



Powering **Power** Development

annual
report
**20
09**

PTC India Financial Services Limited



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CORPORATE DIRECTORY

BOARD OF DIRECTORS

T. N. THAKUR, CMD
ASHOK HALDIA
DEEPAK AMITABH
SHASHI SHEKHAR
P. ABRAHAM
RAMA MURALI
UDDESH KOHLI
L.B. NAIDU
NEIL KANT ARORA
AMBALIKA BANERJI (Alternate Director)
VIJAY KARNANI (Alternate Director)

COMPANY SECRETARY

VISHAL GOYAL

REGISTERED OFFICE AND BUSINESS ADDRESS

2ND FLOOR, NBCC TOWER,
15 BHIKAJI CAMA PLACE,
NEW DELHI - 100 066, INDIA
TEL: 91-11- 41659500/41595122
FAX: 91- 11- 41595155/41659144

BANKERS

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

AUDITORS

DELOITTE HASKINS & SELLS (2009-10)
PRICE WATERHOUSE (2008-09)

EMAIL

info@ptcfinciancial.com

WEBSITE

www.ptcfinciancial.com

ABOUT COMPANY

PTC India Financial Services Ltd (PFS) is promoted by PTC India Ltd (PTC) as a special purpose investment vehicle to provide total financial services to the entities in energy value chain, which inter-alia includes investing in equity and/or extending

debt to power projects in generation, transmission, distribution; fuel sources, fuel related infrastructure like gas pipelines, LNG terminals, ports, equipment manufacturers and EPC contractors etc.

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

VISION

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

MISSION

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



Our Shareholders

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

PTC India

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

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

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

Goldman Sachs Strategic Investments Limited

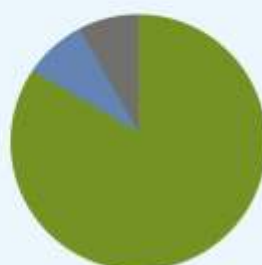
Goldman Sachs Strategic Investments Limited, a company incorporated with limited liability under the laws of Mauritius is a 100% subsidiary of Goldman Sachs. Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of services to a substantial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

governments and high-net-worth individuals; with assets under management amounting to US\$868 billion and total assets of US\$ 1,119 billion.

Macquarie India Holdings Limited

A part of the Macquarie Group, MQ, is a provider of specialist investment, advisory and financial services. It has been a global leader in infrastructure for the past 13 years. With over 13,000 employees in 25 countries across Europe, America, Africa and Australia, the Macquarie Group possesses total assets of AUD 149 billion with a further AUD 243 billion in assets under management as on 31 March 2009. The Macquarie Group has delivered more than a decade of record profit and growth, achieving net profit of AUD 871 million for the year ended 31 March 2009.

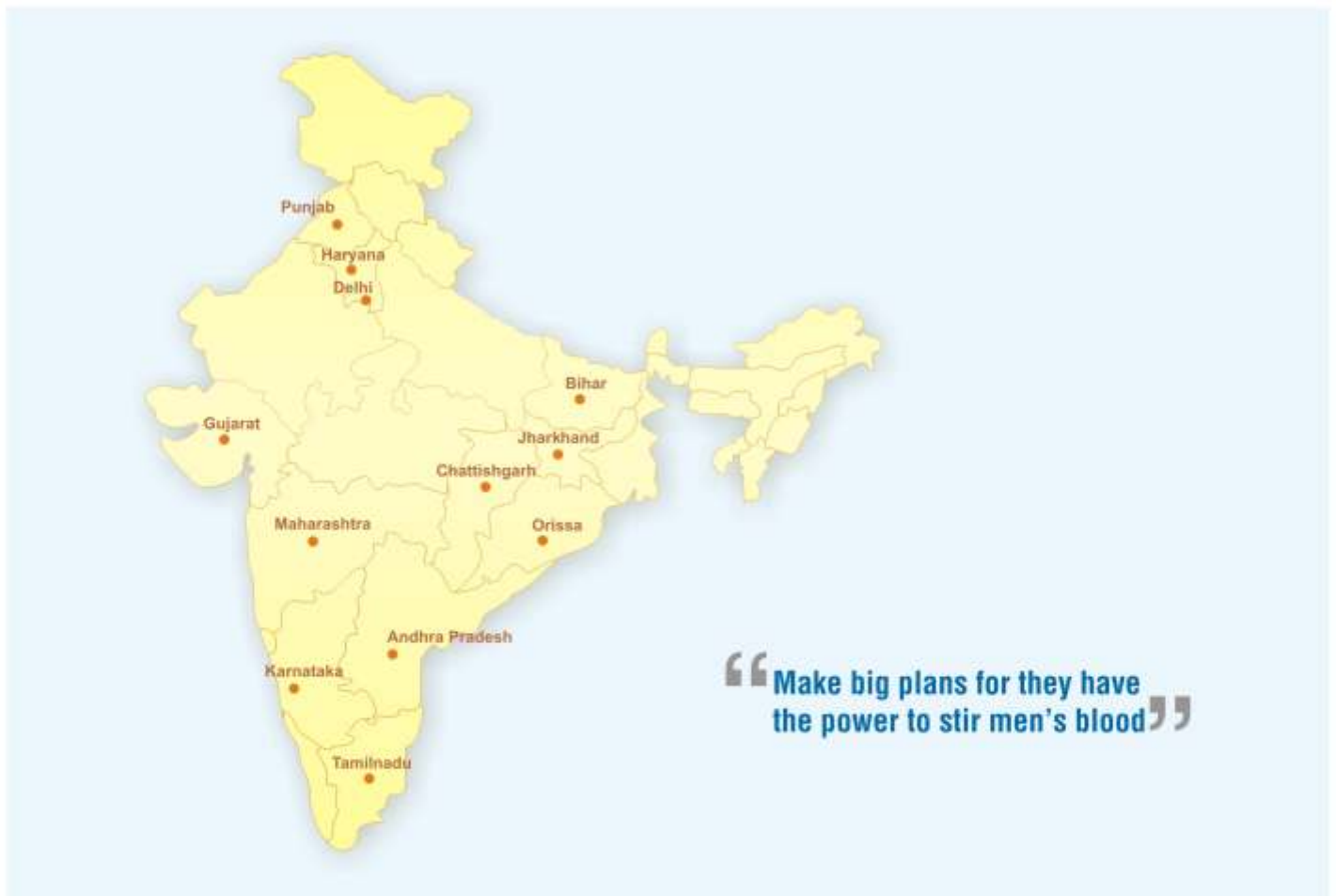
Managing 31 infrastructure funds world-wide that hold over 100 infrastructure assets, Macquarie holds investments in both developed and emerging markets.



PTC	77.60%
GS	11.20%
MQ	11.20%

PROJECTS

- Our financial assistance will help create capacity of **8473 MW**
- Current portfolio of 30 assisted projects in **12 states**
- Debt and Equity sanction of **more than Rs. 1400 crores**





INDIA'S FIRST POWER EXCHANGE - PFS IS ONE OF THE PROMOTERS OF THE INDIA'S FIRST POWER EXCHANGE VIZ. INDIAN ENERGY EXCHANGE AND HOLDS 26% EQUITY IN IT.

Debt Assistance

- 350 MW Coal based power plant in Chhattisgarh.
- 54 MW Captive power plant of Cement Company in Orissa.
- 10 MW Biomass based power plant in Maharashtra.
- 12 MW Biomass based power plant in Haryana.
- 10 MW Biomass based power plant in Maharashtra.
- 1320 MW Coal based power plant in Haryana.
- 3*360 MW Coal based power plant in Chhattisgarh.
- 2*60 MW coal based thermal power plant in Orissa.
- 270 MW coal based thermal power

plant in Jharkhand.

- 10 MW biomass based thermal power plant in Gujarat.
- 15 MW small hydro power project in Orissa
- 42 MW biomass based thermal power project in Punjab

Conventional Sector Investments

- 26% equity in 189 MW imported coal based power project in Tamilnadu.
- 26% equity in the first phase of 270 MW imported coal based power project in Andhra Pradesh.
- Equity in stage I of 2*660 MW thermal power project in Andhra Pradesh.
- Equity in 2*350 MW thermal power project in Orissa. It is a domestic pit-head coal project.

Renewable Energy Investments..

- 26% equity in a 10 MW biomass power project in Maharashtra.
- 37% equity in a wind cum bio

diesel 100 MW project in Maharashtra- The project is presently the largest wind farm in the country to be set up in single location.

- Upto 26% equity in an SPV, which will undertake around 500 MW of biomass and renewable energy projects. This SPV will scout for investment opportunities across the country and around 50 projects are already identified and out of these permissions for 25 projects have been received from state govt.
- 37% equity in 3 MW solar power project in Haryana.
- 20% equity in bio CNG plant in Haryana.

BOARD OF DIRECTORS

T. N. Thakur

Chairman and Managing Director

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

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

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

Ashok Haldia

A member of The Institute of Chartered Accountants of India, The Institute of Company Secretaries of India and The Institute of Cost and Works Accountants of India. Dr. Ashok Haldia has diversified experience of project financing and industrial financing policy; public sector policy reforms, evaluation and management; power sector reform,

restructuring and financing. Before joining on the Board of PFS, Dr. Ashok Haldia was Secretary, the Institute of Chartered Accountants of India, New Delhi. He has been associated with formulation of accounting & auditing standards, corporate laws and governance, Islamic finance, WTO-GATS, reforms in government accounting and related aspects of public finance, sustainability reporting etc.

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

Deepak Amitabh

Ex IRS Officer (1984), Mr. Deepak Amitabh is currently the Director (Finance) & CFO of PTC. Academically he is Master of Science (Physics), and possesses an experience of 23 years in auditing, financial analysis and revenue mobilization.

Earlier he has served as Financial Advisor to Director General Naval Projects, Mumbai, Additional Commissioner of Income Tax, New Delhi, and Joint Commissioner of Income Tax, Mumbai

During his tenure as a head of Finance at PTC, he was leading fund raising program (Initial Public Offer) of PTC. Through qualified institutional placement, he also raised Rs. 12000 million for PTC.

He has also spearheaded the fuel linkages services offered by PTC to various IPPs. He was also instrumental in formation of PTC India Financial Services (PFS) & Athena Energy Ventures Pvt. Ltd. (AEVPL) and is on their board

Shashi Shekhar

An IAS Officer of Tamil Nadu Cadre, 1981 batch, Mr. Shashi Shekhar is also serving as Director in PTC India Ltd. He has also held various senior positions in the State of Tamilnadu as well as the Central Govt. He was District Collector of Pudukottai and the Nilgiri Districts in Tamil Nadu and was also a Managing Director of Tamil Nadu Minerals, Tamil Nadu Urban Development Fund and Tamil Nadu Transport Development Finance Corporation (a NBFC) at different times. He was also a Director and later Joint Secretary, in the Ministry of Power from 1998-2003, during this period he also held position of Director General of Bureau of Energy Efficiency (BEE) in charge.

P Abraham

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

“Successful leaders have the courage to make big decisions quickly and move into action immediately.”

Mrs. Rama Murali

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

Dr. Uddesh Kohli

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

sustainability and monitoring, power/energy planning, Corporate Social Responsibility training and human resource development.

L.B. Naidu

Mr Naidu has Bachelors in Engineering and a PGDM from the Indian Institute of Management, Calcutta. He has significant experience in investment banking and investing across sectors, strategies & products - including private & public equity, convertibles, distress equity/debt and structured/high yield. Since 2006, he has been an Executive Director at the Asian Special Situations Group at Goldman Sachs and this team invests Goldman's proprietary balance sheet capital across Asia. He is responsible for managing the India investment portfolio for the team as well as investments in the South East Asia region. Out of the 17 investments/positions that he manages, he also serves on the board of 5 companies as the Goldman Sachs nominee and has hands on experience in managing high growth investments. Prior to joining Goldman Sachs in early 2006, he was Director & Head Capital Markets, at Rabobank's securities arm in India (Rabo India Securities). He spent four years at Rabobank setting up a capital market business which focused on underwriting equity/debt for mid market corporate.

Neil Kant Arora

Mr. Neil Kant Arora joined PFS Board as Director in Jan 2008. He is working as Executive Director with the Macquarie Capital Group. He heads the Asian Infrastructure advisory team and has the responsibility of growing the Macquarie Infrastructure franchise across Asia. His prime responsibilities include building and managing the Macquarie Infrastructure team across Asia;

sourcing Infrastructure transactions both from principal and advisory perspectives, advising Macquarie funds on acquisitions, refinancing or restructurings, leading principal transactions on behalf of Macquarie and evaluating the option of setting up new funds. Prior to relocating to Singapore, Neil was at the London office of Macquarie heading the Social and Public Infrastructure team, the largest team in the office which he developed from scratch to a team of 30 professionals.

Ambalika Banerji

Ms. Banerji is Managing Director at SBI Macquarie Infrastructure Management Pvt. Ltd. and has more than 20 years of experience, both in India and abroad in advisory & financing assignments. She has also lead several landmark infrastructure transactions. She has a bachelor degree and an MBA from University of Bombay.

Vijay Karnani

Mr. Karnani heads the India team for the Asian Special Situation Group. He joined Goldman Sachs in 1998 in Equity Capital Markets. He is an MBA from North Western University.

CHAIRMAN'S SPEECH



I am extremely delighted to present before you the annual report of PTC India Financial Services Limited (PFS) for the financial year 2008-09 – a year that has seen PFS evolving and shaping itself to become a vibrant institution. Your company is possibly the only one of its kind in the country. It is registered as an NBFC in the private sector for devoting itself exclusively to provide financial solutions to entities in energy value chain in general, and power sector in particular. Integral to the mission of PTC group, hallmark of functioning of your company has been on mitigating financial risks associated with private power development instead of mere financing of power projects. This becomes significant as one of the key challenges faced in financing of power sector projects in India, and more importantly, is the approach adopted by providers of finance – risk capital as well as debt, as against availability of adequate financial resources.

“There are no paths.
Paths are made by walking”

The country needs more than five times increase in the current rate of capacity addition in order to meet demand, and for that purpose, additional investment of more than Rs 15 Trillion in next five years. This offers tremendous business opportunities for investment and provision of financial services across the value chain.

PERFORMANCE HIGHLIGHTS – FIRM IN SADDLE

2. The Company effectively, in its first year of operations, has been able to grow organizationally and functionally to establish itself as an institution with tremendous potential and promise. Committed to add value at different stages of life cycle of the projects, your company has been partnering with developers from design stage to financial closure, and beyond. The Company has recorded an aggregate sanction of Rs. 721 crores in the form of debt as well as equity in the year 2008-09, additionally Rs.586.98 crores in the period April to August 2009, as compared to Rs. 175.93 crores in the year 2007-08. Significance of the role played by the Company is, however, characterised more by the nature and composition of portfolio created. The portfolio of 30 projects so far created through equity participation, term loans and mezzanine support included projects having developmental perspective like first ever power exchange in India; a holding company for promoting SPVs for bio-mass based power projects; capacity creation for manufacture of wind turbines; bio-gen project on pilot basis,

envisaging collaboration with cowsheds, etc. Participation in equity by your company in early stage of development of projects promoted by first generation developers has helped those achieving financial closure expeditiously. Financial assistance by your Company, so far, would help in creation of generation capacity of 8473 MW. Capital base during the year has been increased to Rs.601.70 crores compared to Rs.111.60 crore as at the end of previous year. Apart from augmenting resources for equity participation in power projects, this would help in greater leveraging for mobilization of borrowings through line of credit from banks, bond issuance, ECB and the like.

3. Organically, your company has evolved itself to participate in equity or provide debt assistance on its own or as part of syndication with other institutions and banks. Core to the company's intent is to become the most preferred financial service provider in the entire energy value chain, and to make this happen, through partnering and forging strong relationship with the credible stakeholders. In the years to come, it contemplates to explore newer role in financing of renewable energy

projects and strategic tie-up with credible players within and outside the country.

GLOBAL FINANCIAL CRISIS – LESSONS TO BE LEARNT

4. Ladies and Gentlemen, Financial services industry, globally and in India has passed through an unprecedented crisis - unprecedented in its severity – possibly much more than the great depression of 1930. It originated from and enveloped in its fold some of the most developed economies and financial markets. The global financial melt down has, in no uncertain terms, exposed fragility of architecture of financial markets, and management and governance structure of many banks and other market intermediaries, which otherwise, appeared to be robust and impregnable.
5. The worst 'seems' to have been over as global economy and financial system is limping back to normalcy with restoration of public confidence in banking and financial sector institutions in countries world over. The recovery has, however, been largely supported by dosages of financial packages. This raises doubts on adequacy of systemic response to

Market size or state of competition becomes irrelevant as we believe in making the difference by adding value at every stage of our association with the developer and their projects. Our earnest belief and full commitment to create difference by adding value keeps the organization highly inspired and motivated at all times.

financial crisis and magnitude of challenges faced by different stakeholders continues to be enormous.

6. While the crisis in its different manifestations would continue to be explored in the years to come, the world of finance has, however, come to realise, in no uncertain terms, that crafty design and packaging of financial instruments in order to camouflage true content and intent of the underlying transactions is a sure recipe for self-destruction at institutional level and a systemic risk for financial markets. Important lessons to be learnt for banks and financing institutions, like your Company, are that credit quality should not be compromised with narrow business and profit temptations; continue to strengthen internal governance structure and risk management practices, and remain prudent while attempting innovation and financial engineering.

7. Indian economy has been recovering progressively from the crisis it suffered mostly because of contagion effect. Corporate performance in general has improved in recent quarters and business confidence is showing upturn. Primary capital market is unnerving to bounce back. Decline in the interest rates, enhanced liquidity in the finance sector and relaxation in conditions for external borrowings have, however, not been

found sufficient to spur private investment. The power sector already suffering from sluggish growth in capacity addition has been further hit hard.

NEED FOR NEW RADICAL MEASURES TO PROMOTE PRIVATE INVESTMENT

8. The country continues to suffer from power shortages in the range of 7-12% and for decades. Despite best of efforts by the Government of India, actual capacity creation during 11th Five Year Plan is likely to fall short by 8000 MW (10.25 %). The country needs more than five times increase in the current rate of capacity addition in order to meet demand, and for that purpose, additional investment of more than Rs 15 Trillion in next five years. This offers tremendous business opportunities for investment and provision of financial services across the value chain. Unlocking of investment opportunities for financial services industry would, however, be contingent upon Government of India and various State Governments adopting and successfully implementing a radical new approach for reforming power sector's governance structure and monitoring mechanism. Needless to say, that acceleration in pace of capacity addition would require new structural initiatives to improve financial viability of the sector, facilitate mobilization of required funds, and remove bottlenecks in

availability of infrastructure and project implementation.

9. Your company, backed by parentage of PTC India Ltd., has developed a strong understanding of the power sector, and is, therefore, strategically positioned to assess financing and financial services needs of power projects and meet those by structuring products which are aligned to associated risks, or, by sharing risk through strategic alliances.
10. The size of financial resources required as aforesaid is, beyond the realm of existing institutions and banks. The debt market in the country lacks breadth as well depth. While the Eleventh Five Year Plan envisage 26% of total investment requirement for power sector development from private sector, institutional structure, system and processes currently in place do not measure up to distinctive requirements for promotion and development of private power projects. Domestic capital market despite its significant growth in the recent years has not been able to support adequate flow of equity capital for private power projects. Market for alternative risk i.e. mezzanine funding, subordinate debt and private equity either is not sufficiently developed.
11. NBFCs like your company have played extremely significant role in bridging the gap that currently exists in

financing of power projects. This is too widely recognised to be substantiated. These NBFCs highly capital intensive and subject to extensive regulatory frame-work are, however, faced with a number of constraints restricting their growth and development. It is high time that-

- (a) Government and the regulators draw finer distinction between NBFCs in general category and those in power sector.
- (b) NBFCs which follow best governance practices and meet bench-mark standards, should be enabled by providing a special dispensation for mobilization of additional resources, domestically and internationally, by-
 - (i) increasing the limit of exposure that banks can take for on-lending in power sector.
 - (ii) requiring banks to provide line of credit to these NBFCs for longer tenure i.e. 10 to 15 years and even more.
 - (iii) making benchmark credit rating based lending by Banks to NBFCs more pragmatic. Newly established NBFCs which are not able to get benchmark rating (in the absence of track record

over a longer period, but have highly credible governance structure and strong financial position should not be per-se subjected to benchmark rating criteria.

- (iv) allowing NBFCs with credible track record and promise in power sector to raise ECBs for on-lending and under automatic approval route.
- (v) Extending the jurisdiction of SARFAESI to include NBFCs in power sector, and also allowing their access to Debt Recovery Tribunal.

12. As a long term measure, the government should designate one or more of the existing institutions under public-private partnership to mobilise resources within and outside India, and channelize those for on-lending through NBFCs in the power sector, and take sustained initiative for development of a healthy debt market in generality.

WAY FORWARD

To sum up, the rate of additional capacity creation falls much short of the demand projected in the years to come to support double digit growth of Indian economy. With greater impulse for Indian economy to grow, it is imperative that power sector would follow the suit. Investment requirements are taking gigantic

proportions. A paradigm shift is imminently required pulling together all the stakeholders for giving a new direction to power sector growth and development.

From the above, it also follows that the power sector in India would continue to offer tremendous investment opportunities in the entire energy value chain. The capital flow – both equity as well as debt, is presently constrained because of structural bottlenecks and regulatory impediments. Investment opportunities would unfold over a period of time as the Government evolves and hasten radical policy reforms and direct intervention. Your company is gearing up, since its inception, to play a critical role in meeting financial requirements of the power projects. The outlook seems positive. Market size or state of competition becomes irrelevant as we believe in making the difference by adding value at every stage of our association with the developer and their projects. Our earnest belief and full commitment to create difference by adding value keeps the organization highly inspired and motivated at all times.

Thanks and warm greetings for the festive season to follow.

Tantra Narayan Thakur
Chairman & Managing Director

DIRECTOR'S

REPORT

The Directors have pleasure in presenting the Third Annual Report together with the audited accounts for the year ending 31st March, 2009.

Financial Results

PTC India Financial Services Limited (PFS) was incorporated in September, 2006 and commenced its business operations effectively from September, 2007. The financial highlights of PFS for the year 2008-09 are as follows.

(Amount in Rs. Crore)

	2008-09	2007-08
Revenue	11.60	3.17
Expenditure	2.90	1.99
Amortization & Depreciation	0.02	1.78
Profit/ (Loss) before Tax	8.68	(0.60)
Provision for Tax	0.15	(0.50)
Net Profit/Loss after Taxation	8.53	(0.10)
Transfer to Statutory Reserve Fund	1.71	-
Equity share capital (Rs.10 each)	434.58	90.00
Reserve and surplus (Including share premium)	174.76	20.68

Gross income of the Company has increased by 266.38% from Rs. 3.17 crore in 2007-08 to Rs. 11.60 crore in 2008-09, with increase in profit/loss before tax from Rs. (0.60) crore to Rs. 8.68 crore. During the year, the Company started financing through term loan, and participating in equity through structured product like Compulsorily Convertible Debentures (CCD). Revenue for the year thus also includes Rs.1.39 crores as income from interest, and fee based income towards services involved in appraisal, structuring of financing product, due-diligence, legal documentation, and disbursement.

Operations Review

Investment in the power sector was adversely affected during the year 2008-09 because of unprecedented turmoil in the financial markets in India and globally. Liquidity crisis or general risk aversion in the financial markets posed a challenge for entities, like, PFS, which are exclusively devoted to financing to power sector projects, to meet requirements of projects in pipeline – at developmental stage or in implementation process. With the advantage of strong parentage of PTC India Limited available, PFS was able to commit a significant level of assistance during the year in the form of equity and term loan to private power projects. The portfolio of projects assisted by PFS, though relatively small in number, as would be the case for any new entity, comprised of private power projects in renewable as well as non-renewable space.



During the year, PFS has sanctioned financial assistance of Rs.722 crores to 15 projects, in the form of equity and/or debt. Cumulatively, PFS has sanctioned financial assistance of Rs.886 crores to 19 projects entities till 31st March, 2009 supporting capacity creation of more than 4600 MW and involving capital investment of more than Rs. 20,000 crore. Sector-wise, assisted projects comprised of 8 coal based thermal power projects, 6 bio-mass based thermal power projects, 1 project based on wind energy. The first ever power exchange, namely, Indian Energy Exchange Limited (IEX) co-promoted by PFS, started its operation in June 2008. Most of the projects in which equity participation was committed till the third quarter of the year are in advance stage of implementation.

At the end of the year, PFS has undisbursed committed sanction, equity as well as debt, of Rs. 660 crores. With strong pipeline of projects available and potential that exists for financing power sector projects, your Company expects to record much higher level of growth in the current 2009-10.

During the year, PFS has also focused on mobilization of resources through equity as well as debt in order to meet growth in operations. Equity base has been increased from Rs.110.6 crores as at the end of the year 2007-08 to Rs.601.7 crores as on 31st March, 2009. To provide for resources for enabling debt funding, PFS obtained Lines of Credit from various banks and, for tenure upto 10 – 15 years. The efforts to raise fund with different maturity period and at a lower cost through other alternatives available are actively on.

Treasury operations are focusing, as part of investment policy and as a separate profit centre, on fixed income securities while ensuring protection to the capital investment.

As a philosophy, PFS believes in maintaining a strong rapport with the assisted projects by adding value at every stage of development and implementation. As a back up, a project monitoring and support mechanism has been put in place.

PFS has also focused, during the year, on developing a credible network of relationship with financial institutions, banks, merchant bankers, multilateral and bilateral organizations. This has helped in identifying business development opportunities, resource mobilization, and participation in co-financing and syndication opportunities.

PFS Board has adopted business plan prepared with the assistance of PwC for a period of 2008-09 to 2012-13. The business plan also provides for broad strategies for achieving targeted growth. Activity level of PFS in the remaining part of the year, developments in the financial market, and current scenario of power sector, may require, scaling up the targeted activity level, and suitable modification in the strategy, to be pursued.

Human Resource Development

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

Capital Structure

During the financial year 2008-09, PFS has increased its capital base (Share Capital plus Premium) from Rs.110.6 crore to Rs.601.7 crore by offering to the existing shareholders, namely, Macquarie India Holdings Limited, GS Strategic Investments Limited, and PTC India Limited (PTC) in terms of the Shareholders Agreement.

On account of call money raised on 27th March 2008, and 19th February 2009, and addition of shares allotted on 10th April 2008 and 30th March 2009, the capital structure of PFS as on 31st March, 2009 stood as under.

Sr. No.	Particulars of Shareholders	No. of Equity Shares held on		% Shareholding on	
		31.03.2009	31.03.2008	31.03.2009	31.03.2008
1	PTC India Ltd.	337250001	54000,006	77.60%	60%
2	GS Strategic Investments Ltd.	48666667	18000002	11.20%	20%
3	Macquarie India Holdings Limited	48666667	18000002	11.20%	20%
	Total	434583335	90000010	100%	100%

Dividend

The Directors have not recommended dividend for the financial year ended on 31st March 2009.

Transfer to Reserve

Out of the profit of financial year 2008-09, Rs. 1.71 crore has been transferred to Statutory Reserve Fund in terms of Section 45-IC of Reserve Bank of India Act, 1934.

Directors' Responsibility Statement

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

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed by PFS along with proper explanation relating to material departures;
- The Directors have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2008-09 and of the profit or loss of the Company for that period;
- 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
- The Annual Accounts had been prepared on a going concern basis.

Non Acceptance of Public Deposit

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

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

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 not incurred any expenditure or income in foreign exchange during the financial year ended on 31st March 2009.

Particulars of the Employees

During the Financial Year ended on 31st March 2009, particulars of the employee who was employed for full or part of the year, and who were in receipt of remuneration from PFS, which in aggregate not more than Rs 24 lacs per annum or Rs 2 lakh per month as the case may be are given at Annexure of this report.

Auditors

M/s. Price Waterhouse, Chartered Accountants has been appointed as auditors of the Company till the conclusion of the Third Annual General Meeting of the Company.

The Auditors have audited the Accounts of the Company for the Year ended 31 March 2009. Audited Accounts together with the Auditor's Report thereon are annexed to this report.

Board of Directors

Consequent upon change in the shareholding structure with effect from 31st March, 2009, GS Strategic Investments Limited and Macquarie India Holdings Limited, ceased to have right to nominate their representative on the Board of Directors. On a special request made by the Board, the Directors earlier nominated by GS Strategic Investments Limited and Macquarie India Holdings Limited agreed to remain on the Board in their individual capacity.

During the year, the term of Shri T.N. Thakur, CMD and Shri Deepak Amitabh, Director & CFO ended on 24th April 2009. The Board was pleased to re-appoint Shri Thakur as CMD and Shri Deepak Amitabh as Director and CFO.

Audit Committee

Shri P. Abraham is the Chairman and Shri Shashi Shekhar and Shri Deepak Amitabh are the members of the Audit Committee. During the financial year 2008-09, one meeting of Audit committee was held on 29th April 2008 and all the members were present in this meeting.

Nomination cum Remuneration Committee Meeting

Nomination cum Remuneration Committee Meeting has been constituted by the Board in August 2008. The Committee met once on 27th October, 2008.

Compensation Committee for ESOP

Compensation Committee for ESOP has been constituted by the Board in its 14th meeting held on 29th April 2008. During the year, two meetings of the Committee for ESOP were held.

Assets Liability Management Committee

PFS Board in its meeting held on 30th March 2009 has approved the Assets Liability Management (ALM) Policy and constituted an Asset Liability Management Committee (ALCO) to monitor risk related to liquidity and interest rate and also monitor implementation of decisions taken.

Employee Stock Option Plan – ESOP 2008

The Company instituted Employee Stock Option Plan – ESOP 2008 to grant equity based incentives to all its eligible employees and the eligible employees of the Holding Company. The ESOP 2008, finally approved by the shareholders on October 27, 2008 provides for grant of 10,075,000 options. The Company has granted two types of options i.e. Growth Options granted to the employees exercisable at fair market 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. The maximum tenure of these options granted is 4 years from the date of grant. The balance options available for grant as at March 31, 2009 are 10,075,000.

The details of option granted to employees under the ESOP 2008 are set out below.

Movement in Stock Options	Year ended 31.03.2009	
	Growth Options	Founder Member Options
Outstanding at the beginning of the year	–	–
Add: Granted during the year	8,865,000	1,210,000
Less: Forfeited during the year	–	–
Less: Exercised during the year	–	–
Less: Expired during the year	–	–
Options outstanding as at the end of the year	8,865,000	1,210,000

Acknowledgment

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

For and on behalf of the Board of Directors

Place : New Delhi

(Tantra Narayan Thakur)

Date : 27th July, 2009

Chairman & Managing Director

ANNEXURE	
Name of Employee	Dr. Ashok Haldia
Designation	Whole-Time Director
Qualifications	M. Com., CA, CS, CWA, Phd
Nature of Employment whether contractual or otherwise	Contractual
Nature of duties of Employee	Responsible for entire operations as Director
Last employment	Secretary of ICAI
Number of year of experience	29 year
Age	53 year
Date of Commencement of employment	13th August, 2008
Gross Remuneration	Rs. 18.89 lakh (From 13-08-2008 to 31-03-2009)
No. of equity shares held	Nil
Whether relative of a Director or Manager	No

AUDITOR'S REPORT

To,

The Members of PTC India Financial Services Limited

1. We have audited the attached Balance Sheet of PTC India Financial Services Limited as at March 31, 2009 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 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. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies

(Auditor's Report) (Amendment) Order, 2004, (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give 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 that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section

(3C) of Section 211 of the Act;

- (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act 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, 2009;
 - (ii). in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii). in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

V. Nijhawan

Membership No. F - 87228

Partner

For and on behalf of

Price Waterhouse

Chartered Accountants

Place: New Delhi

Date: 27th July, 2009

ANNEXURE TO AUDITOR'S REPORT

[Referred to in paragraph 4 of the Auditors' Report of even date to the members of PTC India Financial Services Limited on the financial statements for the year ended March 31, 2009]

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) The Company does not hold any inventory. Accordingly clauses (ii)(a), (ii)(b) and (ii)(c) of paragraph 4 of the Order are not applicable in the case of the company during the year.
- (iii) (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- (vi) The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of subsection (1) of Section 209 of the Act for any of the products of the company.
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, income tax, service tax, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, service tax and cess which

have not been deposited on account of any dispute.

- (x) As the company is registered for a period less than five years, clause (x) of paragraph 4 of the Order is not applicable to the company for the current year.
- (xi) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date. The company has not issued any debentures.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- (xiv) In our opinion, the company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further, such securities have been held by the company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

(xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

(xvii) On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

(xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

(xix) The company has not issued any debentures during the year and there are no debentures outstanding at the year end.

(xx) The company has not raised any money by public issues during the year.

(xxi) During the course of our examination of the books and

records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

V. Nijhawan

Membership No. F - 87228

Partner

For and on behalf of

Price Waterhouse

Chartered Accountants

Place: New Delhi

Date: 27th July, 2009

BALANCE SHEET

as at March 31, 2009

(Amount in Rs.)			
	Schedule	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	4,345,833,350	900,000,100
Employee Stock Option Outstanding	2	997,504	—
Reserves and Surplus	3	1,746,619,020	206,794,602
Loan Funds			
Secured Loan	4	200,000,000	—
		6,293,449,874	1,106,794,702
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	915,055	491,886
Less: Depreciation		315,026	79,968
	6	600,029	411,918
Investments			
	7	2,002,912,181	1,117,876,531
Loan Financing			
		200,000,000	—
Deferred Tax Assets			
[Refer note B(8) on Schedule 19]		3,625,449	5,012,599
Current Assets, Loans and Advances			
Cash and Bank Balance	8	4,086,917,573	1,416,097
Other Current Assets	9	6,799,648	—
Loans & Advances	10	4,605,658	3,597,323
		4,098,322,879	5,013,420
Less: Current Liabilities & Provisions			
Current Liabilities	11	11,782,191	22,006,249
Provisions		228,473	488,000
Net Current Assets			
		12,010,664	22,494,249
Profit and Loss Account			
		4,086,312,215	(17,480,829)
		—	974,483
		6,293,449,874	1,106,794,702
Significant Accounting Policies and Notes to Accounts			
	19		

This is the Balance Sheet referred to in our report of even date The Schedules referred to above form an integral part of the balance Sheet

For and on behalf of the Board of Directors

V. Nijhawan
Membership No : F-87228
Partner
For and on behalf of
Price Waterhouse
Chartered Accountants
Place : New Delhi
Date : 27th July, 2009

T. N. Thakur
Chairman and Managing Director
DIN No. 00024322

Vishal Goyal
Company Secretary

Deepak Amitabh
Director and CFO
DIN No. 01061535

Ashok Haldia
Director
DIN No. 00818489

PROFIT & LOSS ACCOUNT

For the year ended March 31, 2009

(Amount in Rs.)			
	Schedule	As at 31.03.2009	As at 31.03.2008
INCOME			
Income from Investments	12	103,122,975	30,917,056
Interest Income	13	136,438	-
Fee Based Income		9,325,000	-
Other Income	14	3,419,096	744,879
		116,003,509	31,661,935
EXPENDITURE			
Personnel Expenses	15	9,548,276	2,744,467
Administration and Other Expenses	16	9,437,116	5,572,075
Interest and Other Charges	17	176,027	-
Depreciation/Amortisation		235,686	79,968
Expenses relating to increase in Share Capital	18	9,799,339	-
Provision for Diminution in Investment		-	429,774
Loss on Sale of Derivatives		-	11,130,223
Preliminary Expenditure Written Off		-	17,665,536
		29,196,444	37,622,043
		86,807,065	(5,960,108)
Profit/(Loss) Before Tax			
Less : Tax Expense		-	-
- Current Tax		-	-
- Deferred Tax Charge/(Credit) [Refer note B(8) on Schedule 19]		1,387,150	(5,012,599)
- Fringe Benefit Tax		121,000	26,655
- Income Tax and Fringe Benefit Tax relating to earlier years		-	319
		85,298,915	(974,483)
Profit/(Loss) After Tax			
Less : Loss Brought Forward		(974,483)	-
Less : Transfer to Statutory Reserve		(17,060,000)	-
Balance Carried to Balance Sheet			
Basic/Diluted Earnings Per Share (Rs.)		0.35	(0.02)
[Refer note A(10) and B(9) on Schedule 19]			
Significant Accounting Policies and Notes to Accounts			
	19		

This is the Balance Sheet referred to in our report of even date. The Schedules referred to above form an integral part of the Profit & Loss Account.

For and on behalf of the Board of Directors

V. Nijhawan
Membership No : F-87228
Partner
For and on behalf of
Price Waterhouse
Chartered Accountants
Place : New Delhi
Date : 27th July, 2009

T. N. Thakur
Chairman and Managing Director
DIN No. 00024322

Vishal Goyal
Company Secretary

Deepak Amitabh
Director and CFO
DIN No. 01061535

Ashok Haldia
Director
DIN No. 00818489

CASH FLOW STATEMENT

For the year ended March 31, 2009

	(Amount in Rs.)	
	For the year ended 31.03.2009	For the year ended 31.03.2008
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before	86,807,065	(5,960,108)
Adjustment for:		
Depreciation	235,686	79,968
Interest Expense	176,027	-
ESOP Expense	997,504	-
Preliminary Expenditure Written Off	-	17,665,536
Provision for Diminution in Investment	-	429,774
Operating Profit Before Working Capital Changes	88,216,282	12,215,170
Adjustments for changes in Working Capital :		
(Increase)/Decrease in Other Current Assets and Loans and Advances	(6,384,687)	(247,339)
Increase/(Decrease) in Trade and Other Payables	(10,609,612)	2,768,495
Cash Generated From Operations	71,221,983	14,736,326
Taxes Paid (Net of refund)	(1,544,296)	(2,318,886)
Net Cash Generated from Operating Activities	69,677,687	12,417,440
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(431,169)	(491,886)
Proceeds from Sale of Fixed Assets	7,372	-
Purchase of Investments	(885,035,650)	(1,117,876,531)
Net Cash Used in Investing Activities	(885,459,447)	(1,118,368,417)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	200,000,000	-
Interest Paid	(50,000)	-
Rupee Term Loan for power project disbursed	(200,000,000)	-
Proceeds from issue of Equity Share Capital (including Share Premium of Rs 1,455,499,986 (Previous Year Rs 206,794,602)	4,901,333,236	1,066,794,642
Net Increase/(Decrease) in Cash & Cash Equivalents	4,901,283,236	1,066,794,642
Opening Cash and Cash Equivalents	4,085,501,476	(39,156,335)
Closing Cash and Cash Equivalents	4,086,917,573	40,572,432
Total	4,085,501,476	(39,156,335)
Notes:		
1 Closing Cash and Equivalents Comprise:		
Balance with Scheduled Banks		
- Current Accounts	7,427,573	1,416,097
- Fixed Deposit Accounts	4,079,490,000	-
Total	4,086,917,573	1,416,097
2 Figures in bracket indicate cash outflow.		
3 The above cash flow statement has been prepared under the indirect method set out in AS-3 notified under Section 211(3C) of the Companies Act, 1956.		
4 Previous year figures have been regrouped and recast wherever necessary to conform to the current year's classification.		
This is the Cash Flow Statement referred to in our report of even date.		

For and on behalf of the Board of Directors

V. Nijhawan
Membership No : F-87228
Partner
For and on behalf of
Price Waterhouse
Chartered Accountants
Place : New Delhi
Date : 27th July, 2009

T. N. Thakur
Chairman and Managing Director
DIN No. 00024322

Vishal Goyal
Company Secretary

Deepak Amitabh
Director and CFO
DIN No. 01061535

Ashok Haldia
Director
DIN No. 00818489

SCHEDULES FORMING PART OF THE ACCOUNTS

	(Amount in Rs.)	
	As at 31.03.2009	As at 31.03.2008
SCHEDULE - 1: SHARE CAPITAL		
Authorised		
600,000,000 (Previous Year 300,000,000) Equity Shares of Rs. 10/- each	6,000,000,000	3,000,000,000
ISSUED		
434,583,335 (Previous Year 243,333,334) Equity Shares of Rs. 10/- each	4,345,833,350	2,433,333,340
SUBSCRIBED & PAID UP		
434,583,335 (Previous Year 90,000,010) Equity Shares of Rs. 10/- each fully paid up	4,345,833,350 4,345,833,350	900,000,100 900,000,100
Of the above Subscribed and Paid Up Capital:		
337,250,001 (Previous Year 54,000,006) equity shares of Rs. 10/- each representing 77.60% (Previous Year 60%) are held by PTC India Limited, the Holding Company and its nominees		
SCHEDULE - 2: EMPLOYEE STOCK OPTION OUTSTANDING		
[Refer note A(6) and B(5) on Schedule 19]		
Stock Options Outstanding	7,260,000	—
Less: Deferred Employee Compensation Expense	(6,262,496)	—
	997,504	—
SCHEDULE - 3: RESERVES AND SURPLUS		
Securities Premium		
206,794,602		—
Balance Brought Forward	1,455,499,986	216,000,024
Add: Additions during the year	—	9,205,422
Less: Deductions during the year	—	—
Statutory Reserve		
[in terms of Section 45-IC of the Reserve Bank of India, 1934]	—	—
Balance Brought Forward	17,060,000	—
Add: Additions during the year	67,264,432	—
Profit and Loss Account	1,746,619,020	206,794,602
SCHEDULE - 4: SECURED LOANS		
Rupee Term Loan from bank	200,000,000 200,000,000	—

Note

- (i) The above loan is secured by hypothecation by way of first pari passu charge on the current assets by way of book debt or equity and other receivables (other than assets created by line of credit of other financial institutions / banks). Additionally, it is backed by assignment of security interest of PFS through an agreement of assignment, in the projects financed by it out of term loan granted by the Bank.
- (ii) Amount repayable within one year Rs. Nil (Previous Year - Rs. Nil)

SCHEDULE - 5: FIXED ASSETS

[Refer Notes A(2) and A(3) on Schedule 19]

(Amount in Rs.)

PARTICULARS	GROSS BLOCK-AT COST				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1.04.2008	Additions during the period	Deletions/ Adjustments	As at 31.03.2009	Upto 1.04.2008	For the period	Deletions/ Adjustments	Upto 31.03.2009	As at 31.03.2009	As at 1.04.2008
Tangible Assets:										
Office Equipment	112,157	111,493	8,000	215,650	9,462	46,465	628	55,299	160,351	102,695
Computers	379,729	243,850	-	623,579	70,506	175,017	-	245,523	245,523	309,223
Furnitures and Fixtures	-	28,831	-	28,831	-	2,799	-	2,799	2,799	-
Intangible Assets:										
Software	-	46,995	-	46,995	-	11,405	-	11,405	11,405	-
Total	491,886	431,169	8,000	915,055	79,968	235,686	628	315,026	600,029	411,918
Previous Year	-	491,886	-	491,886	-	79,968	-	79,968	411,918	-

(Amount in Rs.)

	Face Value	As at 31.03.2009		As at 31.03.2008	
		Quantity (Nos.)	Value (Rupees)	Quantity (Nos.)	Value (Rupees)
(A) Long Term Investment					
(i) Trade - Unquoted (At Cost)					
[Refer note B(10) on Schedule 19]					
In Associates - Equity shares, fully paid up					
Ind-Barath PowerGenCom Limited	10	55,630,000	556,300,000	-	-
Indian Energy Exchange Limited	10	6,939,190	69,391,900	6,500,000	6,500,000
Meenakshi Energy Private Limited	10	15,000,000	150,000,000	-	-
PTC Bermaco Green Energy Systems Ltd.	10	490,838	4,908,380	-	-
RS India Wind Energy Private Limited	10	57,311,415	573,114,150	22,000,000	220,000,000
Varam Bio Energy Private Limited	10	4,111,942	41,119,420	2,471,319	24,713,190
Advance Against Equity					
PTC Bermaco Green Energy Systems Limited			14,910		-
Varam Bio Energy Private Limited			2,780,580		-
Debentures, fully paid up					
Compulsorily and Fully Convertible Debentures in East Coast Energy Private Limited [Refer note B(4) on Schedule 19]		6	600,000,000		-
(ii) Non Trade - Quoted (At Cost)					
Equity Shares, fully paid up					
Container Corporation of India Limited	10	1,040	1,027,213	2,020	3,990,333
Power Grid Corporation of India Limited	10	81,839	4,255,628	96,839	5,035,628
Sub total			2,002,912,181		318,739,151
(B) Current Investments					
Non Trade - Unquoted					
Mutual Funds					
AIG Short Term Fund-Growth Option	-	-	-	199,776	200,000,000
Birla Dynamic Bond Fund-Growth Option	-	-	-	2,375,207	25,000,000
Birla Sunlife Income Fund-Growth Option	-	-	-	1,684,205	50,000,000
Grindlays Super Saver Income Fund - ST Growth	-	-	-	2,818,251	30,000,000
ICICI Prudential Interval Fund-II-Quarterly Plan-Growth Option	-	-	-	2,500,000	25,000,000
JP Morgan India Liquid Plus Fund - Super Institutional Daily Dividend Plan - Reinvest	-	-	-	1,214,214	12,152,942

(Amount in Rs.)

	Face Value	As at 31.03.2009 Quantity (Nos.)	Value (Rupees)	As at 31.03.2008 Quantity (Nos.)	Value (Rupees)
Optimix Dynamic Multi Manager Fund-Dividend Option		–	–	1,000,000	10,000,000
Principal Income Fund-Dividend Option		–	–	1,855,687	25,000,000
Principal Liquid Plus Fund-Regular Plan		–	–	48,576,767	48,576,767
Reliance Income Fund-Growth Option		–	–	999,364	25,000,000
Tata Dynamic Bond Fund-1 month-Growth Option		–	–	4,775,493	50,157,573
Templeton India GSF-Composite Plan-Growth Option		–	–	1,878,269	50,000,000
Templeton India Income Fund-Growth Option		–	–	901,209	25,000,000
Templeton India Short Term Income Plan-Growth Option		–	–	51,735	50,000,000
Templeton India Short Term Income Plan-Dividend Option		–	–	41,649	52,426,463
Sub total			–		678,313,745
Portfolio Management Services					
HDFC Portfolio Management Services			–		79,481,114
JM Arbitrage Portfolio Management Services			–		41,342,521
Sub total			–		120,823,635
			2,002,912,181		1,117,876,531
Aggregate market value of quoted investments (Based on last traded price available as at March 31, 2009)			8,571,464		13,005,390
Aggregate cost of quoted investments			5,282,841		9,025,961

(Amount in Rs.)

	As at 31.03.2009	As at 31.03.2008
SCHEDULE - 7: LOAN FINANCING (Considered good unless otherwise stated)		
Rupee Term Loan for power project* [Refer note B(3) on Schedule 19]	200,000,000	–
	200,000,000	–
* The company is in the process of creating security in respect of the rupee term loan for power project		
SCHEDULE - 8: CASH AND BANK BALANCES		
Balance with Scheduled Banks in :		
- Current Accounts	7,427,573	1,416,097
- Fixed Deposit Accounts	4,079,490,000	–
	4,086,917,573	1,416,097
SCHEDULE - 9: OTHER CURRENT ASSETS (Considered good unless otherwise stated)		
Interest accrued but not due on :		
- Fixed Deposits	2,233,073	–
- Compulsorily and Fully Convertible Debentures	4,430,137	–
- Rupee Term Loan for power project	136,438	–
	6,799,648	–



(Amount in Rs.)				
		As at 31.03.2009	As at 31.03.2008	
SCHEDULE - 10: LOANS AND ADVANCES				
(Considered good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received		1,086,442	1,501,403	
Advance Income Tax [net of Provision for Income Tax Rs. 560,880 (Previous Year Rs. 560,880)]		3,401,871	2,007,575	
Advance Fringe Benefit Tax [net of provision for Fringe Benefit Tax Rs. 148,958 (Previous Year Rs. 27,958)]		117,345	88,345	
		4,605,658	3,597,323	
SCHEDULE - 11: CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors				
Total outstanding dues of micro and small enterprises [Refer note B(11) on Schedule 19]		—	—	
Total outstanding dues of creditors other than micro and small enterprises *		11,134,665	22,006,249	
Other Liabilities		521,499	—	
Interest accrued but not due on term loan		126,027	—	
		11,782,191	22,006,249	
PROVISIONS				
Provision for Gratuity [Refer note B(6) on Schedule 19]		53,058	—	
Provision for Leave Encashment [Refer note B(6) on Schedule 19]		175,415	488,000	
		228,473	488,000	
		12,010,664	22,494,249	
* Includes Rs 5,829,617 (Previous Year Rs 20,430,558) due to PTC India Limited, the Holding Company				
(Amount in Rs.)				
		Year Ended 31.03.2009	Year Ended 31.03.2008	
SCHEDULE - 12: INCOME FROM INVESTMENTS				
Profit / (Loss) on Sale of Investments (Net)				
- Shares	(36,020,433)		4,091,403	
- Mutual Funds	12,547,439	(23,472,994)	710,748	4,802,151
Dividend Income				
- Equity Shares	814,793		140,959	
- Mutual Funds	121,351,039	122,165,832	25,973,946	26,114,905
Interest on Compulsorily and Fully Convertible Debentures (Gross) [Tax deducted at source Rs. Nil (Previous Year Rs. Nil)]		4,430,137		—
		103,122,975	30,917,056	

(Amount in Rs.)

	Year Ended 31.03.2009	Year Ended 31.03.2008
SCHEDULE - 13: INTEREST INCOME		
Interest on Rupee Term Loan for power project (Gross) [Tax deducted at source Rs. Nil (Previous Year Rs. Nil)]	136,438	
	136,438	–
SCHEDULE - 14: OTHER INCOME		
Interest on Fixed Deposits (Gross) [Tax deducted at source Rs 206,059 (Previous Year Rs 107,576)]	3,383,757	167,046
Interest - Others	35,339	4,650
Pre Operative Income	–	573,183
	3,419,096	744,879
SCHEDULE - 15: PERSONNEL EXPENSES		
Salaries and Other Allowances	7,277,466	1,907,362
Contribution to Provident and Other Funds	335,106	92,762
ESOP Expense [Refer note B(5) on Schedule 19]	997,504	–
Staff Welfare	938,200	744,343
	9,548,276	2,744,467
SCHEDULE - 16: ADMINISTRATIVE AND OTHER EXPENSES		
Legal and Professional	6,665,739	5,019,782
Rates and Taxes	284,597	–
Rent	706,944	–
Travelling and Conveyance	738,996	280,513
Communication Expenses	200,361	113,232
Business Development	20,000	68,242
Donation	400,000	–
Directors' Sitting Fees	55,000	70,000
Repairs and Maintenance	114,839	2,535
Books and Periodicals	104,927	–
Miscellaneous Expenses	145,713	17,771
	9,437,116	5,572,075
SCHEDULE - 17: INTEREST AND OTHER CHARGES		
Interest on Rupee Term Loan from bank	126,027	–
Financial Charges	50,000	–
	176,027	–
SCHEDULE - 18: EXPENSES RELATING TO INCREASE IN SHARE CAPITAL		
Fees for increase in Authorised Share Capital	4,898,000	–
Stamp Duty for issue of Share Capital	4,901,339	–
	9,799,339	–

SCHEDULE – 19 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

1. 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.

2. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. 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.

3. Depreciation

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 purchase.

4. 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 longterm investments. Long Term Investments are stated at cost. A

provision for diminution 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.

5. Revenue Recognition

Dividend income is recognized when the right to receive is established.

Interest income is recognized on accrual basis.

Fee Based Income is recognized as follows:

- (i). Application Fee is recognized as income upon the loan/equity being sanctioned
- (ii). Processing Fees and Upfront Fees are recognized in the year of receipt.

6. Employee Stock Option

The Company calculates the employee stock compensation expense based on the intrinsic value method wherein the excess of grant 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.

7. 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 is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the Balance Sheet date.

Short term compensated absences are recognized on an undiscounted basis for services rendered by the employees during an accounting period. Long term compensated absences are provided based on the actuarial valuation made at the Balance Sheet date.

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.

8. 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.

9. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are

capitalized as part of the cost of that capital asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

10. 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.

11. Taxation

Tax expense for the year comprising current tax, fringe benefit tax and deferred tax is included while determining the net profit for the year. Current tax and Fringe benefit tax is determined based on the liability computed in accordance with relevant tax rates and tax laws. Deferred tax is recognized for all timing differences arising between taxable income and accounting income based on the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only if there is a reasonable certainty that they will be realized and these are reviewed for appropriateness of the respective carrying value at each Balance Sheet date.

12. Provisions and Contingencies

Provisions are recognized when the

Company has a present obligation as a result of past events, for which it is probable that an outflow or resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of obligation can not be made.

B) NOTES TO ACCOUNTS

1. Background

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

2. (a) During the year, the company, vide resolution of the Board of Directors in the meeting held on 29th April 2008, issued to the existing shareholders, in proportion to the equity held by

them, 153,333,324 fully paid up equity shares of Rs. 10/- as per the details given below:

S. No.	Name of Shareholders	No. of Shares	Face Value (Rs.)	Premium per share (Rs.)	Amount (Rs.)
i.	PTC India Limited (Promoter)	91,999,994	10.00	-	919,999,940
ii.	GS Strategic Investment Limited	30,666,665	10.00	6.00	490,666,640
iii.	Macquarie India Holdings Limited	30,666,665	10.00	6.00	490,666,640
Total		153,333,324			1,901,333,220

- (b) Further, the Company has, in terms of the approval of Shareholders obtained in the Extra Ordinary General Meeting of the Company held on 18th February 2009 offered on rights basis 191,250,001 equity shares to the existing shareholders in proportion of their shareholding. The said offer was declined by GS Strategic Investments Limited and Macquarie India Holdings Limited and accordingly the entire shares so offered have been issued to PTC India Limited, the holding Company in terms of the Share Subscription Agreement as follows:

No. of Shares	Face Value share (Rs.)	Premium per (Rs.)	Amount (Rs.)
10,000,000	10.00	-	100,000,000
181,250,001	10.00	6.00	2,900,000,016
191,250,001			3,000,000,016

3. Loan Financing

During the year, the Company has, in terms of a Rupee Term Loan Agreement granted a rupee term loan of upto Rs 50 crores for part financing of 54 MW coal based thermal power plant and 200 TPH Coal Beneficiation Plant.

The Company is in the process of creating security in respect of the said loan as at the year end.

4. Compulsorily and Fully Convertible Debentures

During the year, the Company has, in terms of a Debenture Subscription Agreement subscribed to compulsorily and Fully Convertible Debentures for an aggregate amount of upto Rs 120 crores being the financial assistance for a 1320 MW coal based thermal power plant.

5. Employee Stock Option Plan – ESOP 2008

The Company instituted the Employee Stock Option Plan – ESOP 2008 to grant equity based incentives to all its eligible employees. The ESOP 2008, finally approved by the shareholders on October 27, 2008 provides for grant of 10,075,000 options. The Company has granted two types of options i.e. Growth options granted to the employees and exercisable at Fair Market Value as on the date of grant as certified by an independent valuer and Founder Member Options exercisable at face value of shares i.e. Rs 10 per share, representing one share for each option upon exercise. The maximum tenure of these options granted is 4 years from the date of grant. The balance options available for grant as at March 31, 2009 are 10,075,000.

The details of options granted to employees under the ESOP 2008 are set out below:

Movement in Stock Options	Year ended 31.03.2009	
	Growth Options	Founder Member Options
Outstanding at the beginning of the year	-	-
Add: Granted during the year	8,865,000	1,210,000
Less: Forfeited during the year	-	-
Less: Exercised during the year	-	-
Less: Expired during the year	-	-
Options outstanding as at the end of the year	8,865,000	1,210,000

Accordingly, the Company under the intrinsic value method has recognized the excess of the grant price over the exercise price of the options amounting to Rs.997,504 as an expense during the year. Further, the liability outstanding as at the March 31, 2009 in respect of Employee Stock Options outstanding is Rs. 7,260,000. The balance deferred compensation expense Rs. 6,262,496 will be mortized over the remaining vesting period of the options.

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

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

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

6. Disclosures required as per AS – 15 (Revised) "Employee Benefits"

(A) GRATUITY

(Amount in Rupees)

Changes in the present value of the defined benefit obligation:

	2008-2009
Opening defined benefit obligation	-
Current Service Cost	53,058
Interest Cost	-
Benefits paid	-
Actuarial (gains)/losses	-
Losses / (Gains) on curtailments	-
Closing defined benefit obligation	53,058

Changes in the fair value of the plan assets:

	2008-2009
Opening fair value of plan assets	-
Expected return	-
Contributions	-
Benefits paid	-
Actuarial gains/(losses)	-
Closing fair value of plan assets	-

Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Assets

	2008-2009
Present Value of obligation as at the end of the period	53,058
Fair Value of Plan Assets as at the end of the period	-
Funded Status	(53,058)
Unrecognized actuarial (gains) / losses	-
Unfunded obligation recognized in Balance Sheet	(53,058)

Expense recognized in Profit and Loss Account

	2008-2009
Current service cost	53,058
Interest cost	-
Expected return on plan assets	-
Net actuarial losses / (gains) recognized in the year	-
Net (benefit)/expense	53,058

(B) LEAVE ENCASHMENT

(Amount in Rupees)

Changes in the present value of the defined benefit obligation:

	2008-2009
Opening defined benefit obligation	-
Current Service Cost	175,415
Interest Cost	-
Benefits paid	-
Actuarial (gains)/losses	-
Curtailment Cost / (Credit)	-
Closing defined benefit obligation	175,415

Changes in the fair value of the plan assets:

	2008-2009
Opening fair value of plan assets	-
Expected return on plan assets	-
Contributions	-
Benefits paid	-
Actuarial gains/(losses) on plan assets	-
Closing fair value of plan assets	-

Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Assets

	2008-2009
Present Value of obligation as at the end of the period	175,415
Fair Value of Plan Assets as at the end of the period	-
Funded Status	(175,415)
Unrecognized actuarial (gains) / losses	-
Unfunded obligation recognized in Balance Sheet	(175,415)

Expense recognized in Profit and Loss Account

	2008-2009
Current service cost	175,415
Interest cost	-
Expected return on plan assets	-
Curtailment Cost / (Credit)	-
Net actuarial losses / (gains) recognized in the year	-
Net (benefit)/expense	175,415

The principal assumptions used in determining defined retirement obligations

for the Company's plans are shown below:

	Gratuity	Leave Encashment
Discounting Rate	7.00%	7.00%
Future Salary Increase	4.50%	4.50%
Expected Rate of Return on Plan Assets	0.00%	0.00%

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

C) In respect of the defined contribution plans, the Company has recognized the following amounts in the Profit and Loss Account:

	2008-2009
	(Rupees)
Employer's contribution to Provident Fund	317,363

7. Related Party Disclosures

(a) List of Related Parties and Relationships

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

Holding Company	: PTC India Limited
Associate Companies	: Ind-Barath PowerGenCom Limited
	: Indian Energy Exchange Limited
	: Meenakshi Energy Private Limited
	: PTC Bermaco Green Energy Systems Ltd
	: RS India Wind Energy Private Limited
	: Varam Bio Energy Private Limited
Key Management Personnel	: Mr. Ashok Haldia (Director w.e.f. August 13, 2008)

(b) Details of Related Party Transactions in the ordinary course of the business:

(i) Transactions with Holding Company

Nature of transactions	Year ended 31.03.2009 (Rupees)	Year ended 31.03.2008 (Rupees)
Issue of Share Capital to PTC India Limited	2,832,499,950	500,000,000
Securities Premium received from PTC India Limited	1,087,500,006	-
Reimbursement of expenses to Holding Company *	6,822,897	2,040,921
Balances outstanding as at the year end		
- Payable	5,829,617	20,430,558

* Includes Rs. 1,889,433 (Previous Year Rs. Nil) towards remuneration of Director

ii) Transactions with Key Management Personnel

Nature of transactions	Year ended 31.03.2009 (Rupees)	Year ended 31.03.2008 (Rupees)
Reimbursement of Expenses	159,915	-
Remuneration Paid**	1,889,433	-
Balances outstanding at the year end- Payable	-	-

** Also included under reimbursement of expenses to Holding Company as disclosed at (I) above.

(iii) Transactions with Associates

Nature of transactions	Year ended 31.03.2009 (Rupees)	Year ended 31.03.2008 (Rupees)
Investment in Equity Share Capital :		
- Ind Barath Powergencom Limited	556,300,000	-
- Indian Energy Exchange Limited	4,391,900	65,000,000
- Meenakshi Energy Private Limited	150,000,000	-

- PTC Bermaco Green Energy Systems Limited	4,908,380	-
- RS India Wind Energy Private Limited	353,114,150	220,000,000
- Varam Bio Energy Private Limited	16,406,230	24,713,190

Advance for investment :

- PTC Bermaco Green Energy Systems Limited	14,910	-
- Varam Bio Energy Private Limited	2,780,580	-

Investment balances outstanding at the year end :

- Ind Barath Powergencom Limited	556,300,000	-
- Indian Energy Exchange Limited	69,391,900	65,000,000
- Meenakshi Energy Private Limited	150,000,000	-
- PTC Bermaco Green Energy Systems Limited	4,908,380	-
- RS India Wind Energy Private Limited	573,114,150	220,000,000
- Varam Bio Energy Private Limited	41,119,420	24,713,190

8. Deferred Tax

The break up of Deferred Tax Assets as at March 31, 2009 is as under:

	Balance as at 1.04.2008 (Rupees)	Movement during the year (Rupees)	Balance as at 31.03.2009 (Rupees)
Deferred Tax Asset arising on account of timing differences in :			
Preliminary Expenses	4,803,613	1,200,904	3,602,709
Provision for Retirement Benefits	212,085	134,427	77,658
Deferred Tax Liability arising on account of timing differences in :			
Depreciation	3,099	(51,819)	54,918
Net Deferred Tax Asset	5,012,599	1,387,150	3,625,449

9. Earnings Per Share

	Year ended 31.03.2009 (Rupees)	Year ended 31.03.2008 (Rupees)
Net Profit / (Loss) after Tax attributable to equity shareholders (Rs.)	85,298,915	(974,483)
Weighted Average number of equity shares outstanding during the year. (Nos.)	240,600,458	52,622,957
Basic/Diluted* Earnings per share of Rs 10/- each (in Rs.)	0.35	(0.02)
Nominal Value per Equity Share (Rs.)	10	10

* There are no dilutive potential equity shares.

10. The percentage holding and the investment in associate companies as at March 31, 2009 is given below:

Name of the Associate Company	% holding	Face Value	As at March 31, 2009	As at March 31, 2008
Ind-Barath PowerGenCom Limited	26%	10	556,300,000	-
Indian Energy Exchange Limited	26%	10	69,391,900	65,000,000
Meenakshi Energy Private Limited	26%	10	150,000,000	-
PTC Bermaco Green Energy Systems Ltd.	26%	10	4,908,380	-
RS India Wind Energy Private Limited	37%	10	573,114,150	220,000,000
Varam Bio Energy Private Limited	26%	10	41,119,420	24,713,190
			1,394,833,850	309,713,190

Amounts paid as Advance Against Equity and pending allotment as at March 31, 2009 to PTC-Bermaco Green Energy Systems Limited and Varam Bio Energy Private Limited have been included as Investments under Schedule 6.

11. Based on the information available with the Company, there are no dues as at March 31, 2009 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. Managerial Remuneration

	Year ended 31.03.2009 (Rupees)	Year ended 31.03.2008 (Rupees)
Salary and Allowances	1,635,969	-
Perquisites	82,219	-
Contribution to Provident and Other Funds	171,245	-
Total	1,889,433	-

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

13. Auditors' Remuneration (Excluding Service Tax)

	Year ended 31.03.2009 (Rupees)	Year ended 31.03.2008 (Rupees)
Statutory Audit	600,000	60,000
Tax Audit	100,000	10,000
Other Services	200,000	-

14. Expenditure incurred in foreign currency

	Year ended 31.03.2009 (Rupees)	Year ended 31.03.2008 (Rupees)
Books and Periodicals	67,951	-
Total	67,951	-

15. 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

Particulars	Amount Outstanding	Amount Overdue
-------------	-----------------------	-------------------

Liabilities side:

(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

(a) Debentures : Secured	-	-
: Unsecured	-	-
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	-	-
(c) Term Loans	2,000.00	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans (specify nature)	-	-

Assets side: Amount outstanding

(2) Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:

(a) Secured	-
(b) Unsecured **	2,000.00

(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities

i) Lease assets including lease rentals under sundry debtors:	
(a) Financial lease	-
(b) Operating lease	-

(ii) Stock on hire including hire charges under sundry debtors:

(a) Assets on hire	-
(b) Repossessed Assets	-

(iii) Other loans counting towards AFC activities

(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-

(4) Break-up of Investments:

Current Investments:

1. Quoted :

(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

2. Unquoted :

(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

Long Term investments:

1. Quoted:

(i) Shares : (a) Equity	52.83
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

2. Unquoted:

(i) Shares : (a) Equity	13,948.34
(b) Preference	-

(ii) Debentures and Bonds	6,000.00
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (advance against equity share capital)	27.95
Total	20,029.12

** The company is in the process of creating security in respect of the rupee term loan for power project.

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

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-

(c) Other related parties	-	-	-
2. Other than related parties	-	2,000.00	2,000.00
Total	-	2,000.00	2,000.00

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

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	13,976.29	13,976.29
2. Other than related parties	6,000.00	52.83	6,052.83
Total	6,000.00	14,029.12	20,029.12

(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	-

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

For and on behalf of the Board of Directors

T. N. Thakur
Chairman and Managing Director
DIN No. 00024322

Deepak Amitabh
Director and CFO
DIN No. 01061535

Ashok Haldia
Director
DIN No. 00818489

Place : New Delhi
Date : 27th July, 2009

Vishal Goyal
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	Registration Details		
	Registration Number	153373	State Code 55
	Balance Sheet Date	31st March, 2009	
II	Capital raised during the year (Amount – Rs. in thousands)		
	Public Issue		Rights Issue
	Nil		4,901,333
	Bonus Issue		Private Placement
	Nil		Nil
III	Position of Mobilisation and Deployment of Funds (Amount – Rs. in thousands)		
	Total Liabilities		Total Assets
	6,293,450		6,293,450
	Sources of Funds		
	Paid-up Capital		Reserves and Surplus
	4,345,833		1,747,617
	Secured Loans		Unsecured Loans
	200,000		Nil
	Application of Funds		
	Net Fixed Assets		Investments
	600		2,002,912
	Loans		Net Current Assets
	200,000		4,086,313
	Deferred Tax (Net)		Misc. Expenditure
	3,625		Nil
	Accumulated Losses		
	Nil		
IV	Performance of Company (Amount – Rs. in thousands)		
	Turnover		Total Expenditure
	116,004		29,196
	Profit/(Loss) before Tax		Profit/(Loss) after Tax
	+ 86,807		+ 85,299
	Earnings per share in Rs.		Dividend Rate %
	0.35		Nil
V	Generic Names of Three Principal Products/ Services of the Company (as per monetary terms)		
	Product Description		Item Code
	Financial Services		N.A.

For and on behalf of the Board of Directors

T. N. Thakur
Chairman and Managing Director
DIN No. 00024322

Deepak Amitabh
Director and CFO
DIN No. 01061535

Ashok Haldia
Director
DIN No. 00818489

Place : New Delhi
Date : 27th July, 2009

Vishal Goyal
Company Secretary

“ A customer is the most important visitor on our premises; he is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so. ”

Mahatma Gandhi

OUR CUSTOMER SPEAKS

“What is remarkable and distinguishes PFS from others, is an integrated approach adopted in adding value in structuring and developing the project. This has given a new dimension to the concept of development & financing of power projects in India.”

“Approach adopted by PFS has been very positive and practical in understanding the dynamics of power sector project and accordingly balancing the imperatives of financing with the needs of power project.”

“We are extremely impressed with PFS’s quick response and straightforward solution towards the development of power sector in India.”



PTC India Financial Services Limited
(A subsidiary of PTC India Limited)

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