b>	<b>295.59</b>	<b>682.92</b>	<b>766.87</b>
<b>Previous Year</b>	<b>605.03</b>	<b>356.28</b>	<b>(1.16)</b>	<b>960.15</b>	<b>138.58</b>	<b>55.69</b>	<b>(0.99)</b>	<b>193.28</b>	<b>766.87</b>	

### SCHEDULE 'E' INCIDENTAL EXPENDITURE DURING CONSTRUCTION

(Amount in Rs. million)

Particulars	As at 31.03.2011	As at 31.03.2010
Professional fee for pre-feasibility reports	-	0.77
	-	<b>0.77</b>



## SCHEDULE - FORMING PART OF CONSOLIDATED ACCOUNTS

(Amount in Rs. million)

Particulars	Face Value Rs.	Quantity As at 31.03.2011	Quantity As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'F'</b>					
<b>INVESTMENTS (at cost)</b>					
<b>Long Term Trade Investments - Unquoted</b>					
Equity Shares Fully paid up					
Associate Companies					
- Athena Energy Ventures Private Limited	10	129,750,000	48,000,000	1,281.80	466.17
- Krishna Godavri Power Utilities Limited (Refer Note No. 20)	10	19,503,493	19,503,493	195.03	195.03
- Ind-Barath Powergencom Limited	10	55,630,000	55,630,000	608.96	559.29
- Indian Energy Exchange Limited	10	5,766,026	6,939,190	162.83	70.50
- PTC Bermaco Green Energy Systems Ltd	10	1,374,646	843,684	13.14	8.44
- RS India Wind Energy Limited	10	61,121,415	57,311,415	613.69	575.59
- Varam Bio Energy Private Limited	10	4,390,000	4,390,000	3.51	15.83
- Ind-Barath Energy (Utkal) Limited	10	105,000,000	105,000,000	1,050.00	1,050.00
- RS India Global Energy Limited	10	23,402,542	23,402,542	232.09	232.37
<b>Other companies</b>					
- East Coast Energy Private Limited	10	125,000,000	96,511,403	1,250.00	965.11
- Teesta Urja Limited	10	141,086,000	125,400,000	1,356.05	1,199.20
- Meenakshi Energy Private Ltd ##	10	100,341,081	43,550,000	1,003.60	435.69
- Meenakshi Energy and Infrastructure Holding P Limited (# Rs. 10)	10	1	-	#	-
<b>Debentures (Fully Paid Up)</b>					
- Optionally convertible debentures in Meenakshi Energy and Infrastructure Holding P Limited	10,000,000	-	34	-	340.00
- Optionally convertible debentures in Varam Bio Energy P Limited	500,000	90	40	45.00	20.00
<b>Long Term Non-Trade Investments - Quoted</b>					
<b>Mutual Funds</b>					
- HDFC FMP 13M March 2010- Growth Series XII	10	20,000,000	20,000,000	200.00	200.00
- Axis Fixed Term Plan Series1(384Days) -Growth	10	20,000,000	20,000,000	200.00	200.00
- Canara Robeco -FMP- Series 5-13 Month (Plan A)-Growth	10	15,000,000	20,000,000	200.00	200.00
- L&T FMP Series- 12- PLAN 15M -March 10-I- Growth	10	30,000,000	15,000,000	150.00	150.00
- Religare FMP- Series- II Plan -A (13 Months)- Growth	10	50,000,000	30,000,000	300.00	300.00
- 'Reliance Fixed Horizon Fund XIV-Series 2 Growth Plan	10	20,000,000	50,000,000	500.00	500.00
- 'Reliance Fixed Horizon Fund XIX-Series 11 Growth	10	15,000,000	-	150.00	-
- 'FIDELITY FMP SR 5 PLAN e growth	10	10,000,000	-	100.00	-
- 'JP Morgan FMP 367 D series 1-growth	10	30,000,000	-	300.00	-
- 'JP Morgan FMP 400D series 1-growth	10	20,000,000	-	200.00	-
- 'Birla Sun Life Fixed Term Plan Series CR Growth	10	10,000,000	-	100.00	-
- 'Birla sun life fixed term plan series cw growth	10	15,000,000	-	150.00	-
- 'SB I Debt Fund Series 370 Days-10-Growth	10	10,000,000	-	100.00	-
<b>Equity Shares</b>					
- Container Corporation of India Limited	10	1,040	1,040	1.03	1.03
- Power Grid Corporation of India Limited	10	81,839	81,839	4.26	4.26
<b>Others</b>					
-Gold		6000 gm	6,000	-	5.76
<b>Sub Total (i)</b>				<u>10,470.99</u>	<u>7,694.27</u>
<b>Current Investment Non Trade-Quoted</b>					
<b>Mutual Funds</b>					
JP Morgan India Short term Income Fund -Growth Plan**	10	10,000,000	10,000,000	100.00	100.00
Current Investment Non Trade ( Unquoted)					
<b>Mutual Funds</b>					
Kotak Bond Short term -Growth	10	-	11,308,126	-	200.10
Axis Short Term Fund-Institutional- Growth	10	-	10,000,000	-	100.00
Franklin Templeton Money Plus Account	10	17,906	98,430	0.18	1.59
<b>Sub Total (ii)</b>				<u>100.18</u>	<u>401.69</u>
<b>Total (Sub Total (i)+(ii))</b>				<u>10,571.17</u>	<u>8,095.96</u>
<b>Aggregate market value of quoted investments</b>				<u>2,888.39</u>	<u>1,566.68</u>
<b>Aggregate cost of quoted investments</b>				<u>2,755.28</u>	<u>1,561.04</u>
<b>Aggregate cost of un-quoted investments</b>				<u>7,815.89</u>	<u>6,534.92</u>

## Ceased to be an Associate w.e.f March 29, 2011.

\*\*Unquoted as on 31.03.2010

## SCHEDULE- FORMING PART OF CONSOLIDATED ACCOUNTS

Particular	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'G'</b>		
<b>LOAN FINANCING</b>		
(Considered good unless otherwise stated)		
<b>Secured</b>		
Loans	6,755.88	2,662.01
	<u>6,755.88</u>	<u>2,662.01</u>
<b>SCHEDULE 'H'</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>i. SUNDRY DEBTORS*</b>		
Outstanding over six months		
- Unsecured, considered good	859.47	392.54
Outstanding for less than six months		
- Unsecured, considered good	9,140.70	4,922.62
*(Refer note no. 3 and 19)		
<b>Sub total (i)</b>	<u>10,000.17</u>	<u>5,315.16</u>
<b>ii. CASH AND BANK BALANCES</b>		
Cash in hand (including foreign currency)	0.13	0.08
Balance with scheduled banks		
- Term deposits#	9,103.37	11,995.29
- Current accounts		
- Received on behalf of Macquarie India Holdings Limited lying in escrow account *	807.76	-
- Unclaimed share application money lying in escrow account*	13.93	-
- Others	1,957.65	456.22
<b>Sub total (ii)</b>	<u>11,882.84</u>	<u>12,451.59</u>
#Includes Rs. 23.51 mn deposit as margin money against bank guarantee and Rs. 310 mn deposit pledged against Letter of Credit		
*Refer Note No. 21		
<b>iii. OTHER CURRENT ASSETS</b>		
<b>(Unsecured, considered good, unless otherwise stated)</b>		
Interest accrued but not due on :		
- Term deposits	109.54	104.53
- Loans	32.35	18.43
- Debentures	0.28	0.34
<b>Sub total (iii)</b>	<u>142.17</u>	<u>123.30</u>
<b>iv. LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good, unless otherwise stated)</b>		
<b>Loans</b>		
- Employees	10.39	10.71
<b>Advances</b>		
Joint Venture		
- Barak Power Private Limited (Joint Venture)	0.77	0.77
- Employees	0.36	0.83
Advances recoverable in cash or kind or for value to be received (includes secured advance Rs. 272.38 mn, Previous year Rs. Nil)	455.10	186.87
Advance against Investment	-	215.31
Deposits with Customs, Port trust and other authorities	73.59	37.57
Cash and cash equivalent with portfolio managers	0.62	0.62
Advance income tax (Net of provision Rs. 1799.43 mn, Previous year Rs. 1092.67mn)	96.35	99.44
Advance fringe benefit tax (Net of provision Rs.7.71 mn, Previous year Rs. 7.71 mn)	0.69	0.69
<b>Sub total (iv)</b>	<u>637.87</u>	<u>552.81</u>
<b>Total (Sub Total (i)+(ii)+(iii)+(iv))</b>	<u>22,663.05</u>	<u>18,442.86</u>

## SCHEDULE- FORMING PART OF CONSOLIDATED ACCOUNTS

Particular	Amount in Rs. million	
	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'I'</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>(i) Current Liabilities</b>		
Sundry creditors		
- Micro and small enterprises	-	-
- Others	5,567.88	3,291.56
Advances from customers	99.58	82.52
Security deposits received	72.48	70.09
Unclaimed dividend	6.21	5.51
Other liabilities		
- Statutory liabilities	21.48	5.22
- Others	39.73	24.93
Interest accrued but not due on loan funds	92.54	71.86
Equity share application money	13.93	-
Payable to Macquarie India Holdings Limited (Refer Note No. 21)	807.76	-
<b>Sub total (i)</b>	<b>6,721.59</b>	<b>3,551.69</b>
<b>(ii) Provisions</b>		
- Employee benefits	30.75	15.77
- Proposed dividend	442.46	353.46
- Dividend tax on proposed dividend	71.78	58.71
-Contingent provision against standard assets	17.77	-
- Others	5.14	6.74
<b>Sub total (ii)</b>	<b>567.90</b>	<b>434.68</b>
<b>Total (Sub Total (i)+(ii))</b>	<b>7,289.49</b>	<b>3,986.37</b>

Particular	Amount in Rs. million	
	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>SCHEDULE 'J'</b>		
<b>OTHER OPERATIONAL INCOME</b>		
Interest on debentures (Gross)	7.35	166.33
(Tax deducted at source Rs. 0.74 mn, Previous year 17.64 mn)		
Interest on loan (Gross)	735.21	135.74
(Tax deducted at source Rs. 73.52 mn, Previous year Rs. 15.0 mn)		
Dividend	17.05	46.41
- On long term investment- non trade ( Previous year Rs.0.11 mn)	0.14	
- On current investment- non trade ( Previous year Rs. 46.30 mn)	16.91	
Consultancy income (Gross) (Tax deducted at source Rs. 1.34 mn, Previous Year Rs 4.57 mn)	15.71	24.44
Fee based income	110.25	46.77
Profit/ (loss) from sale of investment	123.48	0.06
-Equity (Previous Year Rs. NIL )	123.48	
-Mutual Fund ( Previous Year Rs.0.06 mn)	-	
<b>1,009.05</b>	<b>419.75</b>	

Particular	Amount in Rs. million	
	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>SCHEDULE 'K'</b>		
<b>OTHER INCOME</b>		
Interest (Gross) (Tax deducted at source Rs. 46.99 mn, Previous year Rs. 55.68 mn)	474.85	458.65
-Deposits (Previous Year Rs. 457.33 mn)	468.93	-
- Others (Previous year Rs.1.32 mn)	5.92	
Dividend	176.67	235.15
-on current investments-non trade (Previous Year Rs. 234.97 mn)	176.67	
-on long term investment-non trade (Previous Year Rs 0.18 mn)	-	
Rental income (Gross) ( Tax deducted at source Rs.0.22 mn , Previous year Rs 0.77 mn)	5.42	5.44
Profit/ (loss) from sale of investment	14.32	156.44
- on current investments-non trade (Net) (Previous Year Rs. 0.83 mn)	8.58	
- on long term investments-non trade (Net) (Previous Year Rs.155.61 mn)	5.74	
Foreign currency fluctuation (net)	-	0.02
Excess provisions written back	229	4.09
Miscellaneous incomes	0.83	5.76
<b>674.38</b>	<b>865.58</b>	

## SCHEDULE- FORMING PART OF CONSOLIDATED ACCOUNTS

(Amount in Rs. million)

Particular	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>SCHEDULE 'L'</b>		
<b>EMPLOYEE COST</b>		
Salaries, allowances and benefits	112.18	81.57
Contribution to provident and other funds	5.66	3.77
Gratuity and leave encashment	16.27	3.70
Staff welfare expenses	15.86	15.27
Employee compensation expense (ESOP) (Refer Note No. 18)	(52.66)	112.81
	<b>97.31</b>	<b>217.12</b>

(Amount in Rs. million)

Particular	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>SCHEDULE 'M'</b>		
<b>OTHER EXPENSES</b>		
Coal quality inspection fee	0.72	0.24
Legal and professional charges	24.86	14.44
Fund raising expenses	32.45	10.68
Consultancy expenses	38.40	44.70
Rent for Company leased accommodation	0.64	0.60
Advertisement	4.14	3.25
Communication	6.57	7.43
Business development	12.98	8.13
Travelling and conveyance expenses	19.57	21.07
Printing and stationery	3.41	3.87
Fees and expenses to directors	3.38	2.63
<b>Repair and Maintenance Expenses</b>		
- Building	2.85	2.11
- Others	3.15	2.39
- Wind mill-operation and maintenance	7.03	3.43
EDP expenses	1.26	1.38
Books and periodicals	0.31	0.26
Insurance expenses	0.85	0.47
Water and electricity expenses	3.71	3.62
Rates, fees and taxes	3.74	3.82
Foreign currency fluctuation (net)	0.04	-
Security expenses	1.31	1.04
Property tax	0.60	0.40
Other general expenses	8.68	13.15
Charity and donation	0.66	1.38
Auditors' remuneration	2.23	1.66
Loss on sale of fixed assets (net)	0.42	0.04
Incidental expenses during construction period written off	0.77	-
	<b>184.73</b>	<b>152.19</b>

Amount in Rs. million

Particular	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>SCHEDULE 'N'</b>		
<b>INTEREST AND OTHER CHARGES</b>		
Interest on debentures	216.59	70.81
Interest on loans for fixed period:		
- Rupee term loans from scheduled banks	208.95	41.60
- Infrastructure bonds	0.97	-
- Short term loans	5.31	-
Other interest	5.92	3.74
Financial charges	11.13	13.28
	<b>448.87</b>	<b>129.43</b>

## SCHEDULE- FORMING PART OF CONSOLIDATED ACCOUNTS

(Amount in Rs. million)

<b>Particular</b>	<b>For the year ended 31.03.2011</b>	<b>For the year ended 31.03.2010</b>
<b>SCHEDULE 'O'</b>		
<b>PRIOR PERIOD ADJUSTMENTS</b>		
Legal and professional expenses	0.05	1.48
Cosultancy expenses	-	0.01
Rates , fees and taxes	-	0.41
Preoperative expenses written off	-	0.02
Preliminary expenses written off	-	0.03
Others	0.04	0.36
Prior period adjsutments	<b>0.09</b>	<b>2.31</b>

## SCHEDULE-P

### NOTES TO THE CONSOLIDATED ACCOUNTS

1 As per Power Purchase Agreements entered into with the off takers of Chukha and Kurichhu power projects (Bhutan), the interest earned on the term deposits made with commercial banks for the payments received on behalf of these projects is passed back to them. Accordingly interest income as well as expense is accounted for in the books of account.

#### 2 Deferred tax liability/(asset):

(Rs. in Million)

Particulars	As at 31.03.11	As at 31.03.10
Deferred tax liability on account of timing differences in:		
Depreciation	167.85	140.13
<b>Sub-Total (a)</b>	<b>167.85</b>	<b>140.13</b>
Deferred tax assets arising on account of timing differences in:		
Retirement benefits and other expenses	9.10	4.51
Share issue expenses	27.72	-
Preliminary expenses	3.87	6.84
Contingent provision against standard asset	5.76	-
Carried forward business losses	-	0.43
<b>Sub-Total (b)</b>	<b>46.45</b>	<b>11.78</b>
<b>“Net deferred tax liability/ (asset) (a-b)“</b>	<b>121.40</b>	<b>128.35</b>

3 Sundry Debtors include an amount of Rs.162.30 mn due from Tamil Nadu Electricity Board ( TNEB) towards compensation claim.The Company considers the said amount good and recoverable even though TNEB has not accepted the claim of the company and the matter has been referred to Madras High Court for appointment of an Arbitrator in this respect.

4 The details of the Employee Stock Options Scheme (ESOP) is given as under:

#### A Particulars of Scheme of the company

##### a) Details of Scheme

Date of grant	21-Aug-2008, 22-July-2009
Date of board approval	21-Aug-08
Date of shareholders' approval	06-Aug-2008
Number of options granted	6,254,023
Method of settlement	Equity
Vesting period	1 to 4 Years
Exercise period	5 years from the date of first vesting
Vesting conditions	Employee's continued employment during vesting Period (as per clause 10 of the Plan) with the company or group.

##### b) Details of vesting:

Vesting period from the grant date	Vesting Schedule
On completion of 1st year	15%

On completion of 2nd Year 15%

On completion of 3rd year 30%

On completion of 4th Year 40%

c) The details of activities under the plan have been summarized below:-

Particulars	Year Ended 31.03.2011		Year Ended 31.03.2010	
	Number of Shares	Weighted Average Exercise Price(Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	5,540,376	32.31	4,508,380	22.33
Add: Granted during the year	0	0.00	1,705,643	64.20
Less: Forfeited/ surrendered during the year	3,011,367	34.66	210,846	40.34
Less: Exercised during the year	426,170	31.34	462,801	16.67
Less: Expired during the year	-	0.00	-	-
Outstanding at the end of the year	2,102,839	25.48	5,540,376	32.31
Exercisable at the end of the year	107,129	41.62	212,706	34.69
Weighted average remaining contractual life (in years)	3.73	-	4.66	-
Weighted average fair value of options granted during the year	0	0.00	1,705,643	46.45

d) The details of exercise price for stock options outstanding at the end of the year is as given:-

Particulars	As at 31.03.2011	As at 31.03.2010
Range of exercise prices (Rs.)	10 to 64.20	10 to 64.20
Number of options outstanding	2,102,839	5,540,376
Weighted average remaining contractual life of options (in years)	3.73	4.66
Weighted average exercise price (Rs.)	25.48	32.31

e) Effect of ESOP scheme on the profit and loss account and on the financial position:-

i) Effect on profit and loss account:-

Particulars	(Rs. in Million)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
Employee compensation cost pertaining to ESOP plan during the Year	(44.89)	101.41

ii) Effect on the financial position:-

Particulars	(Rs. in Million)	
	As at 31.03.2011	As at 31.03.2010
Liability for employee stock options outstanding as at the Year end	103.95	280.89
Deferred compensation cost outstanding as at the Year end	28.36	137.22

(f) The fair value of each stock option issued during the year has been estimated using Black Scholes Options Pricing model after applying the following key assumptions (Weighted Value):

Particulars	Options granted during the year ended 31.03.2011	Options granted during the year ended 31.03.2010
Volatility	52.04%	67.53%
Expected dividend	1.47%	1.23%
Risk free rate of interest	6.80%	9.10%
Option life (years)	6	6
The price of underlying shares in the market	81.9	81.35
Fair value per option	46.45	66.18

**B Particulars of Scheme of PTC India Financial Services Limited (subsidiary company)**

The subsidiary company instituted the Employee Stock Option Plan – ESOP 2008 to grant equity based incentives to all its eligible employees. During the year ended March 31, 2009, the first tranche of ESOP was approved by the shareholders on October 27, 2008 and the Company granted two types of options i.e. Growth options granted to the employees and exercisable at intrinsic value as on the date of grant as certified by an independent valuer and Founder Member Options exercisable at face value of shares i.e. Rs. 10 per share, representing one share for each option upon exercise. Further, during the year ended March 31, 2010, second tranche of ESOP 2008 was approved by the shareholders on October 23, 2009 and provided for grant of 10,075,000 growth options exercisable at a price of Rs. 16 per share, representing one share for each option upon exercise. The maximum tenure of these options granted is 4 years from the respective date of grant. The fair value of each stock option granted under ESOP 2008 as on the date of grant has been computed using Black-Scholes Option Pricing Model without inclusion of Dividend Yield and the model inputs are given as under:-

Movement in stock options	Year ended 31.03.2011		Year ended 31.03.2010	
	(in Nos.)		(in Nos.)	
	Growth Options	Founder Member Options	Growth Options	Founder Member Options
Outstanding at the beginning of the year	18,395,500	1,210,000	8,865,000	1,210,000
Add: Granted during the year	-	-	10,075,000	-
Less: Forfeited/surrendered during the year	13,948,400	1,200,000	544,500	-
Less: Exercised during the year	-	-	-	-
Less: Expired during the year	-	-	-	-
Options outstanding as at the end of the year	4,447,100	10,000	18,395,500	1,210,000

Particulars	Year ended 31.03.2011		Year ended 31.03.2010
	Growth Options	Growth Options	Founder Member Options
Price per option (Rs.)	16	16	10
Volatility	29.64%	73.60%	73.60%
Risk free rate of interest	7.27%	7.00%	7.00%
Option life (years)	5	5	5
Fair value per option	10.55	11.36	12.76

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

**C The impact on reported profit and earnings per share of the above two ESOP schemes is as under:-**

Particulars	(Rs. in Million)	
	For the year ended 31.03.2011	For the year ended 31.03.2010
Profit as reported for the year	1,660.26	1,072.69
Add: Employee stock compensation under intrinsic value method	(52.66)	112.81
Less: Employee stock compensation under fair value method	(101.30)	179.67
Pro forma profit	1,708.91	1,005.83
<b>Earnings per share (Rs.)</b>		
<b>Basic</b>		
- As reported	5.64	3.78
- As Pro forma	5.80	3.54
<b>Diluted</b>		
- As reported	5.61	3.74
- As Pro forma	5.77	3.51

**5 The group is primarily in the business of trading of power and investment. Generation of power, Trading of coal and Consultancy income have not been reported separately as the same being insignificant.**

The group is organized into following reportable segments referred to in Accounting Standard (AS-17) "Segment Reporting":

**Segment-wise Revenue, Results and Capital Employed**

Particulars	(Rs. in million)	
	"Year Ended 31.03.2011"	"Year Ended 31.03.2010"
<b>Segment revenue</b>		
Power trading	89,928.59	77,664.12
Investment	993.57	395.49
Unallocated	1,705.15	1,197.62
Revenue from operations	<b>92,627.31</b>	<b>79,257.23</b>

Particulars	(Rs. in million)	
	"Year Ended 31.03.2011"	"Year Ended 31.03.2010"
<b>Segment profit/(loss) before tax</b>		
Power trading	1,365.45	615.09
Investment	477.98	230.82
Unallocated	657.04	846.30
<b>Total profit before tax</b>	<b>2,500.48</b>	<b>1,692.21</b>
Less: Tax Expenses (Including wealth tax)	732.75	485.54
<b>Profit after tax</b>	<b>1,767.73</b>	<b>1,206.67</b>
Add: Profit of associates	69.04	(79.69)
Less: Minority interest	176.51	54.29
<b>Net profit after tax</b>	<b>1,660.26</b>	<b>1,072.69</b>

Particulars	(Rs. in million)	
	As at 31.03.2011	As at 31.03.2010
<b>Segment assets</b>		
Power trading	10,125.49	6,052.38
Investment	11,759.01	6,812.09
Unallocated	18,788.53	17,113.48
<b>Total assets</b>	<b>40,673.02</b>	<b>29,977.95</b>

Particulars	(Rs. in million)	
	As at 31.03.2011	As at 31.03.2010
<b>Segment liabilities</b>		
Power trading	5,490.51	3,481.88
Investment	5,940.54	3,187.25
Unallocated	1,678.59	553.60
<b>Total liabilities</b>	<b>13,109.64</b>	<b>7,222.73</b>

Particulars	(Rs. in million)	
	"Year Ended 31.03.2011"	"Year Ended 31.03.2010"
<b>Capital expenditure during the Year</b>		
Power trading	5.88	5.46
Investment	5.51	2.64
Unallocated	1.00	348.04
<b>Total capital expenditure</b>	<b>12.39</b>	<b>356.14</b>

Depreciation/amortization during the Year	(Rs. in million)	
	"Year Ended 31.03.2011"	"Year Ended 31.03.2010"
Power trading	12.01	10.73
Investment	0.53	0.32
Unallocated	92.46	44.64
<b>Total</b>	<b>105.00</b>	<b>55.69</b>

Non cash expenses (other than depreciation/amortisation) during the year	(Rs. in million)	
	"Year Ended 31.03.2011"	"Year Ended 31.03.2010"
Power trading	0.38	98.28
Investment	17.81	11.40
Unallocated	0.77	3.22
<b>Total</b>	<b>18.96</b>	<b>112.90</b>

6. The disclosures as required by AS-15 (Revised) on Employees Benefits are as under:

The amounts recognized in the balance sheet are as follows:

Particulars	(Rs. In Million)					
	"Leave Encashment (Unfunded) 31.03.2011"	"Leave Encashment (Unfunded) 31.03.2010"	"Post-employment medical benefits (Unfunded) 31.03.2011"	"Post-employment medical benefits (Unfunded) 31.03.2010"	Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
Present value of obligation	24.34	14.66	0.74	0.73	9.93	4.45
Fair value of plan assets	-	-	-	-	4.26	4.07
"Net asset / (liability) recognized in balance sheet as provision"	(24.34)	(14.66)	(0.74)	(0.73)	(5.67)	(0.38)

- b Changes in the present value of obligation representing reconciliation of opening and closing balances there of are as follows:

Particulars	(Rs. In Million)					
	"Leave Encashment (Unfunded) 31.03.2011"	"Leave Encashment (Unfunded) 31.03.2010"	"Post-employment medical benefits (Unfunded) 31.03.2011"	"Post-employment medical benefits (Unfunded) 31.03.2010"	Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
Present value of obligation as at the beginning of the year	14.66	13.24	0.73	2.35	4.45	3.70
Interest cost	1.17	0.99	0.06	0.18	0.36	0.27
Past service cost	-	-	-	-	-	0.74
Current service cost	3.60	3.28	-	-	1.50	0.70
Benefits paid	(0.66)	(1.41)	(0.07)	(0.08)	(0.08)	(0.14)
Actuarial (gain)/loss on obligation	5.57	(1.44)	0.02	(1.72)	3.70	(0.82)
Present value of obligation as at the end of year	24.34	14.66	0.74	0.73	9.93	4.45

- C Changes in the fair value of plan assets are as follows:

Particulars	(Rs. in million)	
	"Gratuity (Funded) 31.03.2011"	"Gratuity (Funded) 31.03.2010"
Fair value of plan assets as at the beginning of the year	4.07	2.15
Expected return on plan assets	0.33	0.17
Actuarial gain/(loss) on obligation	(0.05)	0.02
Contributions	-	1.87
Benefits paid	(0.08)	(0.14)
Fair value of plan assets as at the end of the year	4.26	4.07

- d Percentage of each category of plan assets to total fair value of plan assets as at the end of the year

Particulars	(Rs. in million)	
	"As at 31.03.2011"	"As at 31.03.2010"
Administered by ICICI Prudential Life Insurance	99.31%	53%
Bank Balance	0.69%	47%

The amounts recognized in profit and loss account for the year are as follows:

Particulars	(Rs. In Million)					
	"Leave Encashment (Unfunded) 31.03.2011"	"Leave Encashment (Unfunded) 31.03.2010"	"Post-employment medical benefits (Unfunded) 31.03.2011"	"Post-employment medical benefits (Unfunded) 31.03.2010"	Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
Current service cost	3.60	3.28	-	-	1.50	0.70
Past service cost	-	-	-	-	-	0.74
Interest cost	1.17	0.99	0.06	0.18	0.36	0.27
Expected return on plan assets	-	-	-	-	(0.33)	(0.17)
Curtailment cost/(Credit)	-	-	-	-	-	-
Settlement cost/(Credit)	-	-	-	-	-	-
Net actuarial (gain)/ loss recognized in the year	5.57	(1.44)	0.02	(1.72)	3.75	(0.84)
Expenses recognized in profit and loss account	10.34	2.83	0.08	(1.54)	5.28	0.70

- f Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post retirement medical benefits scheme.

S No	Particulars	One percent point increase in medical inflation rate	One percent point decrease in medical inflation rate
I	Increase/(decrease) on aggregate service and interest cost of post retirement medical benefits	0.005	(0.004)
II	Increase/(decrease) on present value of defined benefit obligations as at 31st March, 2010	0.055	(0.049)

- g Economic Assumption:

The principal assumptions are the discount rate and salary increase. The discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches the liabilities & the salary increase takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	(Rs. In Million)					
	"Leave Encashment (Unfunded) 31.03.2011"	"Leave Encashment (Unfunded) 31.03.2010"	"Post-employment medical benefits (Unfunded) 31.03.2011"	"Post-employment medical benefits (Unfunded) 31.03.2010"	Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
Discounting rate	8.00%	7.50%	8.00%	7.50%	8.00%	7.50%
Future salary increase	5.50%	5.00%	5.50%	5.00%	5.50%	5.00%
Expected rate of return on plan assets	N.A.	N.A.	N.A.	N.A.	8.00%	8.00%
Expected average remaining working lives of employees in number of years	21.98 to 27.01	22.54 to 26.15	N.A.	N.A.	21.98 to 27.01	23.49 to 29.26



#### h) Demographic Assumption

Particulars	"Leave Encashment (Unfunded) 31.03.2011"	"Leave Encashment (Unfunded) 31.03.2010"	"Post-employment medical benefits (Unfunded) 31.03.2011"	"Post-employment medical benefits (Unfunded) 31.03.2010"	Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
Retirement age	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years
Mortality table	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified
Ages	Withdrawal rates					
Upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
from 31 to 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

#### 7 Details of expenses incurred for defined contribution plans during the year:

Defined contribution plans	(Rs. in Million)	
	For the year ended 31.03.2011	For the year ended 31.03.2010
Provident fund	5.66	3.77

#### 8 Estimated amount of capital commitments:\*

(Rs. In Million)	
As at 31.03.2011	As at 31.03.2010
5042.80	509.14

\*includes Rs. 5042.80 mn (Previous Year Rs.507.90 mn) share in associates' capital commitments

#### 9 Details of contingent liabilities:

##### a) Claims against the group not acknowledged as debt:

		(Rs. In Million)		Remarks
Particulars	As at 31.03.2011	As at 31.03.2010		
Claims of suppliers	1,285.64	1,285.64		1. Out of total claims, Rs. 849.50 Million pertains to claim of Himachal Pradesh State Electricity Board. The Arbitrator concluded the arbitration in favour of PTC on 31.10.2008, however HPSEB has contested the award in the High Court of Himachal Pradesh. 2. Gujarat Urja Vikas Nigam Limited (GUVNL) has raised bills for compensation for an amount of Rs.432.77 mn. In the opinion of the company and also as per legal opinion, the said compensation is not payable and therefore the company has taken up the matter with GUVNL and Government of Gujarat for resolution of the same.
Income tax demands	2.15	9.81		
Others	541.15	123.63		
<b>Total</b>	<b>1,828.93</b>	<b>1,419.08</b>		

\*includes Rs. 538.57 mn (Previous Year Rs. 121.40 mn) share in associates' contingent for corporate guarantee and counter guarantee

##### b) Bank Guarantees :

(Rs. In Million)	
As at 31.03.2011	As at 31.03.2010
5654.60	2803.00

##### c) Letter of Credit:

(Rs. In Million)	
As at 31.03.2011	As at 31.03.2010
400.97	906.77

\*includes Rs. 200.97 mn (Previous Year Rs.NIL) share in associates' Letter of Credit

#### 10 \*Remuneration to directors (including Chairman & Managing Director):

Particulars	(Rs. in million)	
	"Year Ended 31.03.11"	"Year Ended 31.03.10"
Salary, allowances and benefits	26.85	19.50
Leave salary contribution	0.16	0.17
Contribution topension fund	0.72	0.42
Directors' sitting fees	3.38	2.63
<b>Total</b>	<b>31.11</b>	<b>22.72</b>

In addition to above remuneration, the whole time directors have been allowed the use of staff car on payment of Rs.780/- p.m.

\*Does not include expenses/reversal of expenses on account of amortization/written back of ESOP.

The above does not include provision for CMD's/Directors' leave salary and gratuity for the year which have been included in the overall provision for leave salary and gratuity made on actuarial basis.

Directors' remuneration of Shri Arun Kumar (Director of PTC Energy Limited) is in excess of limit prescribed under Schedule XIII of the Companies Act, 1956 by Rs. 0.02 mn and is subject to the approval of the Central Government

#### 11 The group has entered into the following related party transactions. Such parties and transactions have been identified as per Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

Name of related party	Influence	Nature of transaction	(Rs. in million)	
			For the year ending 31.03.2011	For the year ending 31.03.2010
NTPC Limited	Significant Influence	Director sitting fees to nominee directors	0.08	0.15
Power Grid Corporation of India Ltd.	Significant Influence	Director sitting fees to nominee directors	0.14	0.14
		Services Received (Wheeling Charges)	1.71	1.83
Power Finance Corporation Ltd.	Significant Influence	Director sitting fees to nominee directors	0.12	0.18
		Pledging of shares ( Refer Note No. 3 )	-	-
NHPC Limited	Significant Influence	Director sitting fees to nominee directors	0.32	0.15
Athena Energy Ventures Private Limited	Associate	Equity contribution	817.50	180.00
		Advance against equity	-	210.00
RS India Global Energy Limited	Associate	Payment of expenses on behalf of the company	0.04	0.02
		Equity contribution	-	18.03
Indian Energy Exchange Limited	Associate	Sale of investment in equity shares capital (at face value)	11.73	-
Meenakshi Energy Private Limited*	Associate	Equity contribution	567.91	285.50
PTC Bermaco Green Energy Systems Limited	Associate	Equity contribution	5.31	3.53
		Advance for investment	-	5.30
RS India Wind Energy Limited	Associate	Equity contribution	38.10	-
Ind Barath Energy (Utkal) Limited	Associate	Equity contribution	-	1,050.00
Varam Bio Energy Private Limited	Associate	Equity contribution	-	2.78
		Investment in Debenture	25.00	20.00

**Key Management Personnel**

Mr. T.N.Thakur	Chairman & Managing Director	Directors remuneration	11.03	8.39
		Amount received by Company on Exercise of ESOP	-	1.74
		Amount received on sale of asset.	0.11	.
Mr. Shashi Shekhar (Ceased to be director w.e.f. 17/01/2011)	Director	Directors remuneration	4.10	4.41
Mr. Deepak Amitabh	Director	Directors remuneration	5.84	4.10
		Amount received by company on exercise of ESOP	1.01	1.03
Mr. Ashok Haldia	Director	Directors remuneration	4.51	3.19
Mr. Arun Kumar (becomes director w.e.f 16/07/2010)	Director	Directors remuneration	2.26	-
		Amount received by company on exercise of ESOP	1.93	-

**Investment in equity outstanding :**

Name of the Company	Relationship	As at 31.03.2011	As at 31.03.2010
Athena Energy Ventures Private Limited	Associate	1281.80	466.17
Krishna Godavri Power Utilities Limited	Associate	195.03	195.03
RS India Global Energy Limited	Associates	232.09	232.37
Ind Barath Powergencom Limited	Associates	608.96	559.29
Indian Energy Exchange Limited	Associates	162.83	70.50
* Meenakshi Energy Private Limited	Associates	1003.60	435.69
PTC Bermaco Green Energy Systems Limited	Associates	13.14	8.44
RS India Wind Energy Limited	Associates	613.69	575.59
Ind Barath Energy (Utkal) Limited	Associates	1050.00	1050.00
Varam Bio Energy Private Limited	Associates	3.51	15.83

\* Meenakshi Energy Private Limited has ceased to be associate w.e.f March 29, 2011.

**Investment in debenture outstanding:**

Name of the Company	Relationship	As at 31.03.2011	As at 31.03.2010
Varam Bio Energy Private Limited	Associates	45.00	20.00

**Balance outstanding :**

Name of the Company	Relationship	Nature	As at 31.03.2011	As at 31.03.2010
PTC Bermaco Green Energy Systems Limited	Associate	Advance against investment	-	5.31
Barak Power Private Limited	Joint Venture	Balance Recoverable	0.77	0.77

12 The elements considered for calculation of Earnings per Share (Basic and Diluted) are as under:

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Opening equity shares (Qty in Million)	294.55	227.42
Equity shares issued during the year (Qty in Million)	0.43	67.13
Closing equity shares (Qty in Million)	294.97	294.55
Weighted average number of equity shares used as denominator for Basic earnings (Qty in Million)	294.63	284.07
Weighted average number of equity shares used as denominator for diluted earnings (Qty in Million)	296.06	286.54
Net profit after tax used as numerator (Amount in Rs. Million)	1,660.26	1,072.69
Basic earnings per share (Amount in Rs.)	5.64	3.78
Diluted earnings per share (Amount in Rs.)	5.61	3.74
Face value per share (Amount in Rs.)	10.00	10.00

13 The group has taken a warehouse on operating lease. The disclosures as per AS-19 are given as under:-

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Year up to 1 year	0.66	0.60
Years later than 1 year and not later than 5 years	0.61	1.95
Years later than 5 years	Nil	NIL

(Rs. in million)

(Rs.0.64 million has been debited to profit and loss account. (Previous Year Rs. 0.60 million))

14 The management is of the opinion that no case of impairment of assets exists under the provision of Accounting Standard (AS)-28 on Impairment.

15 Loans and advances due from directors-NIL

16 In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

17 Based on the information available with the Group, there are no dues as at March 31, 2011 payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid / payable by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

18 The employee stock option (ESOP) expenses for the year has become negative due to reversal of ESOP expenses in accordance with the accounting treatment prescribed under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, on account of surrender/forfeiture of employee stock option.

19 Book debts are hypothecated to the banks for availing the non- fund based working capital facilities.

20 The company has pledged, in favour of Power Finance Corporation Limited (PFC), its 77,77,500 equity shares of Rs 10 each at Par held by it in M/s. Krishna Godavari Power Utilities Limited (KGPUL) along with the promoter of KGPUL to comply with the lending requirements of PFC.

- 21 i) During the financial year, PTC India Financial Services Ltd (subsidiary company) has completed its Initial Public Offer (IPO) comprising of fresh issue of 127,500,000 equity shares (excluding an offer for sale of 29,200,000 equity shares by Macquarie India Holdings Limited, a shareholder of the subsidiary company) of face value of Rs.10 each for cash at a price of Rs.28 per share (including a share premium of Rs. 18 per equity share) aggregating to Rs. 35,27.03 mn. The share premium of Rs. 18 per share, net of discount of Re. 1 for retail investor, amounting to Rs.22,52.03 mn on issue of fresh equity shares has been credited to share premium account.
- ii) Equity share application money amounting to Rs. 139.28 lacs lying in escrow account payable to investors after allotment of equity shares.
- iii) Rs. 807.76 mn payable to Macquarie India Holdings Limited pursuant to sale of 292,00,000 equity shares by Macquarie India Holdings Limited in the IPO.
- 22 Figures of the previous year have been regrouped/reclassified wherever considered necessary to conform to current year classification.
- 23 Schedules A to P and accounting policies form an integral part of accounts.

**As Per our Report of Even date attached  
For T.R.Chadha & Co.  
Chartered Accountant  
(Firm Registration No. 006711N)**

**For and on behalf of the Board of Directors**

**(Neena Goel)  
Partner  
M.No.057986**

**(Deepak Amitabh)  
Director  
DIN 01061535**

**(Tantra Narayan Thakur)  
Chairman & Managing Director  
DIN 00024322**

**Date : August 8, 2011  
Place: New Delhi**

**(Rajiv Maheshwari)  
Company Secretary**

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

	Name of the Company	PTC India Financial Services Limited	PTC Energy Limited
1	No. of Shares held by PTC India Limited Face value	337,250,001 Rs. 10 each	41,000,000 Rs. 10 each
2	Extent of Holding	60%	100%
3	Financial Year of the Subsidiary ended on	March 31, 2011	March 31, 2011
4	The net aggregate amount of Profits/(Losses) of the subsidiary companies for the current year so as far as these concern the member of Holding Company	(Amount in Rs. Millions)	(Amount in Rs. Millions)
	a. Dealt with or provided for in the accounts of Holding Company:	NIL	NIL
	b. Not dealt with or provided for in the accounts of Holding Company:	222.16	12.71
5	The net aggregate amount of Profits/(Losses) of the subsidiary companies for previous financial years of the Subsidiary so as far as these concern the member of Holding Company		
	a. Dealt with or provided for in the accounts of Holding Company:	NIL	NIL
	b. Not dealt with or provided for in the accounts of Holding Company:	197.51	11.20

**For and on behalf Board of Directors**

**(Deepak Amitabh)**  
Director

**(Tantra Narayan Thakur)**  
Chairman & Managing Director  
DIN 00024322

**Date : August 8, 2011**  
**Place: New Delhi**

**(Rajiv Maheshwari)**  
Company Secretary

## PTC India Financial Services Limited

### DIRECTOR'S REPORT TO THE SHAREHOLDERS

#### Dear Shareholders,

- The Directors have pleasure in presenting to you its fifth Annual Report together with the audited accounts of your Company for the financial year 2010-11.

#### OVERVIEW

- Power Sector in India has recorded capacity addition of 12160 MW during the year 2010-11 taking the additional capacity creation during the Eleventh Five Year Plan so far to 48029 MW. Power Sector in the recent years has been constrained by fuel risk, off-taker risks, and implementation risks. The sector, however, continues to offer tremendous business opportunities for investment and provision of financial services across the value chain. The capacity addition target for the Twelfth Five Year Plan would require capital investment of around Rs. 5 Trillion.
- PTC India Financial Services Limited (PFS) is a systematically important non-deposit taking NBFC registered with Reserve Bank of India (RBI) and set-up to devote itself exclusively for providing financial solutions to projects in the energy value chain. It has been accorded status of Infrastructure Finance Company (IFC) in August 2010. The operational financial performance of the Company during the year 2010-11 has maintained rather exceeded growth momentum than during the year 2009-10. The year also saw successful completion of Initial Public Offering (IPO) of the Company.

#### FINANCIAL RESULTS

- During the year 2010-11, the Company has recorded revenue income of Rs.1088.52 million rising from Rs.534.90 million, thus recording 103.50 % growth.

The highlights of the financial results are as under

Particulars	(Rs. in million)	
	2010-11	2009-10
Income	1,088.52	534.90
Expenditure	574.21	167.89
Profit before tax	514.31	367.00
Tax Expense	144.04	112.48
Profit after tax	370.27	254.52
Transfer to Statutory Reserve Fund	74.10	50.95
Balance carried to Balance Sheet	296.17	203.57

Operating income as a percentage of total income increased from 73.91% in 2009-10 to 95.26% in 2010-11. Correspondingly, the operational expenses as a percentage of total revenue increased from 31.39% to 51.12%.

- The Profit Before Tax (PBT) has increased from Rs.367.00 million in 2009-10 to Rs. 514.31 million in the year 2010-11 recording increase by 40.14 %. The Profit after Tax (PAT) recorded increase by 45.48 % from Rs.254.52 million in 2009-10 to Rs. 370.27 million during the year 2010-11.

#### OPERATIONAL PERFORMANCE

- The amount of debt sanctions during the year 2010-11, excluding those convertible in to long-term loans, increased to Rs 17,030 million compared to Rs.12,490 million in the previous year. The level of disbursement of debt was Rs. 6236.64 million during the year 2010-11 compared to Rs. 2827.08 million in the previous year. A large portion

of equity of PFS was already committed and disbursed in the equity investments as at the beginning of the year 2010-11. As a result, the amount of disbursement of equity during the year 2010-11 was lower at Rs.890.90 million compared to Rs. 2,309.44 million in the previous year. The amount of equity sanctioned was Rs.917 million as compared to Rs.1043.71 million in the previous year. Equity investment made in power projects was Rs. 4586.23 million at the end of the financial year 2010-11 compared to Rs. 3707.07 million at the end 2009-10. Outstanding commitments for equity investments as on 31st March 2011 amounted Rs. 1043.71 million. During the year, the Company has divested its part stake in Indian Energy Exchange Limited. Effective commitments for sanctions of debt as on 31st March, 2011 were Rs.33,649 million increased to Rs.18,332 million as on 31st March, 2010. Upfront financing of CER amounted to Rs. 222.38 million in the year 2010-11 as against Rs.50.00 million in the year 2009-10.

- The number of new projects for which financial assistance was sanctioned during the year was 20 taking the total number of sanctioned projects till 31st March, 2011 to 62. The financial assistance sanctioned by PFS so far would help capacity creation of more than 14000 MW. Fuel wise assisted projects comprised of 20 coal-based thermal projects, 17 biomass-based projects, 5 hydro-based projects, and 4 wind-based projects.
- Most of the assisted projects have progressed well compared with the schedule of implementation. 2 biomass projects, 1 wind project have achieved commercial operations during the year 2010-11. Through a comprehensive project monitoring mechanism, PFS, continuously monitors status of implementation of assisted projects on a regular basis.

#### DIVIDEND

- The Directors have not recommended dividend for the financial year ended 31st March, 2011.

#### SHARE CAPITAL

- During the financial year 2010-11, the Company has completed its Initial Public Offer (IPO) comprising of fresh issue of 127,500,000 equity shares (excluding an offer for sale of 29,200,000 equity shares by Macquarie India Holdings Limited, a shareholder of the Company) of face value of Rs.10 each for cash at a price of Rs.28 per share (including a share premium of Rs.18 per equity share). Discount of Re.1/- per share was given to the retail investors. The Company towards mobilized Rs.3,527.03 million through IPO (excluding the offer for sale) for utilization for general business purposes (the details of utilizations are mentioned in notes to the accounts). The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange. The paid-up share capital of the Company as at 31st March, 2011 aggregated to Rs.5,620.83 million comprising of 562,083,335 equity shares of Rs.10 each fully paid up. PTC India Limited holds 60% of the paid up capital of the Company as at 31<sup>st</sup> March, 2011 down from 77.60% held as at 31<sup>st</sup> March, 2010.

#### RESERVES

- Out of the profits earned during the financial year 2010-11, the Company has transferred an amount of Rs.74.10 million to Statutory Reserve Fund in accordance with the requirements of Section 45-IC of the Reserve Bank of India Act, 1934.

#### RESOURCE MOBILIZATION

- In order to meet the growing requirements for disbursement, and to continuously optimise the borrowing cost, PFS has adopted a multi-pronged strategy for resource mobilisation, as under:-

- (i) mobilisation of additional capital through Initial Public Offer (IPO) completed in March, 2011.
- (ii) raising NCD Series-3 amounting to Rs.900 million subscribed by Life Insurance Corporation (LIC) in January 2011.
- (iii) raising of Rs.420.86 million through Infrastructure Bonds eligible for tax benefit under Section- 80CCF of Income Tax Act, 1961 in March 2011 consequent upon receiving recognition as Infrastructure Finance Company (IFC).
- (iv) contracting External Commercial Borrowing (ECB) of aggregate amount of USD 26 million from DEG Germany. Since PFS is Infrastructure Finance Company (IFC), ECB has been raised under the automatic route. Additional ECB of USD 50 million was under advanced stage of finalization with International Finance Corporation (IFC). The necessary agreements to the effect were signed after 31st March, 2011.

The total borrowing of the Company is Rs. 5,698.75 million as on 31st March 2011 as compared to Rs. 3108.01 million as on 31st March 2010. Continuous and persistent efforts have enabled PFS to maintain its cost of borrowings despite the rising interest rate scenario in the market.

#### REALISATION

- 13. The Company gives utmost priority to the realization of the amounts due towards principal and interest. During the year, PFS recovered short-term loan of Rs.2,440 million, and interest of Rs. 736.02 million on both short-term and long-term loans. There was no outstanding amount recoverable as on 31st March, 2011. The Company has regularly realized all the amounts due from the borrowers during the year and has not made any additional provision on Loan Assets (non performing) in its financial statements upto the year ended 31st March, 2011 other than the statutory provisions as mandated by the Reserve Bank of India. During the year 2010-11, the Company has created provision for contingencies against standard assets in its financial statement amounting to Rs. 17.77 million, in accordance RBI Circular No. DNBS.PD.CC.No.207/03.02.002/2010-11 dated 17th January, 2011.

#### CREDIT RATINGS

- 14. During the financial year ended 31<sup>st</sup> March, 2011, the long term bank borrowings have been rated LA+ by ICRA while our Non Convertible Debentures have been rated LA+ by ICRA and BWR AA by Brickwork. The Company's short term domestic borrowing programme was awarded the highest rating of 'A1+' by ICRA.

#### HUMAN RESOURCE

- 15. Human Resources becomes critical to the rapid growth of your Company. Broadening and deepening the human skills and conducive HR practices have been core to the HR initiatives. Apart from the campus recruitments being made from the reputed institutions, direct recruitments have been made for specialised positions. In order to keep pace with the recent trends in the industry, the remuneration structure in PFS has been revised upward. This should help in attracting and retaining the best talent in the industry. Other HRD initiatives taken include employee welfare measures, in-house and out-station training programmes and promoting participative management.

#### DIRECTORS' RESPONSIBILITY STATEMENT

- 16. In pursuance of Section-217 (2AA) of the Companies Act, 1956, the Directors make the following statement:
  - (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed by PFS along with proper explanation relating to material departures;
  - (ii) The Directors have selected such Accounting policies, and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the

state of affairs of the Company at the end of the Financial Year 2010-11 and of the profit or loss of the Company for that period;

- (iii) Proper and sufficient care has been taken by the Directors for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- (iv) The Annual Accounts have been prepared on a going concern basis.

#### NON-ACCEPTANCE OF PUBLIC DEPOSIT

- 17. PFS is a Non- Deposit taking Systemically Important NBFC. It has not accepted any public deposit during the year 2010-11.

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

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

The Company has incurred expenditure of Rs. 21.45 million (previous year Rs. 1.42 million) in foreign exchange during the year ended 31st March, 2011. These included payment of Rs 15.45 million as charges/ fee for raising ECB.

#### PARTICULARS OF EMPLOYEES

- 19. During the Financial Year ended on 31st March, 2011, no employee was employed for full or part of the year and who was in receipt of remuneration from PFS of more than Rs. 6.00 million per annum or Rs.0.5 million per month, in aggregate.

#### AUDITORS

- 20. M/s. Deloitte Haskins & Sells were appointed as Statutory Auditors of the Company for financial year 2009-10 by the shareholders and shall hold office upto the conclusion of the forthcoming Annual General Meeting.

The Auditors have audited the Accounts of the Company for the year ended 31st March, 2011. Audited Accounts together with the Auditor's Report thereon are annexed to this report.

#### CORPORATE GOVERNANCE

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

#### ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

T.N. Thakur

Chairman & Managing Director

Date :- 29th July, 2011

Place: - New Delhi

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Corporate Governance

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

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

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

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

### Board of Directors

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

### Composition

As on 31st March, 2011 the Company's Board comprised of 10(Ten) Directors out of which 6 are Independent Directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement.

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

S. No.	Name of Director	Designation
1.	Mr. Tantra Narayan Thakur	Chairman and Managing Director
2.	Dr. Ashok Haldia	Whole Time Director and Chief Financial Officer
3.	Mr. Prathipati Abraham	Non-Executive Director (Independent Director)
4.	Dr. Uddesh Kohli	Non - Executive Director (Independent Director)
5.	Mrs. Rama Murali	Non - Executive Director (Independent Director)
6.	Mr. Ramarao Muralidharan Coimbatore	Non - Executive Director (Independent Director)
7.	Mr. Mukesh Kumar Goel	Non - Executive Director
8.	Mr. Sudhir Kumar	Non - Executive Director (Independent Director)
9.	Mr. Neil Kant Arora*	Non - Executive Director
10.	Mr. Surinder Singh Kohli	Non - Executive Additional Director (Independent Director)

\* resigned on 11th May, 2011

### Number of Board Meeting

There were 9 (Nine) Meetings of the Board of Directors held during the financial year ended 31st March, 2011 i.e. on 21st June, 2010; 19th July, 2010; 24th September, 2010; 13th October, 2010; 9th November, 2010; 13th December, 2010; 7th January, 2011; 1st March, 2011 and 25th March, 2011.

### Board Meetings and Attendance:

S. No.	Name	Designation	Board Meeting Held during the tenure	attended	No. of Directorships as on 31 <sup>st</sup> March, 2011	Membership in Committees of other companies (Audit / Shareholders' Grievance ) as on 31 <sup>st</sup> March, 2011	Attendance at the last AGM
1	Mr. T. N. Thakur	Chairman and Managing Director	9	9	6	Nil	Present
2	Dr. Ashok Haldia	Whole Time Director and Chief Financial Officer	9	9	5	Nil	Absent
3	Mr. Deepak Amitabh (resigned on 22 <sup>nd</sup> September, 2010)	Non - Executive Director (Independent Director)	2	2	Not applicable	Not applicable	Not applicable
4	Mr. Shashi Shekhar (resigned on 17 <sup>th</sup> January, 2011)	Non - Executive Director (Independent Director)	7	4	Not applicable	Not applicable	Absent
5	Mr. P. Abraham	Non - Executive Director (Independent Director)	9	9	13	4	Present
6	Dr. Uddesh Kohli	Non - Executive Director (Independent Director)	9	8	7	8	Absent
7	Mrs. Rama Murali	Non - Executive Director (Independent Director)	9	8	-	Nil	Absent
8	Mr. C. R. Muralidharan	Non - Executive Director (Independent Director)	9	6	2	1	Absent
9	Mr. M. K. Goel	Non - Executive Director	9	5	8	1	Absent
10	Mr. Sudhir Kumar	Non - Executive Director (Independent Director)	9	4	6	Nil	Absent
11	Mr. Neil Kant Arora (resigned on 11 <sup>th</sup> May, 2011)	Non - Executive Director (Independent Director)	9	5	4	Not applicable	Absent
12	Mr. L. B. Naidu (resigned on 13 <sup>th</sup> December, 2010)	Non - Executive Director (Independent Director)	6	2	Not applicable	Not applicable	Absent
13	Mr. S. S. Kolhi (appointed on 13 <sup>th</sup> December, 2010)	Non - Executive Additional Director (Independent Director)	3	3	7	3	Not applicable

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

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

Detail of shareholding of Directors as on 31st March, 2011 are as under:

Sr. No.	Name of the Director	No of shares
1.	Mr. T. N. Thakur	7000
2.	Dr. Uddesh Kohli	3500

#### Information available to the Board

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

- Annual budgets and any updates therein.
- Agenda Notes for financing of various long term and short term projects.
- Quarterly results for the Company.
- Annual Financial Statements of the Company
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, if any.
- Details of any joint venture or collaboration agreement.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service.
- Other materially important information.

#### Code of Conduct

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

#### Code for Prevention of Insider Trading

In terms of Securities and Exchange Board of India (Insider Trading) Regulations, 1992; the Company has formulated a comprehensive Code for Prevention of Insider Trading to preserve the confidentiality and to prevent misuse of unpublished price sensitive information. Every Director, officer and designated employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company and not to misuse his or her position or information regarding the Company to gain personal benefit or to provide benefit to any third party. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and the consequences of non-compliance. The Company Secretary has been appointed as Compliance Officer and is responsible for adherence to 'Code for Prevention of Insider Trading'. In line with the requirement of Code for Prevention of Insider Trading, trading window was closed from time to time, whenever some price sensitive information was submitted to the Board and other Committees of Directors. Notice of closure of trading window was issued to all the employees well in advance, restraining all the employees not to deal in the shares of the Company when the window is closed.

#### Committees of the Board of Directors

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

As on 31st March, 2011 the Board had ten (10) committees:

- 1) Audit Committee
- 2) Nomination Committee
- 3) Remuneration Committee
- 4) Shareholders' & Investors' Grievance Committee
- 5) Compensation committee for ESOP
- 6) Asset Liability Management Committee
- 7) Risk Management Committee
- 8) Committee of Directors for IPO
- 9) Committee of Directors for Bond issuance
- 10) Committee of Directors

##### 1. Audit Committee

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

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

The powers of the audit committee include the following:

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

The role of the Audit Committee includes the following:

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



- f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report, if any.
5. Reviewing with the management the quarterly/ annual financial statements before submission to the Board for approval.
  6. Reviewing, with the management, the statement of uses/ application or 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 utilization of proceeds of a public or rights issue, if any, and making appropriate recommendations to the Board to take up steps in this matter.
  7. Reviewing, with the management, performance of statutory and Internal auditors and adequacy of the internal control systems.
  8. Reviewing the adequacy of Internal audit function including the appointment and removal of the internal audit firm and frequency of internal audit.
  9. Discussion with Internal auditors any significant findings and follow up there on.
  10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  11. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  14. Carrying out any other functions which may be specified under amendments from time to time as per the Listing Agreement, Companies Act, 1956 and other applicable statute.

The Committee is chaired by Mrs. Rama Murali, Independent Director w.e.f. 9th November, 2010. The Composition of Audit Committee as at 31st March 2011 and meeting attended by members are as follows:

S. No.	Name of Members	No. of meetings attended during the year
1.	Mrs. Rama Murali	6
2.	Mr. P. Abraham	6
3.	Mr. C. R. Muralidharan	3

The constitution of Audit committee is in line with requirement of Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement and presently consists of three Non – executive and Independent Directors.

During the Financial Year 2010-11, 6 meetings of Audit Committee were held on 21st June, 2010; 19th July, 2010; 9th November, 2010#; 24th November, 2010; 1st March, 2011 and 25th March, 2011.

# Adjourned meeting of 24th September, 2010.

The Ex - Chairman of the Audit committee, Mr. P Abraham was present at the last AGM of the Company.

CFO, Internal auditors and Statutory auditors are permanent invitees at the meetings of the Audit Committee.

## 2. Nomination Committee

The Board originally constituted Nomination cum Remuneration Committee on 5th August, 2008 and subsequently renamed it to its present name on 13th December, 2010. It has been constituted for the purpose of ensuring 'fit and proper' status of proposed/ existing Directors of the Company in terms of RBI guidelines. During the last year no meeting of the committee was held. The Committee comprises of the following members:

Name of the Directors	Designation
Mr. T. N. Thakur	Chairman
Mr. P. Abraham	Member
Dr. Uddesh Kohli *	Member
Mr. S. S. Kohli *	Member

\* Appointed as member on 25th May, 2011

## 3. Compensation Committee for ESOP

The Compensation Committee for ESOP was constituted by the Board on 29th April, 2008. It has been constituted for the purpose of preparing and managing an ESOP scheme for the Company. During the year, no meetings of the Compensation committee for ESOP were held.

The Committee comprises of the following members:

Name of the Directors	Designation*
Mr. T. N. Thakur	Member
Mr. S. S. Kohli	Member
Dr. Uddesh Kohli	Member

\*The members shall appoint a chairman from amongst themselves.

## 4. Asset Liability Management Committee

The Asset Liability Management Committee was originally constituted pursuant to Board resolution dated 30th March, 2009. It has been constituted for the purpose of performing functions as required under the asset liability management policy and comprises of the following members:

Name of the Directors	Designation
Mr. T. N. Thakur	Chairman
Mr. P. Abraham	Member
Dr. Ashok Haldia	Member
Mr. C.R. Muralidharan *	Member

\* Appointed as member on 25th May, 2011

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

During the year, 3 meetings of Asset Liability Management Committee were held on 21st June, 2010; 24th September, 2010 and 31st March, 2011.

## 5. Risk Management Committee

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

Name of the Directors	Designation
Mr. S. S. Kohli	Chairman
Dr. Ashok Haldia	Member

During the year, 3 meetings of Risk Management Committee were held on 21st June, 2010; 24th September, 2010 and 29th March, 2011.

#### 6. Shareholders'/Investors' Grievance Committee

The Shareholders' and Investor' Grievance Committee was constituted by Board on 13th December, 2010. The Shareholders' and Investors' Grievance Committee presently comprises of the following members:

Name of the Directors	Designation*
Dr. Uddesh Kohli	Member
Dr. Ashok Haldia	Member
Mr. C.R. Muralidharan	Member

\*The members shall appoint a chairman from amongst themselves.

Scope and terms of reference:

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

Shares were allotted to the public under the Initial Public Offer of the Company on 26th March, 2011 therefore, during the year, no meeting of Shareholders' and Investor' Grievance Committee was held.

During the year ended, the Company has not received any complaints from the investors.

#### 7. Remuneration Committee

The Remuneration Committee was constituted pursuant to Board resolution dated 13th December, 2010. It presently comprises of the following members:

Name of the Directors	Designation	Attendance in the meeting
Mr. P. Abraham	Chairman	Present
Mrs. Rama Murali	Member	Absent
Dr. Uddesh Kohli	Member	Present

During the year, 1 meeting of Remuneration Committee was held 11th March, 2011.

Scope and terms of reference:

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

#### 8. Committee of Directors for IPO

The Committee of Directors for IPO (IPO Committee) was constituted pursuant to Board resolution dated 22nd March, 2010 for taking the necessary steps for IPO and pre-IPO private placement. It comprised of the following members:

Name of the Directors	Designation
Mr. T. N. Thakur	Chairman
Dr. Ashok Haldia	Member
Mr. P. Abraham	Member
Dr. Uddesh Kohli	Member

During the year, 9 meetings of Committee of Directors for IPO were held 20th April, 2010; 2th June, 2010; 7th September, 2010; 18th December, 2010; 5th March, 2011; 11th March, 2011; 15th March, 2011; 21th March, 2011 and 26th March, 2011.

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

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

Name of the Directors	Designation
Mr. T. N. Thakur	Chairman
Dr. Ashok Haldia	Member
Dr. Uddesh Kohli	Member

During the year, 3 meetings of Committee of Directors for issuance of Bonds were held 19th November, 2010; 27th January, 2011 and 31st March, 2011.

#### 10. Committee of Directors

The Committee of Directors was constituted by Board on 21st August, 2009. It has been constituted for the purpose of considering and sanctioning debt financing or equity participation or both taken together to a single Company upto Rs.250 million, subject to an aggregate limit of overall limit by Rs.1,000 million in a Financial Year. It presently comprises of the following members:

Name of the Directors	Designation
Mr. T. N. Thakur	Chairman
Dr. Ashok Haldia	Member
Dr. Uddesh Kohli	Member

During the year, 3 meetings of Committee of Directors were held 31st May, 2010; 29th September, 2010 and 1st March, 2011.

#### Annual General Meeting

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

AGM	Date	Day	Time	Location	Special Resolution
4th AGM	24/09/2010	Friday	5.00 PM	Board Room, 2nd Floor, NBCC Towers, 15, Bhikaji Cama Place, New Delhi.	Further issue of Equity Shares (Section 81(1A)) of the Companies Act, 1956
3rd AGM	25/09/2009	Friday	5.00 PM	Board Room, 2nd Floor, NBCC Towers, 15, Bhikaji Cama Place, New Delhi.	None
2nd AGM	05/08/2008	Tuesday	5:30 PM	Board Room, 2nd Floor, NBCC Towers, 15, Bhikaji Cama Place, New Delhi.	None

#### Subsidiary Companies

The Company does not have any subsidiary company .

#### Disclosures

- (1) There were no materially significant transactions with related parties i.e. promoters, directors or the management, conflicting with the Company's interest, subsidiaries or relatives etc. that may have any potential conflict with the interest of the Company. Further, the details of related party transactions are presented in Note no 7 on Schedule 19 - 'Notes to Accounts' to Annual Accounts in the Annual Report.

- (2) There were also no instances of non-compliance on any matter related to the Capital Markets during the last three years. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.
- (3) The Company's Whistle Blower policy is inbuilt system of Grievance Redressal which deals with grievances of employees. Under this system grievances of the employees are redressed effectively. The Company affirms that no personnel have been denied access to the audit committee.
- (4) The Company has fully complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement of the stock exchange relating to Corporate Governance and adopted all suggested items to be included in the Report on Corporate Governance.
- (5) In the preparation of financial statements, the Company has followed the accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956, the relevant provisions of the Companies Act, 1956 and the Non-Banking financial (Non Deposit Accepting or Holding) Companies prudential Norms (Reserve Bank) Directions, 2007.

#### Remuneration to Directors

The remuneration paid to the Whole-time Directors during the financial year ended 31st March, 2011 is as under:

(Rs. in Lacs)						
Name of Director	Salary and allowances	Perquisites	Contribution to provident fund	Commission	Total	ESOP
Dr. Ashok Haldia	38.02	5.03	2.05	Nil	45.10	Nil

#### Means of Communication

PFS recognizes communication as a key element of the overall Corporate Governance framework and therefore emphasizes continuous, efficient and relevant communication to all external constituencies. Quarterly/annual financial results are usually published in financial and national newspapers like Financial Express / Business Express in English and Jansatta in Hindi. The same are also available on the website of the Company, viz. www.ptcfinancial.com and have also been submitted to stock exchanges as per requirement. 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, consolidated financial statements, directors' report, auditors' report, report on corporate governance which is circulated to the members and others entitled thereto for each Financial Year.

Registrar & Share Transfer agent  
Karvy Computershare Pvt. Limited  
Plot No. 17-24  
Vithal Rav Nagar Madhapur  
Hyderabad 500 081

#### Share Transfer System

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

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository

Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### CEO/CFO certification

As required by the revised Clause 49 of the Listing Agreement, the Certificate duly signed by Mr. T.N. Thakur, Chairman & Managing Director and Dr. Ashok Haldia, Director & CFO was placed before the Board of Directors at the meeting held on 25th May, 2011.

#### Utilisation of proceeds from Initial Public Offering (IPO)

The details of utilisation of proceeds from IPO upto 31<sup>st</sup> March, 2011 is presented in Note no 16 (C) on Schedule 19 - 'Notes to Accounts' to Annual Accounts in the Annual Report.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity No GDRs/ADRs/Warrants or any Convertible instruments has been issued by the Company, except grant of ESOPs as mentioned in Note no 4 on Schedule 19 - 'Notes to Accounts' to Annual Accounts in the Annual Report.

#### Shareholders Information

##### 1) Annual General Meeting

Date 28.09.2011 Time 04:00 PM

Venue: Dr. Sarvepalli Radhakrishnan Auditorium at Kendriya Vidyalaya No. 2, A.P.S. Colony (Delhi-Gurgaon Road), Delhi Cantt, New Delhi - 110010

##### 2) Financial calendar for year ended 31st March, 2011

Particulars	Date
Financial year	1st April 2010 to 31st March 2011
Un-audited financial results for the first three quarters	Not applicable since the Company was listed w.e.f. 30 <sup>th</sup> March, 2011.
Annual Financial year results	25 <sup>th</sup> May, 2011

##### 3) Tentative Financial calendar for year ending 31st March, 2012

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

##### 4) Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 17<sup>th</sup> September, 2011 to 28<sup>th</sup> September, 2011 inclusive of both days.

##### 5) Payment of Dividend

The Board of Directors of your Company has not recommended any dividend for the Financial Year ended 31st March, 2011.

##### 6) Listing on Stock Exchanges

PFS shares are listed on the following stock exchanges:

National Stock Exchange of India Limited	Bombay Stock Exchange Limited
Scrip Code: PFS EQ	Scrip Code: 533344
Stock Code: INE560K01014	

The annual listing fees for the Financial Year ending 31st March, 2012 have been paid to NSE and BSE.

## 7) Market Price Data

### NSE

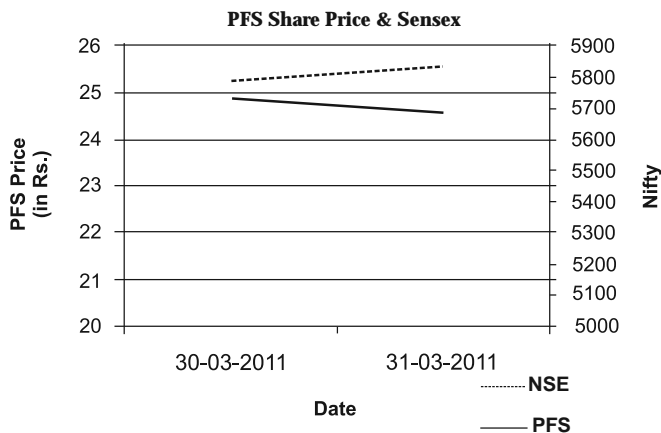
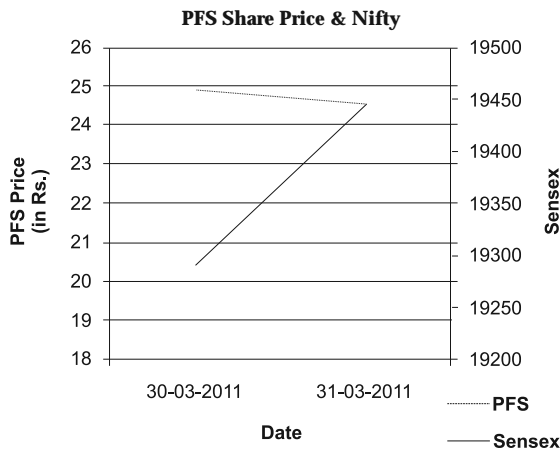
Month	High(Rs.)	Low(Rs.)	Closing(Rs.)
March, 2011	27.00	23.50	24.65

### BSE

Month	High(Rs.)	Low(Rs.)	Closing(Rs.)
March, 2011	28.00	23.50	24.60

• The Company was listed on 30th March, 2011.

## 8) Performance in comparison to indices



## 9) Registrar and Transfer Agents

### For Equity and Infrastructure Bond

Registered Office	Communication Address
Karvy Computershare Private Limited	17-24, Vittal Rao Nagar
"Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad 500034, India	Madhapur Hyderabad-500 081 Andhra Pradesh, India
Tel: +91 40 23312454	Tel: +91 40 23420815-28
Toll Free: 1800 4258282	Fax: +91 40 23420814/59
	Email: einward.ris@karvy.com

Fax: +91 40 23311968

Website: www.  
karvycomputershare.com

## For Non-Convertible Debentures Series - I, II & III

MCS Limited

Sri Venkatesh Bhavan

W-40, Okhla Industrial Area Phase II,

New Delhi

Tel No. 011 - 41406149

Fax No. 011 - 41709881

## 10) Distribution of shareholding

• Distribution of shareholding as on 31st March, 2011

S. No.	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1 - 5000	12,853	44.55	44,892,550	0.80
2	5001 - 10000	5,348	18.54	49,152,560	0.88
3	10001-20000	3,921	13.59	65,932,890	1.17
4	20001-30000	1,118	3.88	29,751,020	0.53
5	30001-40000	2,764	9.58	98,048,750	1.74
6	40001-50000	290	1.01	13,884,000	0.25
7	50001-100000	2,372	8.22	163,758,350	2.91
8	100001 & Above	182	0.63	5,155,413,230	91.72
<b>Total:</b>		<b>28,848</b>	<b>100.00</b>	<b>5,620,833,350</b>	<b>100.00</b>

• Shareholding pattern as on 31st March, 2011

S. No	Description	No. of Cases	Total Shares	% Equity
1	Promoters	7	337,250,001	60.00
2	Banks	5	20,745,010	3.69
3	Clearing members	284	10,553,789	1.88
4	Foreign institutional investors	6	108,006,883	19.22
5	HUF	695	2,217,000	0.39
6	Insurance companies	2	15,340,277	2.73
7	Bodies corporates	50	15,721,150	2.80
8	Mutual funds	4	7,444,570	1.32
9	Non residents	243	619,350	0.11
10	Resident individuals	27,551	44,185,305	7.86
<b>Total:</b>		<b>28,847</b>	<b>562,083,335</b>	<b>100.00</b>

## 11) Dematerialization of shares

Number of shares held in dematerialized and physical mode as on 31st March, 2011.

S. No	Category	No. of cases	Total Shares	% To Equity
1	Physical	8	191,251,507	34.03%
2	N S D L	19,444	353,572,529	62.90%
3	C D S L	9,396	17,259,299	3.07%
<b>Total</b>		<b>28,848</b>	<b>562,083,335</b>	<b>100.00%</b>

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

**Address and Details for correspondence**

Mr. Vishal Goyal  
Company Secretary and Compliance Officer

Registered Office  
2nd Floor, NBCC Tower,  
15 Bhikaji Cama Place,  
New Delhi- 110 066  
Tel: +91 11 4165 9122  
Fax: +91 11 4165 9144  
E-mail: complianceofficer@ptcfincial.com

**Annexure I**

**Non-Mandatory Requirements**

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

1. The Board: The Company is headed by an executive Chairman. None of the Independent Directors on the Board of the Company has been appointed for a period exceeding, in aggregate, a period of nine (9) years.
2. Remuneration Committee: The payment of remuneration of Directors is decided by Remuneration Committee headed by an Independent Director.
3. Shareholder Rights: The quarterly financial results of the Company are published in leading newspapers as mentioned under the heading "Means and Communication" of the Corporate Governance report and also displayed on the website of the Company. These results are not separately circulated to the shareholders.
4. Audit Qualifications: The auditors has given unqualified report for the Financial Year ended 31<sup>st</sup> March, 2011.
5. Training to Board members: Various seminars, conferences, training programmes etc. are attended by the Board members from time to time.
6. Mechanism for evaluating non-executive Board Members: Not yet adopted by the Company.
7. Whistle Blower Policy: The Company's Whistle Blower policy is in-built in the system of Grievance Redressal which deals with grievances of employees. A suggestion box has also been kept at the registered office of the Company. All the employees of the Company are encouraged to bring to the Managements notice concerns about suspected unethical behaviour, malpractice, wrongful conduct, fraud and violation of Company's policies without fear of reprisal.

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry Scenario**

1. India is the fifth largest economy in the world after the European Union, United States of America, China and Japan in terms of purchasing power parity, with an estimated GDP of US\$3.68 trillion in 2009. India is also among the fastest growing economies globally, and has grown at an average rate of more than 7.0% since 1997. To support even the current level of economic growth, the infrastructure sector will have to grow at a much rapid pace. Realizing this, the governments, both at Central and State levels, have given increasing emphasis on accelerating infrastructure development in successive five year plans.
2. Pace of growth of power sector has lagged behind other infrastructure areas like telecommunication, ports, roads, airports etc. This is because of increasing concerns on fuel security, off-take risk, and implementation impediments. According to the Integrated Energy Policy ("IEP")

Report, 2006 issued by the Planning Commission, India would require additional capacity of about 220-233 Gigawatt ("GW") by 2012, 306-337 GW by 2017 and 425-488 GW by 2022 in order to maintain a 8-9% GDP growth rate. Such a requirement of capacity addition in generation, and, consequently, to support that, in transmission and distribution, will require huge capital investments. As per estimates, about INR 11 trillion will be required in 12th Plan to meet the capacity addition targets - INR 5 trillion in generation, INR 2.4 trillion in transmission, and INR 3.7 trillion in distribution.

3. Health and growth of the power sector in the recent years have been constrained by deteriorating financial condition of State Power Utilities. Commercial losses have reached an all-time high of Rs. 526 billion in financial year 2008-09. The cash losses also increased to staggering Rs. 213 billion in 2008-09 from Rs. 28 billion in 2007-08. Power projects are also getting delayed because of delays in environmental and forest clearances, difficulties in acquisition of land, delays in financial closure etc. There have been serious concerns related to fuel security as well. The Ministry of Power, Government of India has warned that coal shortage is likely to derail about 40,000 MW capacity addition over next few years. Against the requirement for increase in coal production by 20%, Coal India has lowered production targets for the year 2011-12 to 452 million tonnes, from 461.5 million tonnes in 2010-11. This is bound to widen the gap already existing in fuel supply for the power plants.

**Financial and Operational Performance**

4. The year 2010-11 saw major shift in the composition of income of PFS. Operating income as a percentage of total income increased from 73.91 % in 2009-10 to 95.26 % in 2010-11. Net interest income increased from Rs. 19.69 million in the year 2009-10 to Rs. 308.04 million in the year 2010-11. Total revenue income rose to Rs.1088.52 million from Rs.534.90 million in the year 2009-10, thus recording 103.50 % growth. Profit before Tax (PBT) of the Company has increased from Rs.367.00 million in 2009-10 to Rs. 514.31 million in the year 2010-11 recording increase by 40.14 %. Profit After Tax (PAT) of the Company increased by 45.48 %, from Rs.254.52 million in 2009-10 to Rs. 370.27 million during the year 2010-11. The above position is after consideration of the following:
  - a. Fund raising expenses for the year 2010-11 includes Rs. 28.55 million as a onetime expense incurred for raising funds through ECB and Infrastructure Bonds, the benefit of which shall be available in coming years.
  - b. Provision for contingencies amounting to Rs. 17.77 million on standard assets made for the first time in financial year 2010-11 in accordance with the requirements of Reserve Bank of India vide RBI Circular No. DNBS.PD.CC.No.207/ 03.02.002 /2010-11 dated 17th January, 2011.
  - c. Employees cost for the current year is net after deduction of Rs.7.77 million on account of forfeiture/ surrender of employee stock options outstanding.

Operating income as a percentage of total income increased from 73.91 % in 2009-10 to 95.26 % in 2010-11. Correspondingly, the operational expenses as a percentage of total revenue increased from 31.39 % to 51.12 %. Interest and other finance charges for the financial year 2010-11 amounting to Rs. 427.17 million were 74.39% of total expenses. Personnel expenses for the year 2010-11 were 3.20% of the total expenses and 0.27% of the total loan assets. Further, Administration and other expenses for the year 2010-11 were 9.81 % of the total expenses and 0.83 % of the total loan assets.

5. The amount of loan sanctioned during the year 2010-11, excluding those convertible in to long-term loans, increased to Rs 17,030 million compared to Rs.12,490 million in the previous year. The level of disbursement of debt was Rs. 6,236.64 million during the year against Rs.2,827.08 million in the previous year. A large portion of equity of PFS was already committed and disbursed in the equity investments as at the beginning of the year 2010-11. As a result, the amount of disbursement of equity during the year was lower at Rs.890.90 million compared to Rs 2309.44

million in the previous year. Similarly, the amount of equity sanctioned was Rs.917 million compared to Rs.1279 million in the previous year. Effective commitments for debt as on 31st March, 2011 were Rs.33,649 million as compared to Rs.18,332 million as on 31st March 2010. Upfront financing of CER amounted to Rs.222.38 million in the year 2010-11 as against Rs.50.00 million in the year 2009-10.

6. The number of new projects for which financial assistance was sanctioned during the year was 20 taking the total number of sanctioned projects till 31st March, 2011 to 62. The financial assistance sanctioned by PFS so far would help capacity creation of more than 14000 MW. Fuel wise assisted projects comprised of 20 coal-based thermal projects, 17 biomass-based projects, 5 hydro-based projects, and 4 wind-based projects.
7. The portfolio mix of PFS has undergone significant changes and logically so. Starting with focus on equity investment, PFS graduated to financing of debt – short term as well as long term. As on 31st March, 2011, short term loans constituted significant portion of total outstanding debt- more than 60% of the loan outstanding. The percentage, however, reduced with the long term loans getting ripe for disbursement as the sanctioned projects progressed in implementation stages. In the years to come, a large portion of the debt outstanding may continue to comprise of long term loans.

#### Risk Management

8. Risk management is a central part of PFS' strategic management. Being a financial institution, PFS is exposed to risks that are particular to its lending and investment activities and the environment within which it operates. PFS' goal in risk management is to ensure that it understands, measures and monitors various risks that arise and that the organization adheres to the policies and procedures which are established to address these risks.
9. PFS has, along with ICRA Management Consulting Services, developed various policies, guidelines for risk management. A software based Credit Rating Model to facilitate internal rating based approach for rating of borrowers and projects was also developed. PFS is following 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

10. 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 of RBI guidelines to enable NBFCs to adopt best practices and greater transparency in their operations, the Board of Directors of PFS 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. Asset Liability Management Committee (ALCO) takes care of the liquidity risk, interest rate risk and foreign currency risk while Risk Management Committee looks after the overall risk of the organization with specific focus on credit risk and operational risk. In assessment of risk of credit proposals, PFS follows a multiple layer approach. The credit approval note prepared by appraisal officers and the internal rating assigned to a proposal is reviewed by an independent risk management team. The rating as well as approval note is further reviewed by whole time directors before presentation to the approving authority. PFS has engaged well known and experienced consulting firms to support in the development of Risk Management Framework as well as to provide continuous support for following sound risk management practices.

#### Risk Management Policies

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

- Credit Risk Management Policy: - Credit risk management policy provides for identification and assessment of credit risk, assessment and management of portfolio credit risk, and risk monitoring and control. The issues relating to the establishment of exposure limits for various categories, for example, based on geographical regions, fuel, industry wise, rating wise are also covered. The policy also deals with rating models aiming at high quality, consistency and uniformity in the appraisal of proposals.
- Asset Liability Management Policy:- The objectives of Asset Liability Management Policy are to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps.
- Foreign Exchange Risk Management Policy: - The policy covers the management of foreign exchange risk related to existing and future foreign currency loans or any other foreign exchange risks derived from borrowing and lending. The objective of the policy is to serve as a guideline for transactions to be undertaken for hedging of foreign exchange related risks. It also provides guiding parameters within which the Asset Liability Management Committee can take decisions for managing the above mentioned risks.
- Interest Rate Policy: - Interest rate policy provides for risk based pricing of the debt financing by us. 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 our 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 capital of PFS 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.
- 12. Apart from these policies there are various guidelines to help understand and mitigate different kinds of other risks. These include, guidelines for financing bio-mass projects, guidelines for financing CERs, operational guidelines for debt financing, KYC Guidelines and the like.

#### Credit Risk Rating Model

13. PFS had appointed ICRA Management Consulting Services Limited (IMaCS) to develop internal rating software. Though IMaCS had the standard power project model, PFS team has customized the rating model using its domain expertise. All the proposals are rated on the rating model. There are separate rating models for balance sheet funding and SPV funding. The Model is an expert judgment model where 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

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

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

15. For equity investments, there is online reporting software for receiving information about investee companies on a periodic basis. Further, a detailed status report on investments is presented periodically in the Management Information System (MIS) to whole time Directors. In all of the investee companies, PFS has nominee director on their Boards 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.
16. A status report on both debt and equity projects is also presented to the Board of PFS periodically (at least quarterly) to ensure that directors are kept informed about the developments in the projects especially about any areas of concerns.

#### Outlook

17. As stated earlier, power sector requires huge investment. It is also well accepted that the existing institutional structure and available mechanism neither has the capacity to mobilise nor provide the requisite funding. PFS has emerged as an institution with promise in financing power projects. PFS expects to continue to maintain the growth momentum. With the additional capital raised during the year, the ability of PFS to leverage and increase debt financing has increased manifold. It is faced with the challenges as well. Our constant endeavour has been to find out the opportunities in those challenges.
18. Interest rates have been on rise in last few quarters. In response to increase in the policy rates by Reserve Bank of India (RBI), banks have raised their base rates in aggregate by 2% to 3% over last one year. That despite, PFS has been able to maintain its over all cost of borrowings. It will continue to broad-base its sources of funding and pursue the banks and other lenders for lowering the spread charged from PFS for on-lending. Starting from borrowing from the banks under the Line of Credit, PFS has progressed to raise funds through issuance of NCDs, Infrastructure Bonds, and ECB from bilateral and multilateral institutions at very competitive rates. The recent announcement made by the Government of India facilitating setting-up of Infrastructure Development Fund would add new dimensions to fund mobilization strategy of PFS. The power sector currently also faces serious concerns on health of distribution companies, availability of the domestic coal,

limitation on import of coal, delays in land acquisition and obtaining clearances. Many of the projects have faced problems in timely financial closure and project implementation. These factors may have impact on slowing down the implementation of private power projects and consequently credit off-take.

19. Macro level issues relating to the health of the distribution companies and the availability of coal may require intervention at the level of Government of India, various State Governments and regulators. PFS seeks to address these and other implementation risks, by remaining cautious during due-diligence process.
20. Linkages with PTC would continue to help PFS in easy access to pipeline of projects for financing and to domain expertise of PTC in power sector. This apart, PFS has developed strong linkages with the banks, financial institution, project developers, multilateral, bilateral institutions, equity funds, and the like, which would help in further development of business. PFS has put in place a comprehensive risk management framework and is continuously working to upscale the same to match the organizational and operational growth.
21. PFS is not only a multi-product company but is also highly customer-focused. PFS applies a distinctive approach in structuring the financial products. Being customer-focused, emphasis is on understanding of the risks and mitigation measures required in the context of the specific needs of the project. Ensuring quality in servicing while financing power projects is the hall-mark of PFS's business strategy, operational framework and HR practices.
22. PFS has enhanced its focus on renewable energy as these projects does not have significant fuel and environmental clearance risks, and receive regulatory, fiscal and non-fiscal support. It has also started focusing on newer areas in the energy value chain including financing for equipment manufacturing, EPC contracts in transmission sector, and working capital needs. PFS has started exploring opportunities for portfolio take-over as various commercial banks are exhausting their exposure limits for the power sector, and buy-out financing.

#### Cautionary Note

23. 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.



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

**TO THE MEMBERS OF PTC INDIA FINANCIAL SERVICES LIMITED**

We have examined the compliance of conditions of Corporate Governance by PTC India Financial Services Limited for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

For Deloitte Haskins & Sells

Chartered Accountants  
(Registration No.015125N)

Jaideep Bhargava  
Partner  
(Membership No. 090295)

Date: 29th July, 2011  
Place: Gurgaon

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To  
The Board of Directors  
PTC India Financial Services Limited

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2011 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Companies affairs and are in compliance with existing accounting standards, applicable law and regulations;
- b. There are, to the best of our knowledge and beliefs, no transactions entered into by the Company during the year 2010-11 which are fraudulent, illegal or violative of the Company's Code of Conduct;
- c. We accept responsibility for establishing and maintaining internal control and that we have evaluated the effectiveness of internal control system of the Company and we have disclosed to the auditors and audit committee, deficiencies in the design or operation of the internal control system (if any), of which we are aware and the steps we have taken or purpose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee-
- i. Significant changes in internal control during the year.
  - ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements, and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee have significant role in the company's internal control systems.

sd/-  
(Dr. Ashok Haldia)  
Director & CFO

sd/-  
(T.N. Thakur)  
CMD

Date: 25th July, 2011  
Place: New Delhi



## PTC India Financial Services Limited AUDITOR'S REPORT

1. We have audited the attached Balance Sheet of PTC India Financial Services Limited ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
    - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
    - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

Jaideep Bhargava  
Partner  
(Membership No. 090295)

Date : 25th May, 2011  
Place : Gurgaon

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

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

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of goods and services. There are no purchases of inventory during the year. During the course of our audit, we have not observed any major weakness in such internal control system.
- (iv) According to the information and explanations given to us, there were no contracts, arrangements or transactions that were required to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (vi) In our opinion, the internal audit functions carried out during the year

by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.

- (vii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of generation of power and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (viii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including provident fund, income-tax, sales tax, service tax and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of these dues as at March 31, 2011 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues in respect of sales tax, wealth tax, service tax, customs duty, excise duty and cess, which have not been deposited. The details of disputed dues of Income Tax as at March 31, 2011 are as follows:

(Rupees in lacs)				
Nature of the Statute	Nature of dues	Forum where pending	Amount* (Rs. in lacs)	Period to which amount relate
Income Tax Act	Income Tax	-Appellate Authority upto Commissioner's level	13.97	2007-08

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

- (ix) As the Company has been registered for a period of less than five years, paragraphs 4 (x) of the Order is not applicable.
- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and debenture holders. The Company has not taken any loans from financial institutions during the year.
- (xi) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of

pledge of shares, debentures and other securities.

- (xii) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- (xiii) According to the information and explanations given to us, the Company has not given any guarantees during the year for loans taken by others from banks or financial institutions.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xvi) According to the information and explanations given to us, the Company has not made preferential allotment of shares during the year.
- (xvii) According to the information and explanations given to us, during the year covered by our audit report, the Company had issued 900 debentures for Series 3 of face value of Rs.1,000,000 per debenture. Subsequent to year end the Company has created security in respect of the debentures issued under Series 3.
- (xviii) The Company has raised money by way of initial public offering of equity shares during the year. The Management has disclosed the end use of money raised by public issue in note 16 of schedule 19 and we have verified the same.
- (xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

Jaideep Bhargava

Partner

(Membership No. 090295)

Date : 25th May, 2011

Place : Gurgaon

**PTC India Financial Services Limited**  
**BALANCE SHEET AS AT MARCH 31, 2011**

(Rupees in lacs)			
	Schedule	As at 31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Share capital	1	56,208.33	43,458.33
Employee stock option outstanding	2	46.26	123.96
Reserves and surplus	3	45,514.78	20,011.43
Loan funds			
Secured loan	4	56,987.46	31,080.10
Deferred tax liability (net) (Refer note 9 of schedule 19)		498.72	437.51
		<b>159,255.55</b>	<b>95,111.33</b>
<b>APPLICATION OF FUNDS</b>			
Fixed assets			
Gross block	5	3,568.80	3,504.75
Less: Depreciation		552.60	7.74
		3,016.20	3,497.01
<b>Add: Capital work in progress</b>		-	9.60
		3,016.20	3,506.61
<b>Investments</b>	6	46,365.14	40,670.40
<b>Loan financing</b>	7	67,558.77	26,620.10
<b>Current assets, loans and advances</b>			
Sundry debtors	8	48.26	0.11
Cash and bank balances	9	48,347.56	23,447.38
Other current assets	10	410.10	475.24
Loans and advances	11	4,149.85	1,183.87
		52,955.77	25,106.60
<b>Less: Current liabilities and provisions</b>	12		
Current liabilities		10,437.21	788.05
Provisions		203.12	4.33
		10,640.33	792.38
<b>Net current assets</b>		42,315.44	24,314.22
		<b>159,255.55</b>	<b>95,111.33</b>
<b>Notes to accounts</b>	19		

In terms of our report attached

The schedules referred to above form an integral part of the Balance Sheet

**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Jaideep Bhargava**  
Partner

**T. N. Thakur**  
Chairman and Managing  
Director  
DIN: 00024322

**Ashok Haldia**  
Director and Chief  
Financial Officer  
DIN: 00818489

Place : Gurgaon  
Date : 25th May, 2011

Place : New Delhi  
Date : 25th May, 2011

**Vishal Goyal**  
Company Secretary

**PTC India Financial Services Limited**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	Schedule	Year ended 31.03.2011	Year ended 31.03.2010
(Rupees in lacs)			
<b>INCOME</b>			
Income from investments	13	1,480.57	2,128.06
Interest income	14	7,352.10	1,357.37
Fee based income		1,102.51	467.71
Income from sale of power		433.60	0.11
Other income	15	516.45	1,395.70
		<b>10,885.23</b>	<b>5,348.95</b>
<b>EXPENDITURE</b>			
Personnel expenses	16	184.01	256.90
Administration and other expenses	17	563.54	256.90
Interest and other charges	18	4,271.69	1,160.44
Depreciation / Amortisation	5	545.12	4.70
Provision for contingencies		177.74	-
		<b>5,742.10</b>	<b>1,678.94</b>
<b>Profit before tax</b>		<b>5,143.13</b>	<b>3,670.01</b>
Less : Tax expense			
- Current tax		1,031.10	651.00
- Deferred tax charge (Refer note 9 of schedule 19)		409.30	473.77
<b>Profit after tax</b>		<b>3,702.73</b>	<b>2,545.24</b>
<b>Balance as per last balance sheet</b>		<b>2,708.38</b>	<b>672.64</b>
Less : Transfer to statutory reserve		<b>(741.00)</b>	<b>(509.50)</b>
<b>Balance carried to balance sheet</b>		<b>5,670.11</b>	<b>2,708.38</b>
Basic earnings per share (Rs.)		0.85	0.59
Diluted earnings per share (Rs.)		0.85	0.59
(Refer note 8 of schedule 19)			
<b>Notes to accounts</b>	19		

In terms of our report attached

The schedules referred to above form an integral part of the profit and loss account

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Jaideep Bhargava**  
Partner

**For and on behalf of the Board of Directors**

**T. N. Thakur**  
Chairman and Managing  
Director  
DIN: 00024322

**Ashok Haldia**  
Director and Chief  
Financial Officer  
DIN: 00818489

Place : Gurgaon  
Date : 25th May, 2011

Place : New Delhi  
Date : 25th May, 2011

**Vishal Goyal**  
Company Secretary

**PTC India Financial Services Limited**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

(Rupees in lacs)

	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,143.13	3,670.01
<b>Adjustment for:</b>		
Depreciation/Amortisation	545.12	4.70
Provision for contingencies	177.74	-
Employee stock options	(77.70)	113.98
Loss on sale of fixed assets	0.36	-
Profit / (loss) on sale of non trade current investments (net)	-	(0.60)
Dividend Income on investment other than in power project companies	(170.48)	(464.14)
Interest on fixed deposits	(514.07)	(1,393.88)
Interest - others	(0.03)	(0.02)
Interest and other charges	4,271.69	1,160.44
<b>Operating profit before working capital changes</b>	<b>9,375.76</b>	<b>3,090.49</b>
<b>Increase/Decrease:</b>		
Current assets and loans and advances	(2,657.85)	(709.22)
Trade and other payables	146.22	(45.06)
Loan financing	(40,938.67)	(24,620.10)
Investments in power project companies (net)	(5,641.65)	(20,669.23)
<b>Cash generated from operations</b>	<b>(39,716.19)</b>	<b>(42,953.12)</b>
Direct taxes paid	(1,340.69)	(1,193.79)
<b>Net cash generated from operating activities</b>	<b>(41,056.88)</b>	<b>(44,146.91)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(55.15)	(3,505.79)
Proceeds from sale of fixed assets	0.08	0.48
Profit / (loss) on sale of non trade current investments (net)	-	0.60
Dividend Income on investment other than in power project companies	170.48	464.14
Interest on fixed deposits	717.88	1,128.67
Interest - others	0.03	0.02
<b>Net cash used in investing activities</b>	<b>833.32</b>	<b>(1,911.88)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of fresh equity shares (including share premium)	35,270.32	-
Received pursuant to sale of equity shares of Macquarie India Holdings Ltd	8,077.60	-
Equity shares application money refundable	139.28	-
Issue expenses paid	(205.98)	-
Proceeds from long term borrowings	28,367.36	26,620.10
Proceeds/(payments) from/to short term borrowings	(2,460.00)	2,460.00
Interest and other charges	(4,064.84)	(443.11)
	<b>65,123.74</b>	<b>28,636.99</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>24,900.18</b>	<b>(17,421.80)</b>
<b>Opening cash and cash equivalents</b>	<b>23,447.38</b>	<b>40,869.18</b>
<b>Closing cash and cash equivalents</b>	<b>48,347.56</b>	<b>23,447.38</b>
<b>Notes:</b>		
1 <b>Closing cash and cash equivalents comprise : #</b>		
Cheques in hand	-	0.01
Balance with scheduled banks in:		
Current accounts:		
- Received on behalf of Macquarie India Holdings Limited lying in escrow account.	8,077.60	-
- Unclaimed share application money lying in escrow account	139.28	-
- Others	3,274.02	221.02
Fixed deposit accounts	36,856.66	23,226.35
<b>Total</b>	<b>48,347.56</b>	<b>23,447.38</b>
# Refer note 16 of Schedule 19		
2 The above cash flow statement has been prepared under the indirect method set out in AS-3 notified under Companies (Accounting Standards) Rules, 2006.		

In terms of our report attached

**For Deloitte Haskins & Sells**  
**Chartered Accountants**

**Jaideep Bhargava**  
**Partner**

**Place : Gurgaon**  
**Date : 25th May, 2011**

**For and on behalf of the Board of Directors**

**T. N. Thakur**  
**Chairman and Managing**  
**Director**  
**DIN: 00024322**

**Ashok Haldia**  
**Director and Chief**  
**Financial Officer**  
**DIN: 00818489**

**Place : New Delhi**  
**Date : 25th May, 2011**

**Vishal Goyal**  
**Company Secretary**

## PTC India Financial Services Limited

### SCHEDULES 1 TO 19 ANNEXED TO AND FORMING PART OF ACCOUNTS

(Rupees in lacs)

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE - 1 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1000,000,000 (previous year 600,000,000) equity shares of Rs. 10 each	100,000.00	60,000.00
<b>ISSUED</b>		
562,083,335 (previous year 434,583,335) equity shares of Rs. 10 each	56,208.33	43,458.33
<b>SUBSCRIBED AND PAID UP</b>		
562,083,335 (previous year 434,583,335) equity shares of Rs. 10 each fully paid up	56,208.33	43,458.33
	<b>56,208.33</b>	<b>43,458.33</b>
<b>Of the above subscribed and paid up capital:</b>		
337,250,001 (previous year 337,250,001) equity shares of Rs. 10 each representing 60% (previous year 77.60%) are held by PTC India Limited, the holding company and its nominees		
<b>SCHEDULE - 2 EMPLOYEE STOCK OPTION OUTSTANDING</b>		
Stock options outstanding	88.30	537.69
Less: Deferred employee compensation expense	(42.04)	(413.73)
	<b>46.26</b>	<b>123.96</b>
<b>SCHEDULE - 3 RESERVES AND SURPLUS</b>		
<b>Securities premium</b>		
Balance brought forward	16,622.95	16,622.95
Add: Amount received pursuant to issue of equity shares	22,520.32	-
Less : Utilisation for share issue expenses (net of taxes) (Refer note 16 of schedule 19)	(719.70)	-
<b>Closing Balance</b>	38,423.57	16,622.95
<b>Statutory reserve</b>		
<b>[in terms of Section 45-IC of the Reserve Bank of India, 1934]</b>		
Balance brought forward	680.10	170.60
Add: Additions during the year	741.00	509.50
<b>Profit and loss account</b>	5,670.11	2,708.38
	<b>45,514.78</b>	<b>20,011.43</b>
<b>SCHEDULE - 4 LOAN FUNDS</b>		
<b>Secured</b>		
Debentures (refer note (i) below)	29,000.00	20,000.00
Term loans from banks (refer note (ii) below)	23,778.86	8,620.10
Short Term Loan from banks (refer note (iii) below)	-	2,460.00
Long Term Infrastructure bond ( refer note(iv) below)	4,208.60	-
	<b>56,987.46</b>	<b>31,080.10</b>

#### Note

- (i) 1,000 (previous year 1,000) privately placed 10.60% secured redeemable non convertible debentures of Rs.1,000,000 each (Series 1) allotted on October 1, 2009 redeemable at par in three equal annual installments commencing from September 30, 2012. 1,000 (previous year 1000) privately placed 9.35% secured redeemable non convertible debentures of Rs.1,000,000 each (Series 2) allotted on February 3, 2010 redeemable at par entirely on February 2, 2012. 900 (previous year Nil) privately placed 10.50% secured redeemable non convertible debentures of Rs 1,000,000 each (Series 3) allotted on January 27, 2011 redeemable at par in six equal annual installments commencing from January 26, 2018. Series 1, Series 2 and Series 3 are secured by way of mortgage of immovable building and first charge by way of hypothecation of the receivables of the loan assets created by the proceed of respective debentures. Further, Series 1 and Series 3 have also been secured by pari passu charge by way of hypothecation of the receivable of loan assets created by the Company out of its own sources which are not charged to any other lender of the Company to the extent of 125% of debentures.
- (ii) The term loans from banks are secured by first pari-passu charge by way of hypothecation of the current assets including book debts, investments and other receivables (other than assets created by line of credit of other financial institutions / banks). Additionally, the loans are backed by an agreement of assignment of the project assets financed from proceeds of the loans, in favour of respective lenders. Amount repayable within one year Rs.454.52 lacs (previous year - Rs. 31.25 lacs)
- (iii) The short term loan from banks are secured by pledge of fixed deposits with the concerned bank. Amount payable within one year Rs. Nil (previous year - Rs.2,460 lacs)
- (iv) 84,172 (previous year Nil) privately placed 8.25% / 8.30% secured redeemable non convertible long term infrastructure bonds of Rs.5,000 each (Series 1) allotted on March 31, 2011 redeemable at par in five to ten years commencing from March 30, 2016.
- Series 1 are to be secured by way of first charge on the receivables of the assets created from the proceeds of infrastructure bonds issue and other unencumbered receivables of the Company to provide 100% security coverage.

**PTC India Financial Services Limited**  
**SCHEDULES - 5 FIXED ASSETS**

(Rupees in lacs)

Particulars	GROSS BLOCK - AT COST			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 31.03.2010	Additions during the year	Deletions / adjustments	As at 31.03.2011	Upto 31.03.2010	For the year	Deletions / adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
<b>Tangible assets :</b>										
Building	11.94	-	-	11.94	0.17	0.59	-	0.76	11.18	11.77
Plant and machinery (Wind mill)	3,479.39	43.36	-	3,522.75	1.46	539.81	-	541.27	2,981.48	3,477.93
Office equipment	2.48	3.56	0.70	5.34	1.08	1.09	0.26	1.91	3.43	1.40
Computers	9.51	2.31	-	11.82	4.66	2.51	-	7.17	4.65	4.85
Furniture and fixtures	0.96	1.82	-	2.78	0.13	0.33	-	0.46	2.32	0.83
<b>Intangible assets :</b>										
Software	0.47	13.70	-	14.17	0.24	0.79	-	1.03	13.14	0.23
<b>Total</b>	<b>3,504.75</b>	<b>64.75</b>	<b>0.70</b>	<b>3,568.80</b>	<b>7.74</b>	<b>545.12</b>	<b>0.26</b>	<b>552.60</b>	<b>3,016.20</b>	
Previous year	9.15	3,496.19	0.59	3,504.75	3.15	4.70	0.11	7.74	-	3,497.01
Capital works in progress										9.60
[including capital advances of Rs. Nil (previous year Rs. 9.60 lacs)]									3,016.20	3,506.61

## PTC INDIA FINANCIAL SERVICES LIMITED

### SCHEDULE - 6 INVESTMENTS

	Face Value	As at 31.03.2011		As at 31.03.2010	
		Quantity (Nos.)	Value (Rupees in lacs)	Quantity (Nos.)	Value (Rupees in lacs)
<b>Long term investment (at cost)</b>					
<b>(i) Trade - Unquoted (at cost)</b>					
(Refer note 10 of schedule 19)					
<b>In Associates - Equity shares, fully paid up</b>					
Ind-Barath Energy (Utkal) Limited	10.00	105,000,000	10,500.00	105,000,000	10,500.00
Ind-Barath PowerGencom Limited	10.00	55,630,000	5,563.00	55,630,000	5,563.00
Indian Energy Exchange Limited	10.00	5,766,026	576.60	6,939,190	693.92
PTC Bermaco Green Energy Systems Limited	10.00	1,374,646	137.46	843,684	84.37
RS India Wind Energy Limited	10.00	61,121,415	6,112.14	57,311,415	5,731.14
Varam Bio Energy Private Limited	10.00	4,390,000	439.00	4,390,000	439.00
<b>In Equity shares, fully paid up</b>					
East Coast Energy Private Limited	10.00	125,000,000	12,500.00	96,511,403	9,651.14
Meenakshi Energy and Infrastructure Holding P Limited (# Rs.10)	10.00	1	#	-	-
Meenakshi Energy Private Limited (cease to be an associate w.e.f March 29, 2011)	10.00	100,341,081	10,034.11	43,550,000	4,355.00
<b>Debentures, fully paid up</b>					
Optionally convertible debentures in Meenakshi Energy and Infrastructure Holding Private Limited	10,000,000.00	-	-	34	3,400.00
Optionally convertible debentures in Varam Bio Energy Private Limited	500,000.00	90	450.00	40	200.00
<b>(ii) Non trade - Quoted</b>					
<b>Equity shares, fully paid up</b>					
Container Corporation of India Limited	10.00	1,040	10.27	1,040	10.27
Power Grid Corporation of India Limited	10.00	81,839	42.56	81,839	42.56
<b>Total</b>			<b>46,365.14</b>		<b>40,670.40</b>
Aggregate cost of quoted investments			52.83		52.83
Aggregate cost of unquoted investments			46,312.31		40,617.57
<b>Total</b>			<b>46,365.14</b>		<b>40,670.40</b>
Aggregate market value of quoted investments			95.87		101.40
(Based on last traded price available as at year end)					



## PTC INDIA FINANCIAL SERVICES LIMITED

### THE FOLLOWING INVESTMENT WERE PURCHASED AND REDEEMED DURING THE YEAR

	(Rupees in lacs)				
	Face Value (Rupees per share)	Purchased* Quantity	Value	Redeemed / sold	
				Quantity	Value
<b>Long term investments (Trade - Unquoted)</b>					
<b>Equity Shares:</b>					
Indian Energy Exchange Limited	10.00	-	-	1,173,164	117.32
PTC Bermaco Green Energy Systems Limited	10.00	530,962	53.09	-	-
RS India Wind Energy Limited	10.00	3,810,000	81.00	-	-
East Coast Energy Private Limited	10.00	28,488,597	2,848.86	-	-
Meenakshi Energy and Infrastructure Holding P Limited (# - Rs.10)	10.00	1	#	-	-
Meenakshi Energy Private Limited	10.00	56,791,081	5,679.11	-	-
<b>Debentures:</b>					
Optionally convertible debentures in Meenakshi Energy and Infrastructure Holding P Limited	10000000.00	-	-	34	3,400.00
Optionally convertible debentures in Varam Bio Energy Private Limited	500000.00	50	250.00	-	-
<b>Current Investments (Non-trade - Unquoted)</b>					
<b>Mutual Funds:</b>					
Birla Sunlife Cash Manager-DDr-Folio No. 1013674388	10.00	68,203,477	6,824.99	68,203,477	6,824.99
Birla Sunlife Cash Plus-IP-DDr-Folio No. 1013674388	10.00	19,967,182	2,000.61	19,967,182	2,000.61
Birla Sunlife Cash Manager-IP-DDr-Folio No. 1013674388	10.00	17,047,732	1,705.18	17,047,732	1,705.18
Canara Robeco Treasury Advantage Super Institutional-DDR-Folio No. 234194	10.00	10,371,928	1,286.86	10,371,928	1,286.86
HDFC liquid Fund - Premium Plan-DDR - Folio No. 5194088/ 10	10.00	27,455,889	3,366.04	27,455,889	3,366.04
HDFC CMF-TAP-DDR - Folio No. 5194088/ 10	10.00	50,210,084	5,036.82	50,210,084	5,036.82
Reliance Liquidity Fund DDR - Folio No. 41644066623	10.00	20,090,289	2,010.05	20,090,289	2,010.05
Kotak Liquid (IP) DDR - Folio No. 890862/55	10.00	15,664,445	1,915.46	15,664,445	1,915.46
TEMPLETON INDIA TMA - INSTITUTIONAL-DDR-16416033	1000.00	161,083	1,611.92	161,083	1,611.92
TEMPLETON INDIA ULTRA SHORT TERM BOND FUND- INSTITUTIONAL-DDR-1641	10.00	13,355,597	1,337.11	13,355,597	1,337.11
DWS ULTRA SHORT TERM FUND-INSTITUTIONAL-DDR- 2051805103	10.00	8356,789	837.17	8,356,789	837.17
JP Morgan India Liquid Fund-SI-DDR - Folio No. 3001133595	10.00	2,403,758	240.57	2,403,758	240.57
JP Morgan Treasury Fund-SI-DDR - Folio No. 3001133595	10.00	29,955,686	2,998.23	29,955,686	2,998.23
IDBI Liquid Fund-DDR - Folio No. 44058/37	10.00	2,518,466	251.85	2,518,466	251.85
Kotak Floater Long Term-DDR - Folio No. 890862/55	10.00	19,336,725	1,949.10	19,336,725	1,949.10
Reliance Medium Term Fund-DDR - Folio No. 41644066623	10.00	13,975,056	2,389.16	13,975,056	2,389.16
Religare Ultra Short Term Fund-DDR - Folio No. 56477	10.00	13,061,845	1,308.42	13,061,845	1,308.42
IDFC MM Fund (TP) DDR - Folio No. 822328/17	10.00	5,025,939	502.67	5,025,939	502.67
Reliance Liquid Fund - Treasury Plan-Daily Dividend Plan (41660178472)	10.00	12,887,741	1,970.20	12,887,741	1,970.20
Religare Liquid Fund-SIP-DDR - Folio No. 56477	10.00	1,021,299	102.30	1,021,299	102.30

\* Includes daily dividend reinvested

**PTC INDIA FINANCIAL SERVICES LIMITED**  
**SCHEDULES 7 TO 12**

	As at 31.03.2011 (Rupees in lacs)	As at 31.03.2010 (Rupees in lacs)
<b>SCHEDULE - 7 LOAN FINANCING</b>		
(Considered good unless otherwise stated)		
Secured		
Loans	67,558.77	26,620.10
	<u>67,558.77</u>	<u>26,620.10</u>
<b>SCHEDULE - 8 SUNDRY DEBTORS</b>		
<b>Unsecured considered good</b>		
Less than six months	48.26	0.11
	<u>48.26</u>	<u>0.11</u>
<b>SCHEDULE - 9 CASH AND BANK BALANCES</b>		
<b>Cash and bank balance #</b>		
Cheques on hand	-	0.01
Balance with scheduled banks in :		
Current accounts:		
- Received on behalf of Macquarie India Holdings Limited lying in escrow account	8,077.60	-
- Unclaimed share application money lying in escrow account	139.28	-
- Others	3,274.02	221.02
Fixed deposit accounts*	36,856.66	23,226.35
	<u>48,347.56</u>	<u>23,447.38</u>
# Refer note 16 of schedule 19		
* Includes Rs. 235.05 lacs (previous year Rs. Nil) deposit as margin money against bank guarantee		
<b>SCHEDULE - 10 OTHER CURRENT ASSETS</b>		
<b>(Considered good unless otherwise stated)</b>		
Interest accrued but not due on :		
- Fixed deposits	83.73	287.54
- Loans	323.54	184.32
- Debentures	2.83	3.38
	<u>410.10</u>	<u>475.24</u>
<b>SCHEDULE - 11 LOANS AND ADVANCES</b>		
<b>(Considered good unless otherwise stated)</b>		
Advances recoverable in cash or in kind or for value to be received:		
Secured (considered good)	2,723.80	-
Unsecured (considered good)	494.29	506.72
Advance against investment	-	53.09
Balance with central excise on current accounts	44.19	46.08
Advance income tax [net of provision for income tax Rs 1687.71 lacs (previous year Rs 656.61 lacs)]	886.40	576.81
Advance fringe benefit tax [net of provision for fringe benefit tax Rs.1.49 lacs(previous year Rs 1.49 lacs)]	1.17	1.17
	<u>4,149.85</u>	<u>1,183.87</u>
<b>SCHEDULE - 12 CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry creditors		
Total outstanding dues of creditors other than micro and small enterprises (refer note 11 of schedule 19)	1,175.89	58.83
Other liabilities	119.01	10.63
Interest accrued but not due on loan funds	925.43	718.59
Equity shares application money refundable	139.28	-
Payable to Macquarie India Holdings Limited (Refer note 16 of Schedule 19)	8,077.60	-
	<u>10,437.21</u>	<u>788.05</u>
<b>PROVISIONS</b>		
Provision for gratuity	6.27	0.57
Provision for leave encashment	19.11	3.76
Contingent provision against standard assets	177.74	-
	<u>203.12</u>	<u>4.33</u>
	<u>10,640.33</u>	<u>792.38</u>

**PTC INDIA FINANCIAL SERVICES LIMITED**  
**SCHEDULES 13 TO 18**

	Year ended 31.03.2011 (Rupees in lacs)	Year ended 31.03.2010 (Rupees in lacs)
<b>SCHEDULE - 13 INCOME FROM INVESTMENTS</b>		
Profit on sale of long term trade investments		
- Equity shares	1,236.63	-
Profit on sale of non trade current investments		
- Mutual funds	-	0.60
Dividend income		
- On non trade long term investment	1.39	1.13
- On non trade current investment	<u>169.09</u>	<u>463.01</u>
Interest on debentures	73.46	1,663.32
[tax deducted at source Rs.7.35 lacs (previous year Rs 176.37 lacs)]		
	<u><b>1,480.57</b></u>	<u><b>2,128.06</b></u>
<b>SCHEDULE - 14 INTEREST INCOME</b>		
Interest on		
- Loan	7,352.10	1,357.37
[tax deducted at source Rs. 735.21 lacs (previous year Rs.150.05 lacs)]		
	<u><b>7,352.10</b></u>	<u><b>1,357.37</b></u>
<b>SCHEDULE - 15 OTHER INCOME</b>		
Interest on fixed deposits	514.07	1,393.88
[tax deducted at source Rs.57.13 lacs (previous year Rs.181.38 lacs )]		
Interest-others	0.03	0.02
Excess provision written back	<u>2.35</u>	<u>1.80</u>
	<u><b>516.45</b></u>	<u><b>1,395.70</b></u>
<b>SCHEDULE - 16 PERSONNEL EXPENSES</b>		
Salaries and other allowances	215.38	114.54
Contribution to provident and other funds	11.05	5.84
Employee stock options outstanding	(77.70)*	113.98
Staff welfare	<u>35.28</u>	<u>22.54</u>
	<u><b>184.01</b></u>	<u><b>256.90</b></u>
* Due to forfeiture/ surrender of Employee Stock Options Outstanding during the year (Refer note 4 of Schedule 19)		
<b>SCHEDULE - 17 ADMINISTRATIVE AND OTHER EXPENSES</b>		
Legal and professional	124.87	90.11
Fund raising expenses	324.52	106.82
Rates and taxes	2.78	6.41
Insurance expenses	3.36	-
Rent	24.47	12.17
Travelling and conveyance	30.70	17.51
Communication expenses	6.59	5.59
Business development	19.02	1.79
Donation	-	3.00
Directors' sitting fees	7.80	2.40
Repairs and maintenance - others	6.48	4.15
Books and periodicals	0.60	0.72
Loss on foreign currency transaction	-	0.01
Loss on sale of fixed assets	0.36	-
Miscellaneous expenses	<u>11.99</u>	<u>6.22</u>
	<u><b>563.54</b></u>	<u><b>256.90</b></u>
<b>SCHEDULE - 18 INTEREST AND OTHER CHARGES</b>		
Interest on debentures	2,165.88	708.06
Interest on loans for fixed period:		
-Rupee term loans from scheduled banks	2,089.50	416.06
-Infrastructure bonds	9.73	-
Financial charges	<u>6.58</u>	<u>36.32</u>
	<u><b>4,271.69</b></u>	<u><b>1,160.44</b></u>

## PTC INDIA FINANCIAL SERVICES LIMITED

### SCHEDULE - 19

#### NOTES TO ACCOUNTS

##### 1. Background

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

###### (i) **Basis of accounting**

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

###### (ii) **Use of estimates**

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

###### (iii) **Fixed assets including intangible assets and depreciation**

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

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

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

###### (iv) **Investments**

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

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

###### (v) **Revenue recognition**

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

- b) Dividend is accounted when the right to receive is established.
- c) Fee based incomes are recognised when reasonable right of recovery is established and the revenue can be reliably measured.
- d) Revenue from Power Supply is accounted on accrual basis.

###### (vi) **Employee stock options**

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

###### (vii) **Employee benefits**

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

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

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

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

###### (viii) **Foreign currency transactions**

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

###### (ix) **Earnings per share (EPS)**

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

###### (x) **Taxation**

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

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

(xi) **Provisions and contingencies**

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

3. **Contingent liabilities in respect of:**

	(Rupees in lacs)	
	Year ended 31.03.2011	Year ended 31.03.2010
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	2.40
Income tax	13.97	-

4. **Employee Stock Option**

The Company instituted the Employee Stock Option Plan – ESOP 2008 to grant equity based incentives to all its eligible employees. During the year ended March 31, 2009, the first tranche of ESOP was approved by the shareholders on October 27, 2008 and the Company granted two types of options i.e. Growth options granted to the employees and exercisable at intrinsic value as on the date of grant as certified by an independent valuer and Founder Member Options exercisable at face value of shares i.e. Rs. 10 per share, representing one share for each option upon exercise. Further, during the year ended March 31, 2010, second tranche of ESOP 2008 was approved by the shareholders on October 23, 2009 and provided for grant of 10,075,000 growth options exercisable at a price of Rs. 16 per share, representing one share for each option upon exercise. The maximum tenure of these options granted is 4 years from the respective date of grant.

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

Movement in Stock Options	Year ended 31.03.2011		Year ended 31.03.2010	
	(in Nos.)		(in Nos.)	
	Growth Options	Founder Member Options	Growth Options	Founder Member Options
Outstanding at the beginning of the year	18,395,500	1,210,000	8,865,000	1,210,000
Add: Granted during the year	-	-	10,075,000	-
Less: Forfeited/ surrender during the year	13,948,400	1,200,000	544,500	-
Options outstanding as at the end of the year	4,447,100	10,000	18,395,500	1,210,000

	Options granted during the year ended March 31, 2010		Options granted during the year ended March 31, 2009	
	Growth Options	Growth Options	Growth Options	Founder member Options
Price Per Option (Rs.)	16	16	-	10
Volatility	29.64%	73.60%	-	73.60%
Risk Free Rate of Interest	7.27%	7.00%	-	7.00%
Option Life (years)	5	5	-	5
Fair Value Per Option	10.55	11.36	-	12.76

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

**Effect of fair valuation on Financial Position**

1. **Impact on Profitability**

Particulars	(Rupees in lacs)	
	Year ended 31.03.2011	Year ended 31.03.2010
Profit as reported for the year	3702.73	2,545.24
Add: Employee stock compensation under intrinsic value method	(77.70)	113.98
Less: Employee stock compensation under fair value method	(507.24)	624.62
Pro forma profit	4132.27	2,034.60

2. **Impact on Basic/ diluted EPS**

Particular	(Rupees)	
	Year ended 31.03.2011	Year ended 31.03.2010
- As reported (in Rupees)		
Basic	0.85	0.59
Dilutive	0.85	0.59
- As pro forma (in Rupees)		
Basic	0.95	0.47
Dilutive	0.94	0.47

5. **Disclosures required as per AS – 15 (Revised) “Employee Benefits”**

(A) **Gratuity**

**Changes in the present value of the defined benefit obligation:**

	(Rupees in lacs)	
	Year ended 31.03.2011	Year ended 31.03.2010
Opening defined benefit obligation	0.57	0.53
Current service cost	2.36	0.42
Interest cost	0.04	0.04
Actuarial losses / (gains)	3.30	(0.42)
Closing defined benefit obligation	6.27	0.57

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

	(Rupees in lacs)	
	Year ended 31.03.2011	Year ended 31.03.2010
Closing defined benefit obligation	6.27	0.57
Closing fair value of plan assets	-	-
Net asset/(liability) recognized in balance sheet	(6.27)	(0.57)

**Expense recognized in profit and loss account**

	(Rupees in lacs)	
	<b>Year ended 31.03.2011</b>	Year ended 31.03.2010
Current service cost	2.36	0.42
Interest cost	0.04	0.04
Net actuarial losses / (gains)	3.30	(0.42)
Net expense	5.70	0.04

**(B) Leave encashment**
**Changes in the present value of the defined benefit obligation:**

	(Rupees in lacs)	
	<b>Year ended 31.03.2011</b>	Year ended 31.03.2010
Opening defined benefit obligation	3.76	1.76
Current service cost	7.27	2.42
Interest cost	0.30	0.13
Actuarial losses / (gains)	7.78	(0.55)
Closing defined benefit obligation	19.11	3.76

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

	(Rupees in lacs)	
	<b>Year ended 31.03.2011</b>	Year ended 31.03.2010
Closing defined benefit obligation	19.11	3.76
Closing fair value of plan assets	-	-
Net asset / (liability) recognized in balance sheet	(19.11)	(3.76)

**Expense recognized in profit and loss account**

	(Rupees in lacs)	
	<b>Year ended 31.03.2011</b>	Year ended 31.03.2010
Current service cost	7.27	2.42
Interest cost	0.30	0.13
Net actuarial losses / (gains)	7.78	(0.55)
Net expense	15.35	2.00

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

	(Rupees in lacs)	
	<b>Year ended 31.03.2011</b>	Year ended 31.03.2010
Discounting Rate	8.00%	7.50%
Future Salary Increase	5.50%	5.00%

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

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

	(Rupees in lacs)	
	<b>Year ended 31.03.2011</b>	Year ended 31.03.2010
Employer's contribution to provident fund	11.05	5.84

**6. The Company's main business is to provide finance for energy value chain through investment and lending into such projects. All other activities revolve around the main business. The Company does not**

have any geographic segments. As such, there are no separate reportable segments as per Accounting Standard 17 on 'Segment Reporting' notified under the Companies (Accounting Standards) Rules, 2006.

**7. Related party disclosures**
**(a) List of related parties and relationships**

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

<b>Holding company</b>	: PTC India Limited
<b>Associate companies</b>	: Ind-Barath Energy (Utkal) Limited : Ind-Barath PowerGencom Limited : Indian Energy Exchange Limited : Meenakshi Energy Private Limited (cease to be an associate w.e.f. March 29, 2011) : PTC Bermaco Green Energy Systems Ltd : RS India Wind Energy Limited : Varam Bio Energy Private Limited
<b>Key management personnel</b>	: Mr. Ashok Haldia

**(b) Details of related party transactions in the ordinary course of the business:**
**(i) Transactions with holding company**

Nature of transactions	<b>Year ended 31.03.2011</b>	Year ended 31.03.2010
Rent paid	24.32	12.12
Reimbursement of expenses *	201.38	97.22

\* Includes Rs. 45.10 lacs (previous year Rs. 28.94 lacs) towards remuneration of Director.

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

Nature of transactions	(Rupees in lacs)	
	<b>Year ended 31.03.2011</b>	Year ended 31.03.2010
Reimbursement of expenses	1.54	1.05
Remuneration paid**	45.10	31.91

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

**(iii) Transactions with associates**

Nature of transactions	(Rupees in lacs)	
	<b>Year ended 31.03.2011</b>	Year ended 31.03.2010
Investment in equity share capital :		
- Ind Barath Energy (Utkal) Limited	-	10,500.00
- Meenakshi Energy Private Limited	5,679.11	2,855.00
- PTC Bermaco Green Energy Systems Limited	53.09	35.28
- Varam Bio Energy Private Limited	-	27.81
- R S India Wind Energy Limited	381.00	-
Advance against investment :		
- PTC Bermaco Green Energy Systems Limited	-	52.95
<b>Investment in debentures</b>		
- Varam Bio Energy Private Limited	250.00	200.00
<b>Sale of investment in equity share capital</b>		

**(at face value)**

- India Energy Exchange Limited	117.32	-
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Nature of transactions	Year ended 31.03.2011	Year ended 31.03.2010
Investment balances outstanding at the balance sheet date :		
- Ind Barath Energy (Utkal) Limited	10,500.00	10,500.00
- Ind Barath PowerGencom Limited	5,563.00	5,563.00
- Indian Energy Exchange Limited	576.60	693.92
- Meenakshi Energy Private Limited	10,034.11	4,355.00
- PTC Bermaco Green Energy Systems Limited	137.46	84.37
- RS India Wind Energy Limited	6112.14	5,731.14
- Varam Bio Energy Private Limited	439.00	439.00
Advance against Investment as on the Balance sheet date		
- PTC Bermaco Green Energy Systems Limited	-	53.09

#### Investment in debentures as on the Balance sheet date

- Varam Bio Energy Private Limited	450.00	200.00
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#### 8. Earnings per share

	Year ended 31.03.2011	Year ended 31.03.2010
Profit after tax attributable to equity shareholders (Rupees in lacs) (a)	3702.73	2,545.24
Weighted Average number of equity shares outstanding during the year (Nos.) (b)	435,980,595	434,583,335
Effect of potential dilutive equity shares on Employee Stock Options outstanding * (c)	1,566,487	-
Weighted average number of equity shares in computing diluted earnings per share [(b)+(c)]	437,547,082	434,583,335
Basic earnings per share of face value Rs. 10 each (in Rupees)	0.85	0.59
Diluted earnings per share of face value Rs. 10 each (in Rupees)	0.85	0.59

\* There were no dilutive potential equity shares for the year ended March 31, 2010.

#### 9. Deferred tax

The breakup of deferred tax assets/ (liabilities) as at March 31, 2011 is as under:

	(Rupees in lacs)			
	Balance as at 31.03.2010	Adjustment	Movement during the year	Balance as at 31.03.2011
Deferred tax asset arising on account of timing differences in :				
- Preliminary expenses	23.47	-	(12.01)	11.46
- Share issue expenses	-	348.09	(70.94)	277.15
- Provision for retirement benefits	1.44	-	6.79	8.23
- Contingent provision against Standard asset	-	-	57.64	57.64
<b>Less:</b>				
Deferred tax liability arising on account of timing differences in :				
- Depreciation	462.42	-	390.78	853.20
Net deferred tax (liabilities)	(437.51)	348.09	(409.30)	(498.72)

# Represents deferred tax asset recognised on expenditure charged to share premium account (refer note 16 below)

10 The percentage holding and the investment in associate companies as at March 31, 2011 is given below:

Name of the associate company	Country of incorporation	% holding	Face value Rupees per share	As at March 31, 2011 (Rupees in lacs)	As at March 31, 2010 (Rupees in lacs)
Ind-Barath Energy (Utkal) Limited	India	20.55%	10	10,500.00	10,500.00
Ind-Barath PowerGencom Limited	India	26%	10	5,563.00	5,563.00
Indian Energy Exchange Limited	India	21.12%	10	576.60	693.92
PTC Bermaco Green Energy Systems Ltd.	India	26%	10	137.46	84.37
RS India Wind Energy Limited	India	37%	10	6112.14	5,731.14
Varam Bio Energy Private Limited	India	26%	10	439.00	439.00
<b>Total</b>				<b>23,328.20</b>	<b>23,011.43</b>

11 Based on the information available with the Company, there are no dues as at March 31, 2011 payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid / payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

12 Total number of electricity units generated and sold during the year – 11,720,432 KWH (previous year: 3006 KWH).

#### 13. Managerial remuneration:

	(Rupees in lacs)	
	Year ended 31.03.2011	Year ended 31.03.2010
Salary and allowances	38.02	27.61
Perquisites	5.03	2.87
Contribution to provident funds	2.05	1.43
<b>Total</b>	<b>45.10</b>	<b>31.91</b>

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

#### 14. Auditors' remuneration

	(Rupees in lacs)	
	Year ended 31.03.2011	Year ended 31.03.2010
Statutory audit	6.00	5.00
Audit/ Limited Review of interim financial statement	4.00	1.25
Tax audit	1.50	1.50
Relating to Initial Public Offer (IPO)	34.65	-
Other certificates	2.30	1.25
<b>Total</b>	<b>48.45</b>	<b>9.00</b>

#### 15. Expenditure incurred in foreign currency

	(Rupees in lacs)	
	Year ended 31.03.2011	Year ended 31.03.2010
Fees for External Commercial Borrowings	154.49	13.65
Fees relating to IPO	56.74	-
Travelling	2.40	0.45
Other	0.87	0.12
<b>Total</b>	<b>214.50</b>	<b>14.22</b>

- 16 (a) During the financial year, the Company has completed its Initial Public Offer (IPO) comprising of fresh issue of 127,500,000 equity shares (excluding an offer for sale of 29,200,000 equity shares by Macquarie India Holdings Limited, a shareholder of the Company) of face value of Rs.10 each for cash at a price of Rs.28 per share (including a share premium of Rs. 18 per equity share) aggregating to Rs. 35,270.32 lacs.

The share premium of Rs. 18 per share, net of discount of Re. 1 for retail investor, amounting to Rs.22,520.32 lacs on issue of fresh equity shares has been credited to share premium account. The share issue expenses amounting to Rs. 719.70 lacs, after netting off tax of Rs. 348.09 lacs have been adjusted to share premium account.

- (b) Detail of share issue expenses is as follows :

(Rupees in lacs)

Particulars	Year ended 31.03.2011
Legal and Professional	540.20
Auditors' remuneration	34.65
Regulatory fees	77.54
Advertisement	488.75
Travelling	16.84
Other expenses	148.27
Less: Recoverable from Macquarie India Holding Limited #	(238.46)
<b>Total</b>	<b>1067.79</b>

# Represents amount recoverable from Macquarie India Holdings Limited in proportion to the equity shares sold by Macquarie India Holdings Limited in the IPO of the Company.

- (c) The IPO proceeds received on March 29, 2011 have been utilized as under:

(Rupees in lacs)

Particulars	Year ended 31.03.2011
Share issue proceeds*	35,270.32
Less:	
Issue related expenses	205.98
Repayment of Term Loans	2,389.03
Closing balance of unutilized proceeds as at the year end	32,675.31
Details of unutilised proceeds are given below:	
- Balance in current accounts	1,175.31
- Balance in deposit accounts	31,500.00

\* Excludes equity share application money amounting to Rs. 139.28 lacs lying in escrow account payable to investors after allotment of equity shares by the Company and Rs. 8077.60 lacs payable to Macquarie India Holdings Limited pursuant to sale of 292,00,000 equity shares by Macquarie India Holdings Limited in the IPO of the Company.

17. Previous period's figures have been regrouped / recast wherever considered necessary to conform to current period's classification.

18. Schedules 1 to 19 and the statement of additional information form an integral part of the accounts.

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

(Rupees in lacs)

Particulars	Amount Outstanding	Amount Overdue
<b>Liabilities side:</b>		
<b>(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures : Secured	33,208.60	-
: Unsecured	-	-
(other than falling within the meaning of public deposits)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	23,778.86	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans (short term bank loan)	-	-

(Rupees in lacs)

Assets side:	Amount outstanding		
<b>(2) Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:</b>			
(a) Secured			70,282.57
(b) Unsecured			494.29
<b>(3) 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			-
<b>(4) Break-up of Investments:</b>			
Current Investments:			
1. Quoted:			
(i) Shares: (a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (please specify)			-
2. Unquoted:			
(i) Shares: (a) Equity			-
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (please specify)			-
<b>Long Term investments:</b>			
1. Quoted:			
(i) Shares: (a) Equity			52.83
(b) Preference			-
(ii) Debentures and Bonds			-
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (please specify)			-
2. Unquoted:			
(i) Shares: (a) Equity			45,862.31
(b) Preference			-
(ii) Debentures and Bonds			450.00
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (advance against equity share capital)			-
<b>Total</b>			<b>46,365.14</b>

(Rupees in lacs)

<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above:</b>			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	70,282.57	494.29	70,776.86
<b>Total</b>	<b>70,282.57</b>	<b>494.29</b>	<b>70,776.86</b>

(Rupees in lacs)

<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	450.00	23,328.20	23,778.20
2. Other than related parties	-	22,586.94	22,586.94
<b>Total</b>	<b>450.00</b>	<b>45,915.14</b>	<b>46,365.14</b>



(Rupees in lacs)

(7) Other information	
Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

**Disclosures pursuant to Reserve Bank of India Notification DNBS(PD) CC No.145/03.02.01/ 2009-10 dated July 1, 2009**

(Rupees in lacs)

I. Capital Adequacy Ratio	
Particulars	As at 31 March 2011
Tier I Capital	101,723.11
Tier II Capital	177.74
Total Capital	101,900.85
Total Risk Weighted Assets	120,667.72
Capital Ratios	
Tier I Capital as Percentage of Total Risk Assets (%)	84.30 %
Tier II Capital as Percentage of Total Risk Assets (%)	0.15%
<b>Total Capital (%)</b>	<b>84.45 %</b>

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

The Company does not have any direct or indirect exposure to the real estate sector as at 31 March, 2011.

## III. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31 March, 2011

(Rupees in lacs)

Particulars	Upto 1 month	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings from banks	93.75	-	-	93.75	267.02	3,146.55	4,425.19	15,752.60	23,778.86
Market Borrowings	-	-	-	-	10,000.00	6,666.67	3,333.33	13,208.60	33,208.60
<b>Assets</b>									
Receivables under financing activity	1,109.42	16.92	16.92	1,143.26	6,374.55	13,777.14	10,396.41	34,724.15	67,558.77
Investment	-	-	43.00	64.29	150.00	192.71	-	45,915.14	46,365.14

**For and on behalf of the Board of Directors**

**T. N. Thakur**  
Chairman and Managing Director  
DIN: 00024322

**Ashok Haldia**  
Director and Chief  
Financial Officer  
DIN: 00818489

Place : New Delhi  
Date : 25th May, 2011

**Vishal Goyal**  
Company Secretary

**PTC INDIA FINANCIAL SERVICES LIMITED**  
**PART IV**  
**Balance Sheet Abstract and Company's General Business Profile**

**I. Registration Details**

Registration No.	153373	State Code	
Balance Sheet Date	31 - 03 - 11	55	
	Day      Month      Year		

**II. Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue	<b>3,527,031.90</b>	Right Issue	<b>NIL</b>
Bonus Issue	<b>NIL</b>	Private Placement	<b>NIL</b>

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

<b>Sources of Funds</b>	Total Liabilities	<b>16,989,588</b>	Total Assets	<b>16,989,588</b>
	Paid-up Capital	<b>5,620,833</b>	Reserves & Surplus	<b>4,556,105</b>
	Secured Loans	<b>5,698,746</b>	Unsecured Loans	-

**Application of Funds**

Net Fixed Assets	<b>301,620</b>	Investments	<b>4,636,514</b>
Loans	<b>6,755,877</b>	Net Current Assets	<b>4,231,544</b>
Deferred Tax (Net)	<b>(49,872)</b>	Misc. Expenditure	-
Accumulated Losses	<b>NIL</b>		

**IV. Performance of the Company (Amount in Rs. Thousands)**

Turnover	<b>1,088,523</b>	Total Expenditure	<b>574,210</b>
Profit/Loss before Tax	+ <b>514,313</b>	Profit/Loss after Tax	<b>+370,273</b>
Earning per share in Rs.	<b>0.85</b>	Dividend Rate %	-

**V. Generic Names of three principal products/services of the Company (as per monetary terms)**

Product Description	<b>Financial Services</b>	Item Code	<b>Not Applicable</b>
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**T. N. Thakur**  
Chairman and Managing  
Director  
DIN: 00024322

**Ashok Haldia**  
Director and Chief  
Financial Officer  
DIN: 00818489

Place: New Delhi  
Date: 25th May, 2011

**Vishal Goyal**  
Company Secretary

## PTC Energy Ltd. DIRECTORS' REPORT

To,

The Members, PTC Energy Limited

The Directors have great pleasure in presenting you the third Annual Report of PTC Energy Limited (PEL) together with the Audited Accounts for the year ending on 31st March 2011.

### 1.0 Financial Results

#### 1.1 Financial Performance

Starting its business operations effectively in FY 2008-09, your company has successfully completed third year of its operations, one in which strengthened its position and entered in to Long Term Coal trading vis a vis previous year wherein the company had supplied on short term/ spot basis. The trading volumes of imported coal mounted from 107,352 MT in FY 2009-10 to 280,492 MT in FY 2010-11 (including 39,901 MT supplied on spot basis). The financial highlights of your company for the year 2010-11 are as follows:

	(Rs. in lacs)	
	2010-11	2009-10
Income	9,382.49	2,784.77
Expenditure	9,196.07	2,711.34
Profit/(Loss) Before Tax	186.42	73.43
Provision for Tax		
Current Tax	38.00	11.34
Deferred Tax Charge/(Credit)	21.33	(49.91)
Net Profit/ (Loss) After Tax	127.08	112.00
Balance as per last Account	(117.19)	(229.19)
Balance carried to Balance sheet	9.89	(117.19)
Equity Share Capital	4,100.00	4,100.00
Reserves and Surplus	9.89	-

The Company has followed prudential Accounting norms and policies in its Accounts for FY 2010-11 as well.

#### 1.2 Operations Review

There is a wide gap between coal required for thermal power projects and domestic supplies. Even the projected increases in domestic supplies are expected to fall short of demand from power plants.

Your company has entered in to import of coal from overseas to bridge the demand/supply gap of fuel and to increase the generation of power plants who are falling short of fuel supplies.

PEL has purchased and sold a total quantity of 2.80 lacs MT of imported coal during the year and earned coal revenue of Rs. 9277 lacs and Reserves & Surplus stood at Rs. 9.89 lacs

#### 1.3 Investment in Joint Venture

Your company has undertaken a strategic investment of 48% equity amounting to Rs. 2340 lacs for joint development of 80 MW wind farm in Tamilnadu.

#### 1.4 Directors' Responsibility Statement

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

- (i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed by PEL along with proper explanation

relating to material departures;

- (ii) 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 to the Company at the end of the Financial Year 2011 and of the profit or loss of the Company for that period;
- (iii) Proper and sufficient care had been taken by the Directors for maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities and
- (iv) The Annual accounts had been prepared on a going concern basis.

#### 2.0 Changes in Share Capital

During the current FY 2011-12, in order to augment the growth of the Company and to broad base the Capital Structure of the Company, the promoter ie PTC India Ltd. has inducted funds in to the Company by subscribing to the equity shares of the Company. The Company has allotted 1,40,00,000 equity shares of Rs. 10/- each to PTC India Ltd. on preferential basis.

Consequent upon the allotment, the paid up share capital of the Company is being increased to Rs. 55,00,00,060/- divided in to 55,00,00,006 equity shares of Rs. 10/- each.

#### 3.0 Public Deposits

During the year, your Company has neither invited nor accepted/ renewed deposits from the public within the meaning of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956.

#### 4.0 Board of Directors

During the year, Sh. Shashi Shekhar, Managing Director has resigned and Sh. Deepak Amitabh has retired. The Board places on record its deep appreciation for the valuable contributions made by Sh. Shashi Shekhar and Sh. Deepak Amitabh as members of the Board.

#### 5.0 Auditors

M/s. T. R. Chadha & Co. has been re-appointed as Statutory Auditors of the Company for FY 2010-11 by the Shareholders in 2nd Annual General Meeting of the Company and shall hold office till the conclusion of the forthcoming Annual General Meeting of the Company.

The Statutory Auditors have audited the Accounts of the Company for the Year ended 31st March 2011 and Audited Accounts together with the Auditor's Report thereon are annexed to this report.

There are no qualifying remarks/observations /adverse remarks from Statutory Auditors on the Accounts of the Company. The observations of the Auditors and the relevant notes on the accounts are self explanatory and therefore do not call for any further comments or explanation.

The Auditors have furnished the certificate to the effect that their re-appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors recommend re-appointment of M/s. T.R. Chadha & Company as the Statutory Auditors of the Company for FY 2011-12 at the ensuing Annual General Meeting.

#### 6.0 Audit Committee

Pursuant to the requirements of Section 292A of the Companies Act, 1956, Audit Committee of the Board of Directors has been constituted.

Presently, the Audit Committee of the Company consists of Sh. S. Balachandran, Sh. V. Subramanian and Sh. Ashok Haldia as members of Audit Committee.

#### 7.0 Nomination Committee

Nomination Committee comprise of Sh. T.N. Thakur as Chairman and Sh. S. Balachandran and Sh. V. Subramanian as its members.

#### 8.0 Remuneration Committee

Remuneration Committee of Board consists of Sh. S. Balachandran, Sh. V. Subramanian and Sh. Ashok Haldia as its members.

#### 9.1 Details of Remuneration to Directors

Name of Director	Sh. Arun Kumar (on deputation from PTC India Ltd.)
Salary, allowances & benefits	Rs. 21,49,558/- (fixed)
Contribution to Provident fund	Rs. 1,13,356/-
Service Contract	Appointed as Whole time Director for 5 years
Notice Period	3 months
Severance fees	Compensation in lieu of notice
Stock options	No stock option has been granted by the Company. He is granted stock options* by his depute company (as detailed below) for which no cost has been incurred by the Company.

\* As per PTC India Ltd. Employees Stock Option Plan 2008- 300,000 options have been granted under 1st Tranche in 2008 to be exercised at a price of 30% of the market price as on date of grant or Rs. 10/- whichever is higher and 79,737 options granted under IInd tranche in 2009 to be exercised at a price of 75% of market price as on date of grant or Rs. 10/- whichever is higher. There shall be minimum period of one year between grant of options and vesting of options. Options will vest over four years from the date of grant (15% after 1st year of grant, 15% after 2nd year of grant, 30% after 3rd year of grant and 40% after 4th year of grant) and subject to conditions laid down, shall be exercisable with a period of 5 years from the first vesting date.

#### 10.0 Conservation of Energy, Technology Absorption, Foreign exchange Earnings & outgo etc

Your Company is not covered under Schedule A of Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988, thus the provisions of Section 217(1)(e) of the Companies Act, 1956 are not applicable.

The Foreign Exchange Earnings and Outgo (on accrual basis) during the year were as under:

Foreign Exchange earned:

Consultancy- Rs. 7,50,000/- (EUR 11,839.9)

Foreign Exchange used- Rs. 90,22,46,230/- (USD 20,033,793)

#### 11.0 Particulars of the employees

During FY ending 2011, no employee was employed for full or part of the year, who was in receipt of remuneration, which in aggregate or as the case may be, at a rate which, in the aggregate was not less than Rs 60 lakhs per annum or Rs 5 lakhs per month.

#### 12.0 Acknowledgment

Your Directors wish to place on record their thanks and gratitude to various Central and State Government Authorities for their co-operation and providing different approvals, Promoter Company i.e. PTC India Ltd and the Statutory Auditors for their co-operation, Bankers of the Company for the financial facilities and support extended, suppliers, buyers and other business associates for their continued support and trust and the employees for their dedication and co-operation.

For and on behalf of the Board of Directors

(Tantra Narayan Thakur)  
Chairman

Place: New Delhi

Date: 29th July, 2011

## PTC Energy Ltd. AUDITORS' REPORT

### TO THE MEMBERS OF PTC ENERGY LIMITED

1. We have audited the attached Balance Sheet of PTC Energy Limited as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditors' Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:-
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 such books.
  - c. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement referred to in the report are in agreement with the books of account.
- d. In our opinion, the Balance sheet, the Profit and Loss account and the Cash Flow Statement, dealt with by this report comply with Accounting Standards as referred to in Section 211(3) (c) of the Companies Act, 1956.
- e. On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to explanations given to us the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement read together with significant accounting policies and notes on the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
  - i) In the case of Balance Sheet of the State of Affairs of the Company as at 31st March, 2011,
  - ii) In the case of Profit and Loss Account of the Profit for the year ended on that date, and
  - iii) In the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

For T.R.Chadha & Co.  
(Firm Registration No. 006711N)  
Chartered Accountants

Place: New Delhi  
Date: 29th July, 2011

(Neena Goel)  
Partner  
M.No. 057986

### ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. All the fixed assets have been physically verified by the management during the year, which in our opinion is considered reasonable having regard to the size of the company and the nature of its assets and no material discrepancy was noticed on such verification as compared to book records.
3. The company has not disposed off substantial part of the fixed assets during the year.
4. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
5. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
6. On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
7. The company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and hence paragraphs 4 (iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
8. The company has not taken any loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 hence paragraphs 4 (iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
9. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purpose of purchase of inventories and fixed assets and sales of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems of the company.
10. In our opinion and according to the information and explanations given to us, during the year under audit there have been no transactions which need to be entered into the register maintained under section 301 of the Companies Act, 1956.

11. In view of our comments in para 10 above paragraph 4 (v) (b) of the Companies (Auditor's Report) Order, 2003 is not applicable to it.
12. According to the information and explanations given to us, the company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
13. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.
14. As per information and explanation given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
15. The company has been regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at 31st March, 2011 for a period of more than six months from the date they became payable.
16. According to the records of the company, there are no disputed dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess except disclosed as under:-

Name of Statute	Nature of dues	Period to which relates	Amt (Rs.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Assessment year 2010-11	752,120	Assessing officer

17. Since the company is registered for less than 5 years, the paragraph 4(x) of the Companies (Auditor's Report) Order, 2003 is not applicable to it.
18. According to the information and explanation given to us the company has not defaulted in repayment of dues to a bank. The company does not have any loan from any financial institution and has not issued any debentures.
19. According to the information and explanation given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provision of paragraph 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to it.
20. The company is not a chit fund, or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of paragraph 4(xiii) (a) to (d) of the

Companies (Auditor's Report) Order, 2003 are not applicable to the company.

21. The company is not dealing or trading in shares, securities and debentures 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company
22. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
23. According to information and explanations given to us, the company has not obtained any term loan from any bank/ financial institution during the year. Therefore, the provisions of paragraph (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
24. According to the information and explanations given to us and based on our examination of the books of account of the company we have not observed any instance of funds raised for short term basis which were used for long term investment.
25. According to the information and explanations given to us the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of paragraph 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
26. The Company has not issued any debentures during the year covered by our audit therefore the provisions of Paragraph 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
27. As per the information and explanations given to us, the company has not raised any money by public issue during the year.
28. As per the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**For T.R.Chadha & Co.**  
**(Firm Registration No.**  
**006711N)**  
**Chartered Accountants**

Place: New Delhi  
Date: 29th July, 2011

**(Neena Goel)**  
**Partner**  
**M.No. 057986**

## ACCOUNTING POLICIES

### 1. Basis of preparation of Accounts

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards in India. The financial statements adhere to the relevant presentational requirement of the Companies Act, 1956.

### 2 Fixed Assets

- i. Fixed Assets are stated at original cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses related to acquisition, installation and commissioning. Expenses incurred on tangible/intangible assets are carried forward as Capital Work In Progress at cost till the same are ready for use.
- ii. Depreciation is provided on Written Down Value method as per the rates and in the manner prescribed in the Schedule XIV to the Companies Act, 1956. Assets costing upto Rs. 5,000/- are fully depreciated in the year of capitalization.
- iii. Computer software recognized as intangible asset is amortised on straight line method on pro-rata basis over a year of three years.

### 3. Revenue

- i. Revenue from sale is recognized on transfer of all significant risks and reward to the customer and it is reasonable to expect ultimate collection.
- ii. Consultancy income is recognized proportionately with the degree of completion of services.
- iii. Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### 4. Employee Benefits

#### i. Short Term Benefits

Employee benefits (other than post employment benefits) which fall due wholly within twelve months after the end of the year in which the employees render the related service are recognized at the amount expected to be paid for it.

#### ii. Post Employment Benefits

##### Defined contribution plans

Liability in respect of defined contribution plans are accounted for to the extent of contributions paid/payable to the separate entity/trust/fund.

##### Defined Benefit plan

- (a) Liability in respect of defined benefit plans is accounted for on actuarial valuation basis at year end.
- (b) Actuarial gains and losses are recognized in the statement of profit & loss in the year of its occurrence.

- iii. Liability in respect of gratuity, leave encashment and provident fund of employees on deputation with the company are accounted for on the basis of terms and conditions of deputation of the parent organizations.

### 5. Foreign Exchange

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Liability / receivables on account of foreign currency are converted at the exchange rates prevailing as at the end of the year and gains / loss thereon are taken to the Profit & Loss Account.

### 6. Investments

Long term investments are carried at cost less provision, if any, for permanent diminution in the value of such investments. Short term investments are carried at lower of cost or fair value.

### 7. Income Tax

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

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

### 8. Earnings per share

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

### 9. Provisions & Contingencies

A provision is recognized when the company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### 10. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.



**PTC Energy Ltd.**  
**BALANCE SHEET AS AT 31ST MARCH, 2011**

(Amount in Rs.)

	Schedule	As at 31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	410,000,060	410,000,060
<b>Reserve and Surplus</b>	B	989,243	-
	<b>Total</b>	<b>410,989,303</b>	<b>410,000,060</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	C	1,104,104	104,846
Less: Depreciation		162,452	9,831
<b>Net Block</b>		941,652	95,015
<b>Investments</b>	D	234,025,420	234,025,420
<b>Deferred Tax Assets</b>		2,928,097	5,061,120
<b>Current Assets, Loans and Advances</b>			
Sundry Debtors	E	216,441,386	4,947,950
Cash and Bank Balances		170,229,424	162,600,920
Other Current Assets		503,920	64,417
Loans & Advances		3,431,653	477,452
		<b>390,606,383</b>	<b>168,090,739</b>
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	F	217,413,808	8,980,066
Provisions		98,441	11,903
		<b>217,512,249</b>	<b>8,991,969</b>
<b>Net Current Assets</b>		173,094,134	159,098,770
<b>Profit &amp; Loss Account (Debit Balance)</b>		-	11,719,735
Total		<b>410,989,303</b>	<b>410,000,060</b>
<b>Notes to the Accounts</b>	M		

Schedule A to M and Accounting Policies form integral part of Financial Statements

For and on behalf of Board

Director  
DIN No. 01853255

Director  
DIN No. 00818489

Company Secretary

As per our Report of even date attached  
For T.R. Chadha & Co.,  
(Firm Registration No. 006711N)  
Chartered Accountants

Place: New Delhi  
Date: 29th July 2011

(Neena Goel)  
Partner  
M.No. 057986





**PTC Energy Ltd.**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

(Amount in Rs.)

	Schedule	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>INCOME</b>			
Sale of Coal on High Seas		927,765,501	268,512,709
Other Operating Income	<b>G</b>	2,590,000	4,720,000
Other Income	<b>H</b>	7,893,626	5,244,972
		<u>938,249,127</u>	<u>278,477,681</u>
<b>EXPENDITURE</b>			
Purchase of Coal		902,246,230	257,676,226
Employee Cost	<b>I</b>	9,658,485	7,076,811
Direct Operating Expenses	<b>J</b>	2,052,567	3,969,996
Establishment Expenses	<b>K</b>	5,497,223	1,991,493
Depreciation		152,621	9,831
		<u>919,607,126</u>	<u>270,724,357</u>
<b>Profit Before Prior Period Expenses and Tax</b>		18,642,001	7,753,324
Prior Period Expenses	<b>L</b>	-	410,006
<b>Profit Before Tax</b>		<u>18,642,001</u>	<u>7,343,318</u>
<b>Provision for Taxation</b>			
-Current Tax		3,800,000	1,134,543
-Deferred Tax Charge/(Credit) (Refer Note No. 9)		2,133,023	(4,991,396)
<b>Profit After Tax</b>		12,708,978	11,200,171
Balance as per Last Account		(11,719,735)	(22,919,906)
<b>Balance carried to Balance Sheet</b>		<u>989,243</u>	<u>(11,719,735)</u>
Notes to the Accounts	<b>M</b>		
<b>Earning Per Share-Basic (Rs.)</b>		<b>0.31</b>	<b>0.27</b>
<b>Earning Per Share-Diluted (Rs.)</b>		<b>0.31</b>	<b>0.27</b>

Schedule A to M and Accounting Policies form integral part of Financial Statements

For and on behalf of Board

**Director**  
DIN No. 01853255

**Director**  
DIN No. 00818489

Company Secretary

Place: New Delhi  
Date: 29th July 2011

As per our Report of even date attached  
For T.R. Chadha & Co.,  
(Firm Registration No. 006711N)  
Chartered Accountants

(Neena Goel)  
Partner  
M.No. 057986



**PTC Energy Ltd.**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST MARCH 2011**

(Amount in Rs.)

	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	18,642,001	7,343,318
<b>Adjustment for:</b>		
Depreciation	152,621	9,831
Interest Income	(7,893,626)	(5,216,923)
<b>Operating Profit before Working Capital Changes</b>	<b>10,900,996</b>	<b>2,136,226</b>
<b>Adjustment for:</b>		
Sundry Debtors	(211,493,436)	(4,947,950)
Loans & Advances	(282,143)	(151,641)
Current Liabilities	208,433,742	7,471,335
Provisions	86,538	11,903
<b>Cash Generated from Operating Activities</b>	<b>7,645,697</b>	<b>4,519,873</b>
Direct Taxes Paid (Net)	(6,472,058)	(1,249,135)
<b>Net Cash from Operating Activities (A)</b>	<b>1,173,639</b>	<b>3,270,738</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investment of associate company	-	(18,025,420)
Purchase of fixed assets	(999,258)	(104,846)
Interest Income	7,454,123	5,273,875
<b>Net Cash used in Investing Activities (B)</b>	<b>6,454,865</b>	<b>(12,856,391)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	-
<b>Cash flow from Financing Activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase/use in cash and cash equivalent (A+B+C)</b>	<b>7,628,504</b>	<b>(9,585,653)</b>
<b>Cash and Cash equivalent (Opening Balance)</b>	<b>162,600,920</b>	<b>172,186,573</b>
<b>Cash and Cash equivalent (Closing Balance)</b>	<b>170,229,424</b>	<b>162,600,920</b>

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by "The Companies (Accounting Standard), Rules 2006.

2. Previous year's figures have been rearranged/regrouped wherever necessary

**For and on behalf of Board**

**Director**  
DIN No. 01853255

**Director**  
DIN No. 00818489

**Company Secretary**

As per our Report of even date attached  
For T.R. Chadha & Co.,  
(Firm Registration No. 006711N)  
Chartered Accountants

Place: New Delhi  
Date: 29th July 2011

(Neena Goel)  
Partner  
M.No. 057986



**PTC Energy Ltd.**  
**SCHEDULES- FORMING PART OF THE ACCOUNTS**

(Amount in Rs.)

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
500,000,000 Equity shares of Rs.10/- each	5,000,000,000	5,000,000,000
<b>Issued, Subscribed &amp; Paid Up</b>		
41,000,006 Equity Shares of Rs.10/- each fully paid up	410,000,060	410,000,060
<b>Total</b>	<b>410,000,060</b>	<b>410,000,060</b>

**Note:-** 41,000,000 (Previous Year 41,000,000 )shares are held by PTC India Ltd (Holding Company)

(Amount in Rs.)

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'B'</b>		
<b>RESERVE AND SURPLUS</b>		
Profit & Loss Account	989,243	-
<b>Total</b>	<b>989,243</b>	<b>-</b>

**SCHEDULE 'C'**  
**FIXED ASSETS**

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	AS AT 01.04.2010	ADDITIONS	SALES/ ADJUSTMENTS	AS AT 31.03.2011	AS AT 01.04.2010	FOR THE PERIOD	ADJUSTMENTS	UPTO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
TANGIBLE ASSETS										
OFFICE EQUIPMENTS	104,846	23,293		128,139	9,831	48,781	-	58,612	69,527	95,015
Vehicle		975,965		975,965		103,840		103,840	872,125	
<b>TOTAL</b>	104,846	999,258	-	1,104,104	9,831	152,621	-	162,452	941,652	95,015
<b>PREVIOUS YEAR</b>	-	104,846	-	104,846	-	9,831	-	9,831	95,015	-

	Face Value	Quantity		Amount in Rs.	
		As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'D'</b>					
<b>INVESTMENTS</b>					
Long Term Trade Investments - Unquoted (at cost)					
<b>Equity Shares</b>					
<b>Associate Company</b>					
-RS India Global Energy Limited (fully paid up)	10	23,402,542	23,402,542	234,025,420	234,025,420
<b>Total</b>				<b>234,025,420</b>	<b>234,025,420</b>
Aggregate market value of quoted investments				-	-
Aggregate cost of quoted investments				-	-
Aggregate cost of un-quoted investments				234,025,420	234,025,420

## PTC Energy Ltd.

### SCHEDULE - FORMING PART OF THE ACCOUNTS

(Amount in Rs.)

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 'E'</b>		
<b>i. SUNDRY DEBTORS</b>		
Due for less than six months		
- Secured	-	-
- Unsecured, considered good (Refer Note No. 15)	216,441,386	4,947,950
Sub-total (i)	<b>216,441,386</b>	<b>4,947,950</b>
<b>ii. CASH &amp; BANK BALANCES</b>		
Balance with Scheduled Banks -		
Term Deposits	168,100,000	159,010,000
Current Accounts	2,129,424	3,590,920
Sub-total (ii)	<b>170,229,424</b>	162,600,920
<b>iii. OTHER CURRENT ASSETS</b>		
Interest accrued but not due	503,920	64,417
Sub-total (iii)	<b>503,920</b>	<b>64,417</b>
<b>iv. LOANS &amp; ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Advance Income Tax (Net of Provision for Income Tax Rs. 49,34,543, Previous Year Rs. 11,34,543)	2,997,869	325,811
Others	433,784	151,641
Sub-total (iv)	<b>3,431,653</b>	<b>477,452</b>
Total (Sub Total (i)+(ii)+(iii)+(iv))	<b>390,606,383</b>	<b>168,090,739</b>
<b>SCHEDULE 'F'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>i. Current Liabilities</b>		
Sundry Creditors		
- Micro & Small Enterprises	-	-
- Others	212,672,341	5,796,177
Other Liabilities		
- Statutory Liabilities	2,021,288	382,194
- PTC India Ltd (Holding Company)	2,497,477	2,648,820
- Others	222,702	152,875
Sub-total (i)	<b>217,413,808</b>	<b>8,980,066</b>
<b>ii. Provisions</b>		
Employee Benefits	98,441	11,903
Sub-total (ii)	<b>98,441</b>	<b>11,903</b>
Total (Sub Total (i)+(ii))	<b>217,512,249</b>	<b>8,991,969</b>

**PTC Energy Ltd.**  
**SCHEDULE - FORMING PART OF THE ACCOUNTS**

(Amount in Rs.)

	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>SCHEDULE 'G'</b>		
<b>OTHER OPERATING INCOME</b>		
Consultancy Income-Gross (TDS Rs. 283,580, Previous year Rs. 466,971 )	2,590,000	4,720,000
<b>Total</b>	<b>2,590,000</b>	<b>4,720,000</b>
<b>SCHEDULE 'H'</b>		
<b>OTHER INCOME</b>		
Interest on fixed deposits-Gross (TDS Rs. 738,978 , Previous year Rs. 782,164 )	7,893,626	5,216,923
Foreign Exchange Fluctuation (Net)	-	28,049
<b>Total</b>	<b>7,893,626</b>	<b>5,244,972</b>
<b>SCHEDULE 'I'</b>		
<b>EMPLOYEE COST</b>		
Salaries, Allowances & Benefits	8,377,526	6,143,281
Contribution to Provident & Other Funds	422,307	287,636
Gratuity & Leave Encashment	509,348	368,800
Staff Welfare Expenses	349,304	277,094
<b>Total</b>	<b>9,658,485</b>	<b>7,076,811</b>
<b>SCHEDULE 'J'</b>		
<b>DIRECT OPERATING EXPENSES</b>		
Coal Quality Inspection Fee	718,827	244,231
Foreign Exchange Fluctuation (Net)	43,740	-
Consultancy Expenses	1,290,000	3,725,765
<b>Total</b>	<b>2,052,567</b>	<b>3,969,996</b>
<b>SCHEDULE 'K'</b>		
<b>ESTABLISHMENT EXPENSES</b>		
Professional Charges	3,495,336	791,836
Communication	173,017	109,383
Business Development	57,156	68,230
Travelling and Conveyance Expenses	751,588	637,215
Printing & Stationery	16,838	9,311
Directors' Sitting Fee	140,000	120,000
Repair & Maintenance Expenses		
-Building	-	-
-Others	33,099	38,720
Bank Charges	468,235	74,292
EDP Expenses	31,936	
Rates, Fees & Taxes	3,500	3,300
Other General Expenses	105,918	1,331
Auditors Remuneration	220,600	137,875
<b>Total</b>	<b>5,497,223</b>	<b>1,991,493</b>
<b>SCHEDULE 'L'</b>		
<b>PRIOR PERIOD EXPENSES</b>		
Rates, Fees & Taxes	-	410,006
<b>Total</b>	<b>-</b>	<b>410,006</b>

## SCHEDULE-M

### NOTES TO THE ACCOUNTS

#### 1 Quantitative information in respect of purchase and sale of coal:

Particulars	Qty. in MT*		Value (Rs. )	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Sale of Coal on High Seas	280,492.43	107,351.97	927,765,501	268,512,709
Purchase	280,492.43	107,334.19	902,246,230	257,676,226

\*Acceptable weighment differences

#### 2 Income in foreign currency (on accrual basis):

Particulars	(Rs. )	
	For the year ended 31.03.2011	For the year ended 31.03.2010
Consultancy Income	750,000	-

#### 3 Details of Auditors' Remuneration:

Particulars	For the year ended 31.03.2011	For the year ended 31.03.2010
Statutory Audit Fees*	176,480	110,300
Tax Audit Fees*	44,120	27,575
<b>Total</b>	<b>220,600</b>	<b>137,875</b>

\*including service tax

4 In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

5 The disclosures as required by AS-15 (Revised) on Employees Benefits are as under:

a) The amounts recognized in the balance sheet are as follows:

Particulars	(Rs.)			
	Gratuity (Unfunded) For the year ended 31.03.2011	Leave Encashment For the year ended 31.03.2011	Gratuity (Unfunded) For the year ended 31.03.2010	Leave Encashment For the year ended 31.03.2010
Present value of obligation	30,387	68,054	3,421	8,482
Fair value of plan assets	-	-	-	-
Net (asset) / liability recognized in balance sheet as provision	30,387	68,054	3,421	8,482

b) Changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	(Rs. )			
	Gratuity (Unfunded) For the year ended 31.03.2011	Leave Encashment For the year ended 31.03.2011	Gratuity (Unfunded) For the year ended 31.03.2010	Leave Encashment For the year ended 31.03.2010
Present value of obligation as at the beginning of the Year	3,421	8,482	-	-

Interest Cost	274	679	-	-
Current service cost	23,089	52,072	3,421	8,482
Actuarial (Gain)/ Loss	3,603	6,821	-	-
Present value of obligation as at the end of Year	30,387	68,054	3,421	8,482

c) The amounts recognized in the statement of Profit & Loss Account for the year are as follows:-

Particulars	Gratuity (Unfunded) For the year ended 31.03.2011	Leave Encashment For the year ended 31.03.2011	Gratuity (Unfunded) For the year ended 31.03.2010	Leave Encashment For the year ended 31.03.2010
Current service cost	23,089	52,072	3,421	8,482
Interest Cost	274	679	-	-
Actuarial (Gain)/ Loss	3,603	6,821	-	-
Expenses recognized in the statement of profit & losses	26,966	59,572	3,421	8,482

The Company expects to contribute Rs.29,526 for gratuity and Rs.38,818 for leave encashment in the next year

#### d) Economic Assumption:

The principal assumptions are discount rate & salary increase. The discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary increase takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	Gratuity (Unfunded) For the year ended 31.03.2011	Leave Encashment For the year ended 31.03.2011	Gratuity (Unfunded) For the year ended 31.03.2010	Leave Encashment For the year ended 31.03.2010
Discounting Rate	8.00%	8.00%	7.50%	7.50%
Future salary Increase	5.50%	5.50%	5.00%	5.00%
Expected Average remaining working lives of employees in number of years	27.01	27.01	28.01	28.01

#### e) Demographic Assumption:

Particulars	Gratuity (Unfunded) For the year ended 31.03.2011	Leave Encashment For the year ended 31.03.2011	Gratuity (Unfunded) For the year ended 31.03.2010	Leave Encashment For the year ended 31.03.2010
Retirement Age	60	60	60	60
Mortality Table	LIC 1994-96	LIC 1994-96	LIC 1994-96	LIC 1994-96
Ages	Withdrawal rates		Withdrawal rates	
upto 30 Years	3.00%	3.00%	3.00%	3.00%
from 31 to 44 Years	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%

Note- The estimates of future salary increases, considered in Actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**6 Details of expenses incurred for defined contribution plans during the year:**

(Rs.)		
Defined Contribution Plans	For the year ended 31.03.2011	For the year ended 31.03.2010
Provident Fund	422,307	287,636

7 The company has entered into the following related party transactions. Such parties and transactions have been identified as per Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

(Rs.)				
Name of Related Party	Relation	Nature of Transaction	For the year ended 31.03.2011	For the year ended 31.03.2010
PTC India Ltd (Holding Company)	Having control over the company	Payments of Expenses etc on the behalf of the company	11,497,477	5,899,861
RS India Global Energy Ltd (Associate)	The company has significant influence	Equity contribution by the company	-	18,025,420
PTC India Financial Services Ltd (Fellow Subsidiary)	Under the common control with the company	Reimbursement of consultancy expenses	540,000	-
Mr. Arun Kumar (Key Management Person)	Whole-time Director	Directors remuneration	2,262,914	-

**Investment Outstanding**

Name of the Company	Relationship	As at 31.03.2011	As at 31.03.2010
RS India Global Energy Ltd (Associate)	The company has significant influence	234,025,420	234,025,420

**Balance Outstanding**

Name of the Company	Relationship	Nature	As at 31.03.2011	As at 31.03.2010
PTC India Ltd (Holding Company)	Having control over the company	Payable	2,497,477	2,648,820
PTC India Financial Services Ltd (Fellow Subsidiary)	Under the common control with the company	Payable	540,000	-

8 The elements considered for calculation of Earning per Share (Basic and Diluted) are as under:

Particulars	For the year ended 31.03.2011	For the year ended 31.03.2010
Opening balance of equity shares issued (No.)	41,000,006	41,000,006
Add: Equity shares issued during the year	-	-
Closing balance of shares issued	41,000,006	41,000,006
Weighted number of equity shares used as denominator	41,000,006	41,000,006
Profit/(Loss) attributable to equity shareholders	12,708,978	11,200,171
Earnings per Share (Amount in Rs.)	0.31	0.27
Face value per share (Amount in Rs.)	10	10

9 Deferred Tax Liability/Asset has been determined on the basis of Accounting Standard 22 (AS-22) "Accounting for Taxes on Income" and the details thereof are as follows:

(Amount in Rs.)		
Particulars	As at 31.03.2011	As at 31.03.2010
Deferred Tax Liability on account of timing differences in:		
Depreciation	(3,636)	7,183
Sub-Total (a)	(3,636)	7,183
Deferred Tax Asset arising on account of timing differences in:		
Gratuity, Leave Encashment and other expenses	200,626	151,324
Preliminary Expenses	2,723,835	4,489,228
Carried Forward Losses	-	427,751
Sub-Total (b)	2,924,461	5,068,303
Net Deferred Tax Liability/(Asset) (a-b)	(2,928,097)	(5,061,120)

Deferred Tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**10 Claims against the company not acknowledged as debt:**

(Amount in Rs.)			
Particulars	As at 31.03.2011	As at 31.03.2010	Remarks
Income Tax Demands	752,120	-	Intimation received from department for which rectification has been filed u/s 154. (Assessment Year 2010-11)
<b>Total</b>	<b>752,120</b>	<b>-</b>	

**11 \*Remuneration to Directors:**

(Amount in Rs.)		
Particulars	For the Year ended 31.03.2011	For the Year ended 31.03.2010
Salary, Allowances & Benefits	2,149,558	-
Provident Fund	113,356	-
Directors' Sitting Fees	140,000	120,000
<b>Total</b>	<b>2,402,914</b>	<b>120,000.00</b>

**\* Notes**

- i) The above does not include provision for leave salary and gratuity for the year which have been included in the overall provision for leave salary and gratuity made on actuarial basis.
- ii) Directors' remuneration is in excess of limit prescribed under Schedule XIII of the Companies Act, 1956 by Rs. 20,526 and is subject to the approval of the Central Government

12 Based on the information available with the company, there are no dues as at March 31, 2011 payable to enterprises covered under Micro Small and Medium Enterprises Development Act, 2006. No Interest is paid/ payable by the company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

13 CIF value of imports:

(Rs.)	
For the year ended 31.03.2011	For the year ended 31.03.2010
902,246,230	257,676,226

14 Loans and Advances due from directors-NIL.

15 Book Debts are hypothecated to the banks for availing the non fund based working facilities.

16 Figures of the previous year have been regrouped /reclassified wherever considered necessary to confirm to current year classification.

17 Schedules A to M and accounting policies form an integral part of accounts.

**For and on behalf of Board**

**Director**  
DIN No. 01853255

**Director**  
DIN No. 00818489

**Company Secretary**

**Place: New Delhi**  
**Date: 29th July 2011**

**As per our Report of even date attached**  
**For T.R. Chadha & Co.,**  
**(Firm Registration No. 006711N)**  
**Chartered Accountants**

**(Neena Goel)**  
**Partner**  
**M.No. 057986**





## PTC Energy Ltd.

### INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

<b>(i) Registration Details</b>	
Registration No.	181648
State Code	55
Balance Sheet Date	31.03.2011
	<b>AMOUNT (Rs.in thousands)</b>
<b>(ii) Capital raised during the year</b>	
- Public Issue	Nil
- Right Issue	Nil
- Bonus Issue	Nil
- Preferential Allotment	Nil
<b>(iii) Position of Mobilisation and Deployment of Funds</b>	
<b>Total Liabilities</b>	628,501.55
<b>Total Assets</b>	628,501.55
<b>Sources of Funds</b>	
Paid up Capital	410,000.06
Reserves & Surplus	989.24
Secured Loans	-
Unsecured Loans	-
Deferred Tax Liability	-
<b>Application of Funds</b>	
Net Fixed Assets	941.65
Capital Work in Process	-
<b>Investment</b>	
Net Current Assets	234,025.42
Deferred Tax Asset	173,094.13
	2,928.10
<b>IV PERFORMANCE OF THE COMPANY</b>	
<b>A. Total Income</b>	
- Turnover	930,355.50
- Other Income	7,893.63
- Increase in finished goods	-
<b>B. Total Expenditure</b>	
- Expenditure	919,454.50
- Depreciation	152.62
<b>Profit/(Loss) before tax</b>	<b>18,642.01</b>
<b>Profit/(Loss) after tax</b>	<b>12,708.98</b>
<b>Earning Per Share (Rs.)</b>	<b>0.31</b>
<b>Dividend Rate</b>	-
<b>V Generic Names of Principal Products/Services of Company</b>	
<b>Item Code No. (ITC Code)</b>	27011920
<b>Product Description</b>	Non coking thermal coal

For and on behalf of Board

Director  
DIN No. 01853255

Director  
DIN No. 00818489

Company Secretary

As per our Report of even date attached  
For T.R. Chadha & Co.,  
(Firm Registration No. 006711N)  
Chartered Accountants

Place: New Delhi  
Date: 29th July 2011

(Neena Goel)  
Partner  
M.No. 057986





ATTENDANCE SLIP

PTC INDIA LTD.  
2nd Floor, NBCC Tower, 15, Bhikaji Cama Place, New Delhi - 110 066

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

DPID no.	
Client ID no.	
Folio no.	

No. of shares
---------------

Name

Address

I hereby record my presence at the 12th Annual General Meeting of the Company to be held on 28th September, 2011 at 4:00 PM at Dr Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No.2, APS Colony, Delhi, Cantt, (Delhi-Gurgaon Road) New Delhi-110010

Signature

FORM OF PROXY

PTC INDIA LTD.  
2nd Floor, NBCC Tower, 15, Bhikaji Cama Place, New Delhi - 110 066

DPID no.	
Client ID no.	

Proxy no.
-----------

Name & Address

I/We .....  
of ..... in the district of .....  
being a member/members of the above-named company hereby appoint .....  
of ..... in the district of .....  
or failing him ..... of ..... in the district of .....  
..... as my/our proxy to vote for me/us on my/our behalf at the 12<sup>th</sup> Annual General Meeting / General Meeting (not being an Annual General Meeting) of the company to be held on the 28<sup>th</sup> September, 2011 and at any adjournment thereof.

Affix Re 1/ Paise Revenue Stamp
--

Signed this ..... day of ..... 2011.

Signature

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





Format of Application for payment of dividend through ECS

MCS Ltd.,  
F-65, Okhla Industrial Area, Phase I  
New Delhi 110020

Unit - PTC

DPID no. - Client ID no. / folio no.

Name of the shareholder : \_\_\_\_\_

Re: Payment of Dividend through ECS

Dear Sir,

I hereby give the company my mandate to credit my dividend on the shares held by me under the aforesaid details directly to my bank account through the Electronic Clearing Service. The details of the bank account are given below:

Name of the Bank
Bank Branch Name
Account Type (Savings/Current/O.D/Cash Credit)
Account Number (As appearing on the cheque book)
Ledger Folio no. (if any, as appearing on the cheque book)
*Code number of the bank & branch
Contact Tel. No. (if any)

(Please attach a photocopy of the cheque or a cancelled bank cheque of the aforesaid account)

Yours faithfully

\_\_\_\_\_

(Signature of the first/sole shareholder)

(\*9 digit number appearing on the MICR cheques issued to you by the bank i.e. the code located immediately adjacent to the specific cheque number).







## **PTC INDIA LIMITED**

(Formerly known as Power Trading Corporation of India Ltd.)

2nd Floor, NBCC Tower,  
15 Bhikaji Cama Place, New Delhi-110066  
Tel.: 011-41659127, 41659128, 41659500  
Fax : 011-41659126  
Website: [www.ptcindia.com](http://www.ptcindia.com)