



PTC INDIA LIMITED

11TH ANNUAL REPORT 2009-2010

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

ELEVENTH ANNUAL GENERAL MEETING

To be held on Thursday, 23rd September, 2010 at 11.00 AM
at FICCI Golden Jubilee Auditorium Federation House, Tansen
Marg, New Delhi - 110 001

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 Shashi Shekhar, Director, PTC
3. Shri Deepak Amitabh, Director, PTC
4. Shri Satish Mehta, Joint Secretary, MEA
5. Shri Sudhir Kumar, Joint Secretary, MOP
6. Shri A.B.L. Srivastava, Director, NHPC
7. Shri M.K. Goel, Director, PFC
8. Shri I. J. Kapoor, Director, NTPC
9. Shri R.N. Nayak, Director, POWERGRID
10. Shri G.P. Gupta, Director, PTC
11. Shri D.P. Bagchi, Director, PTC
12. Shri M.S. Verma, Director, PTC
13. Shri P. Abraham, Director, PTC
14. Shri S. Balachandran, Director, PTC
15. Shri Hemant Bhargava, ED, LIC

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 11th Annual General Meeting of the Members of PTC India Ltd. (PTC) will be held on Thursday, the 23rd September, 2010 at 11:00 a.m. at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi - 110001 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31 March 2010, Profit & Loss Account for the year ended on that date, the Auditors' report thereon and the Directors' Report for the financial year 2009-10.
2. To consider and if thought fit, to pass with or without modification (s), the following resolution for dividend for the Financial Year 2009-2010 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 12% (one rupee and twenty paise per equity share of Rs. 10 each) be and is hereby declared for the financial year 2009-10, out of the profits of the Company on the 294,547, 401 equity shares of Rs. 10/- each fully paid up to be paid as per the ownership as on 18th September, 2010".
3. To appoint a Director in place of Shri A.B.L. Srivastava, who retires by rotation and is eligible for reappointment.
4. 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 2010-2011 as Special Resolution:

"Resolved that pursuant to the provisions of Section 224A of the Companies Act, 1956, M/s T.R. Chadha & Co. Chartered Accountants, B-30, Connaught Place, Kuthaila Building, New Delhi be and is hereby appointed as the Statutory Auditor of the Company for the Financial Year 2010 - 2011 and 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 Board of Directors/ Audit Committee of the Company be and is hereby authorized to take necessary actions in this regard."

SPECIAL BUSINESS

5. To appoint Shri R.N. Nayak (who in pursuance of section 260 of the Companies Act, 1956 was appointed as an Additional Director by the Board of Directors as nominee of Powergrid Corporation of India Limited 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 as a nominee of Powergrid Corporation of India Limited and to move the following resolution as ordinary Resolution:

"Resolved that pursuant to Section 257 of the Companies Act, 1956, Shri R.N. Nayak be and is hereby appointed as a Director of the Company as a nominee of Powergrid Corporation of India Limited and shall be liable to retire by rotation."
6. To appoint Shri Hemant Bhargava (who in pursuance of section 260 of the Companies Act, 1956 was appointed as an Additional Director by the Board of Directors as a nominee of Life Insurance Corporation of India (LIC of India) 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 as a nominee of LIC of India and to move the following resolution as ordinary Resolution:

"Resolved that pursuant to Section 257 of the Companies Act, 1956, Shri Hemant Bhargava Mehta be and is hereby appointed as a Director of the Company nominee of LIC of India as and shall be liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification (s), the following resolution for re-appointment Shri T.N. Thakur as Chairman & Managing Director as ordinary Resolution:

"Resolved that subject to the applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment of Shri T.N. Thakur as Chairman & Managing Director, for a period of two years w.e.f. the next day on which his existing term is expiring i.e. w.e.f. 11th October, 2010.

Further Resolved that total remuneration (including all perquisites) for Shri T.N. Thakur shall be in accordance with the Company's policies and shall be subject to the applicable provisions relating to remuneration as specified under the Companies Act, 1956.

Further Resolved that the Board and/ or a duly constituted Committee of the Board be and is hereby authorized to fix, vary and/or to revise the remuneration of Shri T.N. Thakur within the afore-stated overall limits and the Board is further authorized to settle any question in connection therewith or incidental thereto."

By Order of the Board of Directors,



For PTC INDIA LTD.
(Rajiv Maheshwari)
Company Secretary

Place: New Delhi
Date: 16th August, 2010

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 including in respect of Special Business set out in the notice is enclosed.
3. 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.
4. 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.
5. The register of members and the share transfer books of the Company will be closed from 18th September, 2010 to 23rd September, 2010 (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 18th September, 2010 and as per details available from NSDL and CDSL.
6. 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.
7. Members are informed that in case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.

8. Shareholders holding the shares in physical form and desirous of making nominations are requested to send their requests in Form No. 2B in duplicate (which will be made available on request).
9. 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.
10. The communication address of our Registrar and Share Transfer Agent (RTA) is MCS Limited, F-65, Okhla Industrial Area -Phase-I, New Delhi-110020.
11. 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.

To: All Shareholders, Directors and Auditors
Annexure to the Notice

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

Shri M.S. Verma and Shri G.P. Gupta, Directors whose office was liable to retire by rotation in this AGM have shown their unwillingness for reappointment.

Item no. 3

Shri A.B.L. Srivastava is liable to retire by rotation and is eligible for reappointment.

Shri A.B.L. Srivastava

Shri A.B.L. Srivastava aged about 54 years is a Chartered Accountant. He has rich experience of Power Sector and Finance.

He is a nominee Director of NHPC Limited, which is a promoter company of PTC where he is Director (Fin.). He is also member of various Committees of NHPC including Shareholders Grievance Committee and Remuneration Committee of NHPC. He is a member of Remuneration/ Compensation Committee and Nomination Committee of PTC.

He does not have any shareholding in the Company.

Except Shri A.B.L. Srivastava, none of Director is interested in his re-appointment. The Board recommends the above proposal for approval.

Item no. 5 and 6

Shri R.N. Nayak

Shri R.N. Nayak, aged, 54 years is working as Director (Operations) of Powergrid Corporation of India Limited. He has rich experience of Indian Power Sector. He has Directorship of Power System Operation Corporation of India Limited in addition to Directorships of Powergrid and PTC. He does not have membership of statutory Committees.

Except Shri R.N. Nayak, none of Director is interested in his appointment. The Board recommends the above proposal for approval.

Shri Hemant Bhargava

Shri Hemant Bhargava, aged, 51 years is working as Executive Director (Micro Ins.) of Life Insurance Corporation of India. He does not have any shareholding in the Company. He does not have any Directorship other than in PTC. He is a nominee of LIC of India.

Except Shri Hemant Bhargava, none of Director is interested in his appointment. The Board recommends the above proposal for approval.

Item no. 7

Shri T.N. Thakur

Shri T. N. Thakur, aged 61 years is presently posted as Chairman & Managing Director of the PTC India Ltd. (PTC) since October 2000. Shri Thakur has worked as Director (Finance) of Power Finance Corporation Ltd. Shri Thakur an Ex-IA&AS has immense experience, as a member of the Indian Audit & Accounts Service, in Treasury Management, Financial Management (including Resource Mobilization, Investment decisions and Appraisal of Projects for Project landings), Accounts, Cash Management, Budgeting and Budgetary Control etc.

His leadership in PTC has established trading of power as a separate business entity leading to optimum utilization of existing generation, transmission and distribution resources. Shri Thakur has played vital role while taking the decisions for the growth of the Company. PTC's IPO made in 2004, formation of PTC India Financial Services Ltd. in 2006, formation of PTC Energy Limited in 2008 diversification in fuel linkage and QIP placement of Rs. 1200 Crores in January 2008/ Rs. 500 Crores in May, 2009 are some of key successful assignments handled by him. Under his leadership, company plans to launch a Private Equity fund shortly.

Shri Thakur is CMD of PTC India Financial Services Limited and Non-Executive Chairman of PTC Energy Limited, Athena Energy Ventures Private Limited, R.S. India Global Energy Limited, R.K. Wind Limited, R.S. India Wind Energy Limited and Ashmore PTC India Energy Infrastructure Advisors Private Limited. He is not a member/ Chairman of any Committee in any Company. He holds 194490 equity shares of Rs. 10/- each in PTC.

Except Shri T.N. Thakur, none of Director is interested in his own re-appointment. The Board recommends this proposal for approval.

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



Place: New Delhi
Date: 16th August, 2010

(Rajiv Maheshwari)
Company Secretary

DIRECTORS' REPORT

To,

The Members, PTC India Ltd.

Your Directors take great pleasure in presenting to you, the eleventh Annual Report on the activities of your company, together with the Audited Annual Accounts for the Financial Year 2009-10.

Performance and Financial Highlights

Your company has completed another innovative year of its operations, wherein it has sustained and maintained its leadership position in the industry. The trading volumes were 32% higher this year at 18236 MUs as against 13825 MUs during the previous year. With a turnover of Rs. 78445 Million (including other income) as against Rs. 66261 Million (including other income) in the financial year 2008-09, your Company has earned a profit after tax of Rs.941 Million as against Rs. 908 Million in the previous year.

Your Company also have two subsidiaries, namely PTC India Financial Services Limited and PTC Energy Limited (Wholly Owned). The consolidated turnover of group is Rs. 79259.04 million for the current financial year as against Rs. 66377.77 Million for the financial year 2008-09. The consolidated profit after tax of the group is Rs. 1072.69 million for the current financial year as against Rs. 940.88 million for the financial year 2008-09.

The financial results of the company for the FY 2009-10 vis-a-vis 2008-09 under broad heads are summarized as under:

Particulars	(in Rupees Million)	
	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Sales (including rebate on purchase of power, service charges and surcharge)	77,703.41	65,288.82
Other Income (including income from consultancy services)	741.66	972.56
Purchase (including rebate on sale of power)	76,750.60	64,735.97
Employee Cost	184.35	150.11
Other Expenses etc.	135.13	177.67
Profit before amortization, depreciation and prior period items	1,374.99	1,197.63
Amortization and Depreciation	55.21	62.16
Prior Period Expenses/(Income)	1.85	1.05
Profit Before Tax	1,317.93	1,134.42
Provision for Taxation (including deferred tax income)	376.92	226.10
Profit After Tax	941.01	908.32
Balance as per last accounts	691.98	479.50
Transferred to General Reserves	282.30	272.49
Dividend (incl. dividend tax)	412.17	412.88
Transfer to contingent reserves	-	10.47
Balance carried forward to Balance Sheet	938.52	691.98
Earning Per Share in Rs.	3.31	3.99

Dividend

Your Directors are pleased to recommend for your consideration and approval dividend @ 12% for the financial year 2009-10 i.e. Rs. 1.20 per equity share of Rs. 10 each. Total amount of dividend outgo for the financial year shall be Rs. 412.17 million including corporate dividend tax amounting to Rs. 58.71 million.

Reserves

Out of the profits of the Company, a sum of Rs. 282.30 Million has been transferred to General Reserves during the year and total reserves and surplus of the Company are Rs. 18016.90 Million (including share premium) as on 31st March 2010.

Capital Structure

As on 31st March 2010, PTC has Authorized Share Capital of Rs. 750,00,00,000 and Paid-Up Capital of Rs. 2,94,54,74,010/- divided into 294,547,401 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 4.075% each, or 16.30% collectively of the paid-up equity and subscribed share capital of your Company and the balance of 83.7% 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 31.03.2010 is as follows:-

Category	No. of shares held	Percentage of shareholding
A. Promoter's holding		
1. Promoters		
- Indian Promoters	48,000,000	16.30
- Foreign Promoters	-	-
2. Persons acting in concert	-	-
Sub-Total	48,000,000	16.30
B. Non-Promoter's Holding		
1. Institutions		
Mutual Funds and UTI	69,790,601	23.69
Banks and Financial Institutions	28,655,973	9.73
Insurance Companies	48,931,102	16.61
FII's	55,033,293	18.68
Sub-Total B(1)	202,410,969	68.72
2. Non Institutions		
Bodies Corporate (incl. DVC)	17,408,150	5.91
Individuals	21,788,662	7.40
(holding nominal share capital upto Rs. One lac)		
Individuals	3,003,797	1.02
(Holding nominal share capital in excess of Rs. One lac)		
Others		
- NRIs	1,753,877	0.60
- Trusts and Foundations	181,946	0.06
Sub-Total B (2)	44,136,432	14.98
Total Public Shareholding	246,547,401	83.70
GRAND TOTAL	294,547,401	100.00

Distribution of shareholding - As on 31.03.2010

Nominal value of each share is Rs. 10/-

Number of Folios	Range	No. of Shares	% To Total Capital
116048	Upto 500	13133475	4.46
4407	501 1000	3656010	1.24
1799	1001 2000	2739815	0.93
508	2001 3000	1307394	0.44
242	3001 4000	858287	0.29
216	4001 5000	1028579	0.35
267	5001 10000	2016272	0.68
213	10001 50000	4659265	1.58
40	50001 100000	2751420	0.93
150	100001 Above	262396884	89.08
123890	Total	294547401	100.00

Net Worth and Earning Per Share (EPS)

As on 31st March 2010, net worth of your company aggregates to Rs. 20962.37 mn as compared to Rs. 15365.23 mn for the previous year thereby registering a growth of 36.43%.

EPS of the Company as on 31.03.2010 stands at Rs. 3.31 in comparison to Rs. 3.99 as on 31.03.2009.

Management discussion and analysis

The short term power market in India has witnessed further consolidation during the year- it not only grew in absolute size in volume terms but its share as percentage of total electricity generation in the country also grew noticeably. Of the total electricity generation in India during 2009, short term power market including trading through power exchange, comprises about 5%. UI volume is about 3% of total electricity generation and the balance 92% of the generation is being procured mainly by distribution utilities through long term contracts.

The short term market is showing rising trend and from 3.28% in 2008, this has increased to a level of 4.08% during the year 2009. The volume traded on power exchange was 1% of the total electricity generation.

In terms of volume (kWh), the short term electricity market size was about 30.6 Billion kWh during the year 2009 - about 20.3 % higher compared to 23.37 BU transacted during the year 2008-09. In monetary terms, size of this short term market was about Rs. 20,000/- crores. During the year 2009-10 actual volume transacted in short term could have been 50-60% higher had there been no congestion prevailing in the market.

As on 31.12.2008 there were 38 electricity trading licensees out of which there are 15 licensees in category-I (unlimited trading). Top 5 trading licensee have more than 83% power market share. Out of which PTC share alone is 43%. Gap between PTC and the second largest trader (NVVN-13.25% share) is quite high.

PTC's cross border trade volume from Bhutan, which is almost 30 % of its portfolio, may gradually fall particularly due to expected lower average rainfall and also rising domestic demand in Bhutan. Domestic load in Bhutan is growing whereas there is no likely capacity addition in the foreseeable future. Since Bhutan gives priority to its domestic consumption / economic growth over the export and there is rapid rise in demand, it is expected that in the coming years there will be drop in the surplus power export.

During the year there was significant jump in the domestic transaction due to continued market efforts through portfolio management of some of the States. In the long term segment although power has started to be available to PTC from projects like Samal, Baglihar and Meenaxi, some of the long term projects are under PPA disputes / litigation and there could be some uncertainty in getting power from such projects.

CERC analyses volume of electricity transacted through trading licensees using the HERFINDAHL - HIRSCHMAN INDEX (HHI) for measuring the competition among trading licensee. HHI between 0.10 to 0.18 indicates moderate concentration and HHI above 0.18 indicates higher concentration/ market power among trading licensee. PTC HHI is 0.18, which shows moderate level of concentration / market power despite a large market share.

In FY 2009-10 as compared to the previous year average prices have come down for bilateral trade from Rs. 7.31/kWh to Rs. 5.26/kWh and for power exchange from Rs. 7.49 /kWh to Rs. 4.99/kWh.

Average prices over the year are slightly higher in OTC market than on Power Exchange. This is because OTC trades are firm contracts and there is premium for reliability and predictability. For 7 months of the last year PX average prices were higher than bilateral average prices whereas for 5 months, bilateral average prices were higher.

Short-term prices are showing a downward trend- prices have come down in both the platforms, bilateral and OTC. For procuring 5% of the short term electricity utilities had to incur a cost of 6.83%. Utilities sparingly use short term procurement option, mostly under distress situation. The cost of procurement by utilities which was 8% during 2008-09 has come down to 6.83% during 2009-10. This market trend of reduction in prices implies that competition is rising.

The short term prices are higher than the long term prices- and justifiably so due to persistent shortages. It gives a right kind of price signal for capacity addition. Nevertheless the regulators are concerned of high prices and have taken steps to

intervene in the short term market. The Company on the other hand continues to impress upon through regulatory and policy advocacy that the outcomes so far are but interplay of market demand and supply and the short term power market is expected to be a niche market with minimal regulatory intervention.

The country has two operational power exchanges, namely Indian Energy Exchange (IEX) and Power Exchange India Ltd (PXIL). IEX, co-promoted by PTC through its subsidiary PFS during the FY 2008-09, has the major share of trade on Power Exchanges. During the year 2009, for the first time industrial sector consumers have begun procurement of power through power exchange, mostly at the IEX.

CERC eased out the imposition of transaction margin cap during the year. Inter-state trading licensees could now charge margin up to 7 paise per kWh for cost of energy higher than Rs. 3 per kWh. Trading margin of 4 paise per kWh however continues as earlier for the cost of power at Rs. 3 per kWh or below. Trader-to-trader transaction has also been allowed albeit with above margin cap.

CERC brought out a comprehensive regulation on Power Market. Regulation on Renewable Energy including Renewable Energy Certificate is another initiative which would give a strong push to mainstream such sources of energy and increase their share. Transmission pricing regulation based on marginal participation method has also been issued - which is expected to address the pan-caking issues in transmission thus more suiting to the growth of power market. This will enable remotely-located hydro -electric generation resources, particularly in the north-eastern region, to be brought to the load centres through long-distance transmission lines.

The Un-scheduled Interchange (UI) mechanism has also been revamped recently. It is expected that UI will be used mainly for enforcing grid discipline- thus removing earlier aberration of this mechanism being used as a mode of trading of power.

Regulatory and policy initiatives such as development of power market through adequate grid augmentation, facilitating non-discriminatory open access to grid and ensuring grid discipline are slowly but steadily showing its impact on the power market and its growth.

Such initiatives could go a long way in further accelerated development of power market and to achieve the goal of about 15% of total electricity to be traded in short term power market as per National Electricity Policy.

The deepening of the power market has created renewed interest by the private investors and a demonstrable commercial orientation among power utilities. While investors and developers are enthusiastic about power sector, the major challenge that remains is to convince the states to vigorously pursue power sector reforms based on non-discriminatory open access.

With the revised trading margin regulation 2009-10, the long term contracts have been taken out from the purview of this regulation and it is expected that transactions under long term contracts would be covered in a competitive manner through negotiation between buyer and seller based on perceptible risk and returns. Your company expects that the average trading margin realized could be higher in the coming years.

Your company is participating in Case-I Tariff Based Competitive Bidding invited by various States, discoms, power utilities for procurement of power on long term and medium term basis. In accordance with National Tariff Policy, Electricity Utilities can procure power through competitive bidding process and for this purpose Ministry of Power has come out with Standard Bidding Document for Case-I Bidding.

Some States have also come out with Standard Bidding Document under Case-I for procurement of power such as Gujarat, Punjab, Karnataka, Maharashtra among others. PTC has been actively participating in such competitive bidding and is competitively placed in various bids which are to be finalized by the concerned power utilities.

There remain certain issues related to fuel, transmission, price escalation viz-a-viz rail freight which is acting as a barrier for expeditious finalization of such bids and has also resulted in lack of level playing field between generation close to pit-heads or resources vis-à-vis the generation located within the State but away from resource centres.

Your company is actively taking up related issues being faced by developers/ IPPs with the Ministry of Power, Government of India and appropriate regulatory commission to expedite the Case I Bidding which would result in tying up of long term power that PTC has under its portfolio by signing long term PPA with various IPPs / developers.

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, downfall in cross-border traded volumes and less than expected contribution from its long term supply sources. This has been made possible through steep rise in domestic trade by bringing innovative solutions and managing key portfolio of some states so as to remain the front runner.

During the FY 2009-10, PTC total traded volumes touched 18236 MU, a 33% increase as against 13825 MUs during the previous year 2008-09. Your Company extended its existing agreements with Chhattisgarh, CPPs/PPs 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 increase trade volumes. The Company also carried out a number of energy banking transactions during the year.

PTC volume on power exchange during 2009-10 reached 1830 MU against the previous year figure of 1317 MU -registering a growth of 33% over the previous year. Share of PTC traded volume on Power Exchange is about 10% 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 was 1535 MU.

Power Exchange Operation

CERC has permitted the trading of Power/Electricity through Power exchange with effect from June 2008. Currently, two power exchanges are operational in India, namely Indian Energy Exchange (IEX) and Power Exchange of India Limited (PXIL). Both these power exchanges facilitate an automated on-line platform for trading of power on day ahead basis via Day Ahead Market (DAM) as well as term ahead basis via Term Ahead Market (TAM). 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 his daily power requirements as also assist in predicting their power supply/demand in future on the basis of comprehensive details.

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 2009-10, the total power imported from Bhutan was 5336 MU. During the high hydro months in the current year, there was more than 10% drop in the import of energy from Bhutan as compared to previous year. This was owing to less availability of water and increase in power demand in Bhutan.

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 22 MW RTC power from 1st January 2010 till 30th April 2010 and about 69 MU 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.

Long Term Agreements for Purchase of power

While your company plans to build on its success in short term, it sees more sustainable growth in long term business and is accordingly organizing its efforts towards entering into medium and long term arrangements.

(A) Commissioned Projects

i. Power Projects commissioned before FY 2009 - 10

Baglihar HEP (450 MW) and Middle & Lower Kolab HEP (37 MW) were commissioned before 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 entered into long term Agreements for 150 MW and the balance 75 MW is being sold by PTC through short term contracts. Energy from Middle & Lower Kolab aggregating to 37 MW is being supplied to GRIDCO through long term Agreements.

ii. Power Projects commissioned in FY 2009 - 10

• Samal HEP in Orissa (20 MW)

The project has been commissioned in October, 2009. Entire capacity from the project has been tied-up with State of Orissa through long term Agreement.

• Pathadi Thermal Power Plant (Phase-I, 300 MW)

The Project developed by Lanco Group has been commissioned in June, 2009. PTC is trading the power from the project in the short term market.

• SUGEN Gas Based Power Project in Gujarat (1100 MW)

The project developed by Torrent Group has been commissioned in August, 2010. PTC has signed PSA with the MPPTC, for sale of 100 MW plant capacity from the project. There were certain issues relating to fuel tariff which have now been amicably resolved but the power flow is yet to commence due to certain issues relating to open access which are being resolved shortly in the regional commercial committee meetings.

iii. Power Projects which are expected to commissioned in FY 2010 - 11

• Pathadi Thermal Power Plant (Phase-II, 300 MW)

The Project is under synchronization and power flow is expected to commence after the stabilization of the plant. PTC has signed Power Sale Agreement with Haryana. Bulk Power Transmission Agreement has also been signed with POWERGRID for evacuation of power from the project to Haryana periphery.

• 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 by December, 2010. PTC has signed PPA for purchase of entire plant capacity with the developer and has also signed PSA for sale of entire capacity with State of Punjab.

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

The projects are being developed by M/s. Auro Mira Biopower India Pvt. Ltd. and M/s. Auro Mira Bio Systems Kanyakumari Pvt. Ltd. Both the projects are in advanced stage of construction and are expected to be commissioned in year 2010-11. Power from these projects would be sold through short term contracts.

• Budhil HEP in Himachal Pradesh (70 MW)

The project is developed by M/s. Lanco Green Power Pvt. Ltd. and is expected to be commissioned by March, 2011. PTC has tied up sale of entire plant capacity with Punjab.

B. Power Purchase Agreements finalized in 2009-10

During the year, PTC entered into Power Purchase Agreements with cumulative capacity of approximately 5700 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 16,000 MW. The projects are based on domestic coal, imported coal, gas and hydro resources.

C. Memorandum of Understanding / Agreement

In addition to the above Projects, PTC has also signed MoUs/MoAs with number of Project developers for purchase of power aggregating to

approximately 6000 MW. Cumulative MoUs/MoAs at the end of the year by PTC is around 15,000 MW based on domestic coal, imported coal, gas and hydro resources.

D. Progress on Projects for which Agreements had been entered before FY 2009-10

Some of the main projects are:

- **Teesta Stage-III HEP in Sikkim (1200 MW)**

The Project has achieved financial closure and is under construction and is expected to be commissioned in the FY 2011-12. Punjab, Haryana, Uttar Pradesh and Rajasthan are the beneficiaries from the project with which PTC has entered into long term Power Sale Agreements. PTC will sell part capacity from the Project on short term basis.

- **GMR Energy Limited in Orissa (1050 MW)**

The Project is in advance stage of construction and is expected to be commissioned in the year 2011-12. PTC has tied-up sale of 300 MW net capacity from the project with Haryana discoms through Case-I competitive bid process invited by the State of Haryana.

- **Monnet Power Company Limited in Orissa (1050 MW)**

The Project is in advance stage of construction and is expected to be commissioned in the year 2012-13. PTC has participated with competitive tariff in Case - I tenders for purchase of power on long term basis by the States of Bihar and Karnataka with 150 MW capacity each but, outcome of the bidding process is not known yet.

- **Simhapuri tolling project in Andhra Pradesh (200 MW)**

The project is under advanced stage of construction and it is expected to be commissioned in the year 2011-12. The project has been set up as concept of tolling, PTC has signed Power Tolling Agreement wherein the power plant would generate power using imported coal supplied by PTC Group 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 it is expected to be commissioned in the year 2011-12. This is Power Tolling Agreement with tolling concept wherein the power plant would generate power using imported coal supplied by PTC Group and supply power to PTC. The project is being developed by M/s. Meenakshi Group.

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 Maharashtra, Rajasthan, Karnataka, Bihar, and Gujarat and has qualified for about 2580 MW capacity.

During the year, the Company has signed Power Sale Agreement (PSA) with GRIDCO, Haryana and Punjab for 170 MW capacity, thereby enhancing the cumulative PSA to about 3500 MW capacity.

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, Singareni Collieries Company Limited, Aryan Coal Beneficiation 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.

During the year 2009-10, Phase II of Indo Norwegian Program of Institutional Cooperation (INPIC) was successfully concluded. Both sides are now under active discussion to agree for technical collaboration in Phase-III.

Your company has embarked upon energy efficiency business by signing MOU with Bureau of Energy Efficiency (BEE) and during the year has made significant progress towards implementing some of the energy efficiency projects.

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 best campuses and have inducted talent across various verticals of your Company.

Employee Stock Option Scheme 2008

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

Under Employee Stock Option Scheme 2008, a second tranche of 0.75% of the Issued Share Capital base as on March 31, 2008 has been allotted as options to the employees. Disclosures as stipulated under the SEBI Guidelines have been made.

The details of schemes and relevant disclosures of ESoP are made in the Annexure to this report.

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 × 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 paise / kWh per annum for 13 years. The project generated about 13.38 MUs of energy worth Rs. 4.88 Crores in FY2009-10.

Foreign exchange earnings & outgo etc.

The Company has incurred an expenditure of Rs. 17.48 Million (on accrual basis) in foreign exchange during the financial year 2009-2010. No foreign exchange was earned during the financial year.

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

During the Financial Year ending 2010, 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 24 lacs per annum or Rs 2 lakh per month except the following employees the details of whom are given below:-

Name	Sh. Sanjeev Mehra	Sh. Deepak Amitabh	Sh. Shashi Shekhar	Sh. T. N. Thakur
Designation	EVP	Director	Director	Chairman & Managing Director
Qualification	B. Tech.	M Sc.	IAS	B.Sc. (Engineering)
Nature of Employment whether contractual or otherwise	EVP	Director	Director	CMD
Nature of Duties of Employees	New Business Development	Head of Finance, Commercial & Support Services	Head of Marketing & Corporate Development	Overall Managerial functions of company
Last employment held	Powergrid Corporation of India Limited	Government of India, Ministry of Finance	Government of Tamilnadu and Government of India	Power Finance Corporation Ltd.
Number of years of experience	28	26	29	39
Age	51	50	54	61
Date of commencement of employment	01.10.1999	03.09.2003	29.06.2007	11.10.2000
Gross Remuneration (figures in Rs. Million)	2.93	4.10	4.41	8.39
No. of Equity Shares held (of Rs. 10/- each)	45,055	40,300	0	1,94,490
Whether Relative of a Director or Manager	No.	No	No	No
Other terms and conditions of Employment	No.	No	No	No
Employee for part of the year				
Name	Shri Arun Bhalla			
Designation	ED			
Qualification	ME			
Nature of Employment whether contractual or otherwise	ED			
Nature of Duties of Employees	Commercial and Operations			
Last employment held	Maharashtra Power Transmission Structures Pvt. Limited			
Number of years of experience	34			
Age	59			
Date of commencement of employment and date of resignation	05.01.2006 to 16.02.2010			
Gross Remuneration (figures in Rs. Million)	2.57			
No. of Equity Shares held (of Rs. 10/- each)	NA			
Whether Relative of a Director or Manager				
Other terms and conditions of Employment	No			

Auditors

– Statutory Auditors

M/s. T.R. Chadha & Company, Chartered Accountants were appointed as Statutory Auditors of the Company for the Financial Year 2009-2010 by the Shareholders in the tenth Annual General Meeting of the Company and shall hold office upto the conclusion of the forthcoming Annual General Meeting of the Company and have given their consent for re-appointment.

The Statutory Auditors have audited the Accounts of the Company for the Year ended 31 March 2010 and Audited Accounts together with the Auditors' Report thereon are annexed to this report. There are no qualifying remarks from Statutory Auditors on the Accounts of the Company.

The shareholders will be required to elect auditors for the current year and fix their remuneration. The Company has received a written confirmation from M/s. T.R. Chadha & Company 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. T.R. Chadha & Company as the Statutory Auditors of the company for the Financial Year 2010-2011 by the Shareholders in the eleventh 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 2009-2010 and their reports for the year were submitted to the Audit Committee.

– Cost Auditors

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

Subsidiary Companies

PTC India Financial Services Ltd. (PFS)

PTC India Financial Services Ltd. (PFS) wherein the Company holds 77.60% stake is one of the subsidiaries of PTC India Ltd.

Starting its business operations effectively from the September 2007, PFS in its third year of operation i.e. 2009-10, has recorded revenue income of Rs. 53.49 crore rising from Rs. 11.60 crore in 2008-09, despite the challenges faced in the economy recovering from the global financial meltdown.

The Profit Before Tax (PBT) has increased to Rs 36.70 crore, from Rs. 8.68 crore in the year 2008-09. This was largely due to increased level of disbursement of the loans to power projects - both term loan and mezzanine/short term loan, and increase in the fee-based income.

The amount of gross sanction of loan and equity made during the year in aggregate was Rs. 1727.34 crore compared to Rs. 721.46 crore in the previous year. The level of disbursement during the year was Rs. 181.59 Crores as equity and Rs. 287.20 Crores as debt compared to Rs. 168.79 crore and Rs. 20 crore respectively in the previous year.

On the resource mobilization, PFS, for the first time, accessed bond market in its endeavor to increase resource base. External Commercial Borrowing of USD 30 million has been recently sanctioned by a multi-lateral agency.

PTC Energy Limited (PEL)

PTC Energy Limited (PEL), a subsidiary of your company was formed in August 2008 with an objective to develop asset based business.

PEL, keeping in view the emerging opportunities in the power sector and large portfolio of power projects with required clearances and linkages had laid down an ambitious plan to enter into the business of generation, distribution, transmission and deal in electricity and all form of energy including sale and purchase of energy, coal/fuels, conversion of coal/ fuels into electricity ie tolling, fuel linkages and provide advisory services in energy sector including energy efficiency.

The business of Power Tolling Arrangements to provide developers with fuel linkages in return for ownership of a share of power produced and also undertake fuel intermediation to meet up the deficiency of fuel resources either through alternate fuel arrangements or import of coal, have been transferred from PTC to PEL.

During the year, PEL has also provided consultancy to clientele across different phases of the energy sector value chain.

Annual Accounts of the subsidiary companies

The Audited Accounts for the financial year 2009-10 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 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. 990 Million and the other investors of this Company are Athena Power Projects Limited and 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. 1254 Million.
4. Your Company has also formed a Joint Venture Company i.e. Barak Power Private Limited (BPPL) with BHEL for development of MW 125X2 project in the State of Assam. As of now, PTC and BHEL each has released Rs. 0.5 Million in BPPL.

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 2010 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 to keep stakeholders informed.

1. Board of Directors

Composition of Board

Presently, the Board comprises of 15 Directors out of which 3 are executive directors and 12 are non-executive directors out of which 8 are Independent Directors. The Company is headed by CMD.

Number of Board Meetings

During the financial year ended 31st March 2010, the Board met fourteen times i.e. on 5th April 2009, 30th April 2009, 20th May 2009, 30th July 2009, 3rd September 2009, 22nd September 2009 (adjournment of 3rd Sept 2009), 24th October 2009, 9th November 2009, 11th November 2009, 1st December 2009, 16th December 2009 (adjournment of 1st Dec 2009), 29th January 2010, 22nd March 2010 and 27th March 2010 (adjournment of 22nd March 2010). 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	Attendance at the last AGM held on 23rd September, 2009	Directorship in other companies (including private Companies) as on 31.03.2010	Membership in Committees of other Companies (Audit / Shareholders' grievance) as on 31.03.2010
1.	Mr. T.N Thakur	Chairman & Managing Director / Non-Independent	14	Y	7	Nil
2.	Mr. Shashi Shekhar	Whole-time Director Non-Independent	13	Y	4	Nil
3.	Mr. Deepak Amitabh	Whole-time Director Non-Independent	14	Y	4	1
4.	Mr. M. S. Verma	Non-Executive / Independent	11	Y	7	5
5.	Mr. G. P. Gupta	Non-Executive / Independent	10	N	13	8
6.	Mr. D. P. Bagchi	Non-Executive / Independent	12	N	6	4
7.	Mr. Satish Mehta	Non-Executive / Independent	6	N	2	Nil
8.	Mr. M.K. Goel	Non-Executive / Nominee - PFC	12	N	7	1
9.	Mr. P. Abraham	Non-Executive / Independent	9	N	12	4
10.	Mr. S. Balachandran	Non-Executive / Independent	12	N	5	5
11.	Mr. R. G. Yadav	Non-Executive / Ceased to be Director w.e.f. 30th April, 2010	9	N	NA	NA
12.	Mr. A. B. L. Srivastava	Nominee Promoter Non-Executive / Nominee Promoter NHFC	10	N	2	1
13.	Mr. I. J. Kapoor	Non-Executive / Nominee Promoter NTPC	9	N	5	Nil
14.	Mr. Sudhir Kumar, JS of MoP, Gol has joined w.e.f. 15th July, 2009	Non-Executive/ Nominee of MoP, Gol	8	N	6	Nil
15.	Mr. R.N. Nayak	Non- Executive / Nominee of POWERGRID	NA	NA	NA	NA
16.	Mr. Hemant Bhargava	Non Executive/ Nominee of LIC	NA	NA	NA	NA
17.	Mr. I.C.P. Keshari	Non-Executive/ ceased to be a Director w.e.f. 3rd July, 2010.	1	NA	NA	NA

The Board places on record its deep appreciation for the valuable contribution made by Sh. I.C.P. Keshari and Shri R. G. Yadav as 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 9717 shareholders of the Company holding 5702845 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 New Delhi.
 - (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 ensures 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 M.S. Verma as Chairman and Shri D.P. Bagchi, Shri G.P. Gupta and Shri S. Balachandran as members of the Audit Committee. All the members of the Committee including its Chairman are independent Directors.

The Company Secretary acted as the Secretary of the Committee.

b) Terms of Reference

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

- a. Oversight of the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board, the appointment, re-appointment or removal of the statutory auditor and the fixation of audit fees.
- c. 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;
- d. Reviewing with the management performance of statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;

- e. Reviewing the adequacy of internal audit functions;
- f. Discussion with internal auditors any significant findings and follow-up thereon;
- g. 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.
- h. 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.
- i. 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 seven times in the last Financial Year. Meetings of the Committee were held on 3rd April, 2009, 30th April, 2009, 30th July, 2009, 24th October, 2009, 29th Jan., 2010, 18th Feb., 2010 and 22nd March, 2010.

Name of Members	Status	No. of Meetings held during the year	No. of Meetings Attended
Shri M.S. Verma	Chairman	7	7
Shri D.P. Bagchi	Member	7	7
Shri G.P. Gupta	Member	7	5
Shri S. Balachandran	Member	7	7

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 M.S. Verma as Chairman and Shri D.P. Bagchi, Shri P. Abraham, Shri S. Balachandran, Shri Sudhir Kumar and Shri A.B.L. Srivastava as Members. The Committee meets as per the requirement.

c) Remuneration to Directors

The remuneration paid to the Whole-time Directors during the year 2009-2010 is as under:

Sr. No.	Director	Designation	Remuneration (figures in Rs. million)- FY 09-10
1.	Mr. T.N. Thakur	CMD	8.39
2.	Mr. Shashi Shekhar	Director	4.41
3.	Mr. Deepak Amitabh	Director	4.10

Stock options details of CMD and whole Time Directors in PFS granted during the FY 09-10.

CMD/ Director	Options in PTC second tranche	Grant price of second tranche
Mr. T.N.Thakur	317258	64.20
Mr. Shashi Shekhar	119651	64.20
Mr. Deepak Amitabh	119651	64.20

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.

Exercise Price for PTC India Ltd. for the second Tranche

75% of the Market Price as on the date of Grant or Rs 10/- whichever is higher
Stock options details of CMD and whole Time Directors in PFS granted during the FY 09-10.

Exercise Price for PTC India Ltd. for the second Tranche

75% of the Market Price as on the date of Grant or Rs 10/- whichever is higher
Stock options details of CMD and whole Time Directors in PFS granted during the FY 09-10.

CMD/ Director- PTC/PFS	Options in PFS second tranche - Rs. 16 per share
Mr. T.N.Thakur	3753000
Mr. Shashi Shekhar	1225200
Mr. Deepak Amitabh	1225200
Dr. Ashok Haldia	1400000

Period of vesting for PFS Ltd.

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 Ltd.

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

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 the 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, 257 complaints were received, out of which 253 were resolved and 4 complaints were pending at the end of the financial

year and all were resolved to the satisfaction of the shareholders. No complaints were pending at the end of the financial year.

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 Rakesh Kumar, 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 the requirements.

7. Disclosures

There are no material significant transactions with related parties except those mentioned in the Annual Accounts for the FY 09-10 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 has 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

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
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
2006-07	September 28, 2007	03:30 p.m.	Pearey Lal Bhawan, ITO, New Delhi	4

No resolution has been passed through postal ballot during the year.

An Extra-ordinary General Meeting (EGM) was convened on 6th May, 2009 at FICCI Auditorium, Tansen Marg, New Delhi -110001 and a special resolution for raising of further capital upto Rs. 500 Crores through issuance of equity shares was approved by the shareholders in this meeting.

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

a) Annual General Meeting

Date: 23rd September, 2010

Venue: FICCI Golden Jubilee Auditorium Federation House, Tansen Marg, New Delhi - 110 001

Time: 11.00 A.M.

b) 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.

c) Book Closure

The book closures dated of the Company were from 19th September, 2009 to 23rd September, 2009 both days inclusive and the record date for payment of dividend for the FY 2008-09 were closing hours on 18th September, 2009.

d) 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.

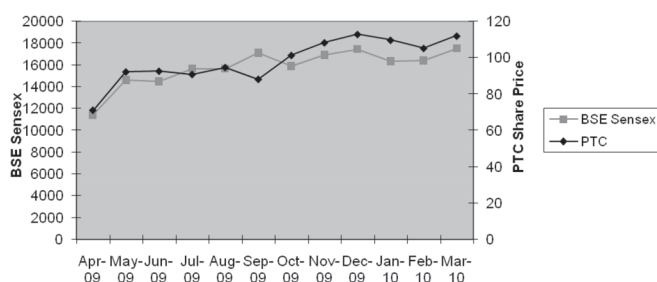
e) Market Price Data

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 2010 were as follows:

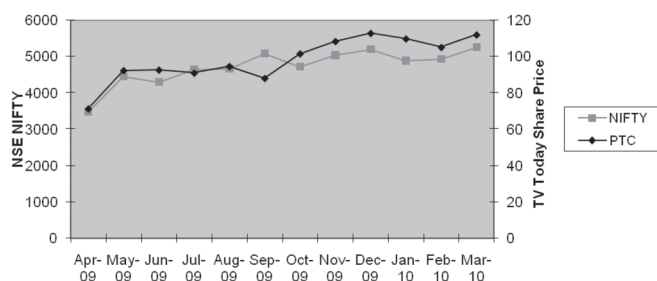
Month	BSE		NSE	
	High	Low	High	Low
April-09	80.90	68.00	83.00	68.20
May-09	93.00	69.00	92.95	68.60
June-09	100.00	80.20	100.20	80.25
July-09	96.75	81.10	96.70	81.00
August-09	97.90	86.10	97.45	86.30
September-09	96.00	83.00	95.40	85.75
October-09	110.65	85.75	110.65	85.65
November-09	117.00	99.20	116.80	99.50
December-09	118.60	101.00	118.60	100.85
January-10	125.50	106.55	125.25	106.75
February-10	111.90	102.00	115.00	102.10
March-10	117.40	106.00	123.00	106.00

f) Performance of company's equity shares in comparison to BSE Sensex and NSE Nifty

Comparison of the Stock Performance with BSE Sensex



Comparison of the Stock Performance with NSE Nifty



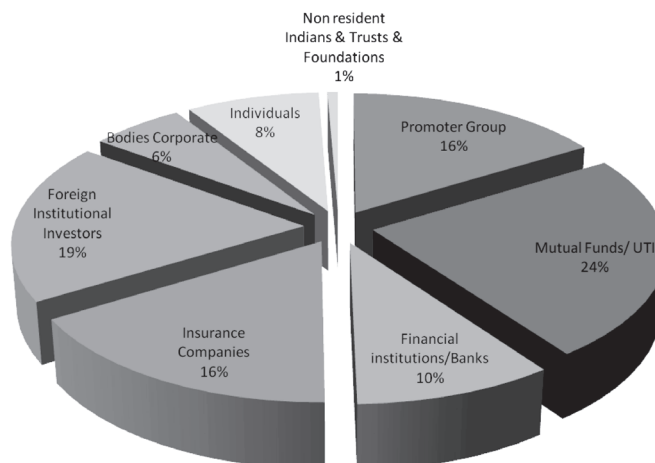
g) Registrar & Share Transfer agent

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

h) Share Transfer System

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

i) Distribution of shareholding



j) Dematerialization of shares and liquidity

As on 31st March 2010, 294547401 of the Company's equity shares representing 272525405 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.

k) 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

Acknowledgment

The Board of Directors acknowledge with deep appreciation the co-operation received from the Government of India, particularly the Ministry of Power, 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.

The Board wishes to place on record its appreciation for efforts and contribution made by the employees at all levels which made possible the significant achievements by your Company.

For and on behalf of the Board of Directors

Sd/-
(Tantra Narayan Thakur)
Chairman & Managing Director
DIN00024322

Place : New Delhi
Date : 12th August, 2010

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 ESOP - 2008 - 1st tranche		Particulars of ESOP-2008 - 2nd 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 22nd, 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		Nil
D	Options exercised	462801		Nil
E	The Total number of Shares arising as a result of exercise of Options	462801		Nil
F	Options lapsed	172500		78346
G	Variation of terms of Options	Nil		Nil
H	Money realized by exercise of Options	Rs 7715432/-		Nil
I	Total number of Options in force	3913079		1627297
J	Details of options granted to :			
	i) Senior Managerial Personnel :	Sh. T.N. Thakur Sh. Shashi Shekhar Sh. Deepak Amitabh Dr. Ashok Haldia	1,158,000 520,500 528,380 2,00,000	317,258 119,651 119,651 92,470
	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.	Sh. T. N. Thakur Sh. Shashi Shekhar Sh. Deepak Amitabh Sh. Sanjeev Mehra Sh. Arun Kumar Dr. Ashok Haldia	1,158,000 520,500 528,380 300,000 300,000 2,00,000	3,17,258 1,19,651 1,19,651 77,264 79,737 92,740
	iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issue capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil		Nil
K	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share.	Rs. 3.28 per share		
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.	(15.8)Million.		

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 ESOP - 2008 - 1st tranche	Particulars of ESOP-2008 - 2nd tranche
	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	941.01
		Add: Intrinsic value Compensation cost	101.41
		Less: Fair value compensation cost (as per Black Scholes) On the basis of Fair Valuation Method	117.21
		Adjusted Net Income	925.21
		Earning Per Share (Rs.)	Basic
		As reported	Rs. 3.31
		As adjusted	Rs. 3.26
			Diluted
			Rs. 3.28
			Rs. 3.23
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. 32.31	
		- 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 Ltd.

1. We have examined the compliance of conditions of Corporate Governance by PTC India Ltd., for the year ended on 31.03.2010, as stipulated in clause 49 of the Listing Agreement of the said company with stock Exchange(s).
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.
3. 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.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or the effectiveness with which the management has conducted the affairs of the company.

For CP Associates
Company Secretaries

Sd/-
Arun Gupta
(Proprietor)
CP No. 4115

Place : New Delhi
Date : 12th August, 2010

PTC INDIA LTD.

AUDITED RESULTS FOR THE YEAR ENDED MARCH, 2010.

- a. We have reviewed financial statements and the cash flow statement for the year ended March, 2010 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 we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

CFO Sd/-

CEO Sd/-

Dated: - the 12th August, 2010

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, 2010, 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 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 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 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, Profit and Loss Account and Cash Flow Statement referred to in the 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 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, 2010 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, Profit and Loss Account and 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, 2010,
 - 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

(Neena Goel)
Partner
M.No. 057986

Date: August 12, 2010
Place: New Delhi

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 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 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 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. However, we have not made a detailed examination of the records.
13. The company has been regular in depositing undisputed statutory dues including provident fund, income-tax, service tax, cess and any other statutory dues with the appropriate authorities.
14. According to the records of the company, the dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of disputes and the forum where dispute is pending, is as under:
15. The company has neither accumulated losses as at 31st March 2010, 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 except in respect of investments made under Portfolio Management Scheme as disclosed in Note 25 in Schedule K of the accounts. Since investments are made by the Portfolio Managers, the company is not maintaining separate records of the transactions and contracts. However, the Portfolio Management Scheme has been discontinued by the company during the year.
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.

S. No	Name of the Statute	Nature of dues	Period to which amount relates	Amount (Rs. in Millions)	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax	Assessment year 2004-05	0.35	Assessing Officer
2	Income Tax Act, 1961	Income Tax	Assessment year 2005-06	0.48	Assessing Officer
3	Income Tax Act, 1961	Income Tax	Assessment year 2006-07	6.88	Commissioner of Income Tax (Appeals)
4	Income Tax Act, 1961	Income Tax	Assessment year 2007-08	2.10	Commissioner of Income Tax (Appeals)

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

(Neena Goel)
Partner
M.No. 057986

Date: August 12, 2010
Place: New Delhi

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

- 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 year 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.

3. 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.
- Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable
- 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

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

- 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.
- 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.
- 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, 2010

(Amount in Rs. Million)

Particulars	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	2,945.47	2274.19
Reserves and Surplus	B	<u>18,016.90</u>	<u>13,091.04</u>
		20,962.37	15,365.23
Loan Funds			
Secured Loans		-	-
Unsecured Loans		-	-
Deferred Tax Liabilities (Net)		89.65	94.56
Total		<u>21,052.02</u>	<u>15,459.79</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	C	609.57	604.11
Less: Depreciation		<u>192.49</u>	<u>138.26</u>
Net Block		417.08	465.85
Capital Work-in-Progress		<u>8.52</u>	<u>9.62</u>
		425.60	475.47
Investments	D	8,760.12	7,994.01
Current Assets, Loans and Advances			
Sundry Debtors	E	5,310.20	3,545.67
Cash and Bank Balances		9,943.77	6,255.87
Other Current Assets		75.71	10.55
Loans & Advances		<u>436.37</u>	<u>183.10</u>
		15,766.05	9,995.19
Less: Current Liabilities & Provisions			
Current Liabilities	F	3,465.51	2,562.46
Provisions		<u>434.24</u>	<u>442.42</u>
		3,899.75	3,004.88
Net Current Assets		11,866.30	6,990.31
Total		<u>21,052.02</u>	<u>15,459.79</u>
Notes to the Accounts			
	K		

Schedule A to K and Accounting Policies form integral part of Financial Statements

(Deepak Amitabh)
Director
DIN. 01061535

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

As per our Report of even date attached
For T.R. Chadha & Co.,
(Firm Registration No. 006711N)
Chartered Accountants

Dated : August 12, 2010
Place : New Delhi

(Neena Goel)
Partner
M.No. 057986

(Rajiv Maheshwari)
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs. Million)

Particulars	Schedule	For the year ended 31.03.2010	For the year ended 31.03.2009
INCOME			
Sale of Electricity		76,490.05	64,396.02
Rebate on Purchase of Power		1,111.15	832.33
Service Charges		47.90	47.38
Surcharge on Sale of Power		54.31	13.09
Other Income	G	741.66	972.56
		<u>78,445.07</u>	<u>66,261.38</u>
EXPENDITURE			
Purchase of Electricity		75,834.64	63,864.32
Rebate on Sale of Power		915.96	871.65
Employee Cost	H	184.35	150.11
Other Expenses	I	135.13	177.67
		<u>77,070.08</u>	<u>65,063.75</u>
Profit/(Loss) before Depreciation/Amortization and Prior Period Items		1,374.99	1,197.63
Depreciation/Amortisation		55.21	62.16
Prior Period Adjustments (net)	J	1.85	1.05
Profit Before Tax		1,317.93	1,134.42
Provision for Taxation			
- Current Tax		381.72	179.96
- Deferred Tax Charge/(Credit) (Refer Note no. 4)		(4.91)	43.77
- Wealth Tax		0.11	0.19
- Fringe Benefit Tax		-	2.18
Profit After Tax		941.01	908.32
Net Profit for the Period		941.01	908.32
Balance as per Last Account		691.98	479.50
Balance Available for Appropriations		<u>1,632.99</u>	<u>1,387.82</u>
Less: Appropriations			
- Proposed Dividend		353.46	352.90
- Dividend Tax on Proposed Dividend		58.71	59.98
- Transfer to General Reserve		282.30	272.49
-Transfer to Contingency Reserve		-	10.47
Balance carried to Balance Sheet		938.52	691.98
Notes to the Accounts	K		
Earnings Per Share-Basic		3.31	3.99
Earnings Per ShareDiluted		3.28	3.99

Schedule A to K and Accounting Policies form integral part of Financial Statements

(Deepak Amitabh)
Director
DIN. 01061535

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

As per our Report of even date attached
For T.R. Chadha & Co.,
(Firm Registration No. 006711N)
Chartered Accountants

Dated : August 12, 2010
Place : New Delhi

(Neena Goel)
Partner
M.No. 057986

(Rajiv Maheshwari)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs. Million)

	For the year ended 31.03.2010	For the year ended 31.03.2009
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1,317.93	1,134.42
Adjustment for:		
Depreciation	55.21	62.16
ESOP expenses written off	101.41	74.23
Loss on sale of fixed assets	0.03	0.02
Excess Provision written back	(3.91)	(12.05)
Foreign Exchange Fluctuation	0.01	0.05
Interest-Others	3.74	25.27
Other Income	(555.84)	(828.48)
Profit on Sale of Investment	(156.44)	(92.98)
Provision for diminution of Investment	-	(3.43)
Operating Profit before Working Capital Changes	762.14	359.21
Adjustment for:		
Sundry Debtors	(1,764.53)	(1,751.63)
Loans & Advances	(253.07)	32.87
Current Liabilities	903.21	649.72
Provisions	(3.56)	8.70
Cash Generated/(Used) from Operating Activities	(355.81)	(701.13)
Direct Taxes Paid (Net)	(382.03)	(173.76)
Net Cash Generated/(Used) from Operating Activities (A)	(737.84)	(874.89)
CASH FLOW FROM INVESTING ACTIVITIES		
Other Income	490.68	823.67
Purchase of fixed assets	(5.46)	(6.39)
Sale of fixed assets	0.09	0.01
Sale/(Purchase) of investments in Associates	(180.00)	(597.92)
Sale/(Purchase) of investments in Subsidiaries	-	(4,330.00)
Sale/(Purchase) of investments in Joint Venture	-	(0.50)
Sale/ (Purchase) of investments (net)	(586.11)	10,201.19
Profit on Sale of Other Investment	156.44	92.98
Interest-Others	(3.91)	(25.07)
Net Cash Generated/ (Used) in Investing Activities (B)	(128.27)	6,157.97
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of additional Shares (including share premium net of expense)	4,966.89	-
Dividend Paid (Including Dividend Tax)	(412.88)	(266.07)
Cash flow Generated/(Used) from Financing Activities (C)	4,554.01	(266.07)
Net increase/ (use) in cash and cash equivalent (A+B+C)	3,687.90	5,017.01
Cash and Cash equivalent (Opening Balance)	6,255.87	1,238.86
Cash and Cash equivalent (Closing Balance)	9,943.77	6,255.87

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. 5.51 Millions (Previous year Rs. 4.34 Millions) kept in Dividend unpaid account.
- Previous year's figures have been rearranged/regrouped wherever necessary.

(Deepak Amitabh)
Director
DIN. 01061535

As per our Report of even date attached
For T.R. Chadha & Co.,
(Firm Registration No. 006711N)
Chartered Accountants

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

Dated : August 12, 2010
Place : New Delhi

(Neena Goel)
Partner
M.No. 057986

(Rajiv Maheshwari)
Company Secretary

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rs. Million)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised		
750,000,000 (Previous year 750,000,000)	7500.00	7500.00
Equity shares of Rs.10/- each	<u>7500.00</u>	<u>7500.00</u>
ISSUED, SUBSCRIBED & PAID UP*		
294,547,401 (Previous year 227,419,000)		
Equity Shares of Rs.10/- each fully paid up	2945.47	2274.19
(* For details of options with respect to equity shares, refer to Note 6)	<u>2945.47</u>	<u>2274.19</u>
SCHEDULE 'B'		
RESERVE & SURPLUS		
Share Premium		
Balance Brought Forward	11,465.79	11465.79
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)	31.97	-
-Received on Exercise of ESOP	3.09	-
Less: Share Issue Expenses	<u>(40.74)</u>	<u>-</u>
Sub Total (i)	<u>15,793.37</u>	<u>11465.79</u>
General Reserve		
Balance Brought Forward	848.57	576.08
Add: Additions during the year	282.30	272.49
Sub Total (ii)	<u>1,130.87</u>	<u>848.57</u>
Contingency Reserve		
Balance Brought Forward	10.47	-
Add: Additions during the year	-	10.47
Sub Total (iii)	<u>10.47</u>	<u>10.47</u>
Surplus being balance in Profit & Loss Account	938.52	691.98
Sub Total (iv)	<u>938.52</u>	<u>691.98</u>
Employee Stock Options (ESOP)		
ESOP Outstanding	280.89	285.92
Less: Deferred Employee Compensation	<u>(137.22)</u>	<u>(211.69)</u>
Sub Total (v)	<u>143.67</u>	<u>74.23</u>
Grand Total (Sub Total (i)+(ii)+(iii)+(iv)+(v))	<u>18,016.90</u>	<u>13091.04</u>

SCHEDULE 'C'

FIXED ASSETS

(Amount in Rs. Million)

	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
PARTICULARS	AS AT 01.04.2009	ADDITIONS	SALES/ ADJUSTMENTS	AS AT 31.03.2010	UPTO 01.04.2009	FOR THE PERIOD	ADJUST- MENTS	UP TO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
TANGIBLE ASSETS										
Land										
Leasehold land - perpetual Lease	34.43	-	-	34.43	-	-	-	-	34.43	34.43
Leasehold land - others	1.26	-	-	1.26	0.06	0.06	-	0.12	1.14	1.20
Buildings	149.17	-	-	149.17	45.83	5.17	-	51.00	98.17	103.34
Furniture and fixtures	18.21	2.27	(0.05)	20.43	12.80	1.39	(0.03)	14.16	6.27	5.41
Vehicle	5.10	1.98	-	7.08	2.26	1.00	-	3.26	3.82	2.84
Plant and machinery	354.74	-	-	354.74	49.46	42.05	-	91.51	263.23	305.28
Office equipments	26.72	1.81	(1.05)	27.48	19.42	2.58	(0.95)	21.05	6.43	7.30
Capital expenditures not represented by capital asset	5.54	-	-	5.54	1.88	1.85	-	3.73	1.81	3.66
INTANGIBLE ASSETS										
- Computer Software	6.44	-	-	6.44	5.92	0.22	-	6.14	0.30	0.52
- Membership Fee To Power Exchanges	2.50	0.50	-	3.00	0.63	0.89	-	1.52	1.48	1.87
Previous Year	604.11	6.56	(1.10)	609.57	138.26	55.21	(0.98)	192.49	417.08	465.85
	596.23	7.95	(0.07)	604.11	76.14	62.16	(0.04)	138.26	465.85	
Capital work in progress	9.62	-	(1.10)	8.52	-	-	-	-	8.52	9.62

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rs. Million)

Particulars	Face Value Rs.	Quantity As at 31.03.2010	31.03.2009	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'D'					
INVESTMENTS					
Long Term Trade Investments – Unquoted (At Cost)					
Equity Shares - Fully Paid Up					
Subsidiary Companies					
- PTC Energy Limited (Wholly Owned)	10	41,000,000	41,000,000	410.00	410.00
- PTC India Financial Services Limited	10	337,250,001	337,250,001	4,460.00	4,460.00
Associates Companies					
- Athena Energy Ventures Private Limited	10	48,000,000	30,000,000	480.00	300.00
- Krishna Godavri Power Utilities Limited (Refer Note No. 31)	10	19,503,493	19,503,493	195.03	195.03
Joint Venture Company					
- Barak Power Private Limited	10	50,000	50,000	0.50	0.50
Other company					
- Teestha Urja Limited*	10	125,400,000	125,400,000	1,257.14	1,257.14
Long Term Non Trade Investments–Unquoted (at cost)					
Mutual Funds					
- LIC MF Fixed Maturity Plan Series 37-13 Months	10	-	80,000,000	-	800.00
- DSP Merrill Lynch FMP 12.5 Series 384 Days	10	-	50,000,000	-	500.00
Long Term Non Trade Investments–Quoted (at cost)					
Mutual Funds					
- HDFC FMP 13M March 2010- Growth Series XII	10	20,000,000	-	200.00	-
- Axis Fixed Term Plan Series I (384 Days)–Growth	10	20,000,000	-	200.00	-
- Canara Robeco –FMP–Series 5-13 Month (Plan A)–Growth	10	20,000,000	-	200.00	-
- L&T FMP Series–12–PLAN 15M –March 10I– Growth	10	15,000,000	-	150.00	-
- Religare FMP–Series– II Plan–A (13 Months)–Growth	10	30,000,000	-	300.00	-
- Reliance Fixed Horizon Fund –XIV–Series 2–Growth Plan	10	50,000,000	-	500.00	-
Equity Shares					
- Portfolio Management Services with HDFC AMC Limited (AMC)–(Refer Note No. 25) (Refer Accounting Policy No.8 for valuation of Investments)				-	13.71
Others					
- Gold		6000 gm	12000 gm	5.76	11.52
Sub Total (i)				8,358.43	7,947.90
Current Investment- Non Trade (Unquoted) (At Cost)					
Mutual Funds					
- JP Morgan India Short Term Income Fund–Growth Plan	10	10,000,000	-	100.00	
- 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	98,430	5,630	1.59	0.06
Portfolio Management Services with HDFC AMC Limited (AMC)–(Refer Note No. 25) (Refer Accounting Policy No.8 for valuation of Investments)					
					46.05
Sub Total (ii)				401.69	46.11
Total (Sub Total (i)+(ii))				8,760.12	7,994.01
Aggregate market value of quoted investments				1,566.54	29.85
Aggregate cost of quoted investments				1,555.76	25.23
Aggregate cost of un-quoted investments				7,204.36	7,968.78

* Teestha Urja Limited ceased to be Associate w.e.f March 10, 2010

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rs. Million)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'E'		
CURRENT ASSETS, LOANS & ADVANCES		
i. SUNDRY DEBTORS *		
Outstanding over six months		
- Secured	-	-
- Unsecured, considered good	392.54	54.36
Outstanding for less than six months		
- Secured	-	-
- Unsecured, considered good	4,917.66	3491.31
*(Refer note no 32)	Sub-total (i)	
	<u>5,310.20</u>	<u>3545.67</u>
ii. CASH & BANK BALANCES		
Cash in hand (including foreign currency)	0.08	0.07
Balance with scheduled Banks -		
- Term deposits	9,513.64	6152.23
- Current accounts	430.05	103.57
	Sub-total (ii)	
	<u>9,943.77</u>	<u>6255.87</u>
iii. OTHER CURRENT ASSETS		
Interest accrued but not due	75.71	10.55
	Sub-total (iii)	
	<u>75.71</u>	<u>10.55</u>
iv. LOANS & ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Loans		
- Employees	10.71	9.42
Advances		
Subsidiaries		
- PTC India Financial Services Limited	-	5.83
- PTC Energy Limited	2.65	1.44
Joint Venture		
- Barak Power Private Limited	1.54	1.54
Employees	0.83	1.05
Advances recoverable in cash or kind or for value to be received	110.30	59.03
Advance against equity		
- Athena Energy Private Limited	210.00	-
Deposits with custom, Port Trust & other authorities	57.72	62.74
Cash and cash equivalent with port folio managers	0.62	0.25
Advance Income Tax [(net of provision for Income Tax Rs. 1025.70 mn (Previous Year Rs. 646.52 mn)]	41.43	41.23
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)	
	<u>436.37</u>	<u>183.10</u>
Total (Sub Total (i)+(ii)+(iii)+(iv))	<u>15,766.05</u>	<u>9995.19</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rs. million)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'F'		
CURRENT LIABILITIES & PROVISIONS		
i Current Liabilities		
Sundry Creditors		
- Micro & Small Enterprises	—	—
- Others	3,279.86	2,299.42
Advances from Customers	82.52	138.69
Security Deposits Received	69.08	107.58
Unpaid/Unclaimed Dividend A/c	5.51	4.34
Other Liabilities		
- Statutory Liabilities	4.84	3.54
- Others	23.70	8.89
Sub-total (i)	<u>3,465.51</u>	<u>2,562.46</u>
ii Provisions		
Employee Benefits	15.33	18.58
Proposed Dividend	353.46	352.90
Dividend Tax on Proposed Dividend	58.71	59.98
Others	6.74	10.96
Sub-total (ii)	<u>434.24</u>	<u>442.42</u>
Total (Sub Total (i)+(ii))	<u>3,899.75</u>	<u>3004.88</u>

(Amount in Rs. million)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'G'		
OTHER INCOME		
Interest (Gross) (Tax Deducted at Source Rs.36.76 million, Previous year Rs.75.01 millions)		
- Deposits (Previous Year Rs.335.27 mn)	312.72	
- Others (Previous Year Rs.0.61 mn)	1.32	
	<u>314.04</u>	335.88
Dividend		
- from current investments-non trade (Previous Year Rs. 484.22 millions)	234.97	
- from long term investment-non trade (Previous Year Rs. 0.21 millions)	0.18	
	<u>235.15</u>	484.43
Profit/ (Loss) from Sale of Investment		
- on current investments-non trade (Net) (Previous Year Rs.94.18 millions)	0.83	
- on long term investments-non trade (Net)(Previous Year Rs. (1.20) millions)	155.61	
	<u>156.44</u>	92.98
Rental Income (Gross) (Tax deducted at source Rs. 0.97millions, Previous Years Rs.0.83 millions)	6.65	8.18
Consultancy Income (Gross) (Tax deducted at source Rs.4.10millions, Previous Years Rs.2.14 millions)	19.72	39.09
Foreign currency fluctuation (net)	(0.01)	(0.05)
Excess provisions written back	3.91	12.05
Miscellaneous income	5.76	—
	<u>741.66</u>	<u>972.56</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rs. million)

Particulars	For the year ended 31.03.2010	For the year ended 31.3.2009
SCHEDULE 'H'		
EMPLOYEE COST		
Salaries, allowances and benefits	63.97	59.34
Contribution to provident and other funds	2.90	2.60
Gratuity and leave encashment	3.33	6.81
Staff welfare expenses	12.74	7.13
Employee compensation expense (ESOP)	101.41	74.23
	<u>184.35</u>	<u>150.11</u>
SCHEDULE 'I'		
OTHER EXPENSES		
Legal and professional charges	16.47	30.45
Consultancy expenses	30.04	38.04
Rent for company leased accomodation	0.60	0.60
Advertisement	3.25	2.37
Communication	6.76	5.48
Business development	7.88	8.57
Travelling and conveyance expenses	18.68	17.95
Printing and stationery	3.71	3.50
Fees and expenses to directors	2.27	0.84
Repair and maintenance expenses		
- Building	2.11	3.58
- Others	1.94	2.26
- Wind mill - operation and maintenance	3.43	-
Bank charges	9.57	10.67
EDP expenses	1.38	1.13
Books and periodicals	0.19	0.34
Insurance expenses	0.47	0.60
Water and electricity expenses	3.62	3.47
Rates, fees and taxes	3.17	4.14
Security expenses	1.04	0.93
Property tax	0.40	0.40
Other general expenses	12.69	19.22
Interest expenses	3.74	25.27
Charity and donation	1.08	0.61
Loss on sale of fixed assets (net)	0.03	0.02
Provision for diminution in value of investments	-	(3.43)
Auditors' remuneration	0.61	0.66
	<u>135.13</u>	<u>177.67</u>
SCHEDULE 'J'		
PRIOR PERIOD ADJUSTMENTS (NET)		
INCOME		
Miscellaneous	-	0.15
	<u>-</u>	<u>0.15</u>
EXPENDITURE		
Legal and professional charges	1.48	0.45
Cosultancy expenses	0.01	0.57
Others	0.36	0.18
	<u>1.85</u>	<u>1.20</u>
Prior period adjsutments (net)	<u>1.85</u>	<u>1.05</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

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 current year, 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	Upto 31.03.10 Upto 31.03.09
i.	Equity Shares issue expenses	121.91 81.17
ii.	Private Equity investments in the companies.	6,170.17 5,780.17
iii.	Investments in debt instruments of Mutual Funds/Fixed Deposits	10,707.79 6,138.61
	Total	16,999.87 11,999.95

2. Share issue expenses amounting to Rs. 40.74 millions (Previous Year Rs. NIL 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 (AS-22) "Accounting for Taxes on Income" and the details thereof are as follows:

(Rs. in million)		
Particulars	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability on account of timing differences in:		
Depreciation	93.87	99.77
Gratuity	-	-
Sub-Total (a)	93.87	99.77
Deferred Tax Asset arising on account of timing differences in:		
Retirement Benefits	4.22	4.62
Provision for LTC	-	0.59
Sub-Total (b)	4.22	5.21
Net Deferred Tax Liability/(Asset) (a-b)	89.65	94.56

5. The company is primarily in the business of trading of power. Generation of power and consultancy income 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 31.03.2010		As at 31.03.2009	
	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	4,508,380	22.33	-	-
Granted during the Year	1,705,643	64.20	4,548,380	22.41
Forfeited during the Year	210,846	40.34	40,000	30.91
Exercised during the Year	462,801	16.67	-	-
Expired during the Year	0	-	-	-
Outstanding at the end of the Year	5,540,376	32.31	4,508,380	22.33
Exercisable at the end of the Year	212,706	34.69	-	-
Weighted average remaining Contractual Life (in years)	4.66	-	5.39	-
Weighted average fair value of options granted during the Year	1,705,643	46.45	4,548,380	66.18

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

Particulars	As at 31.03.2010	As at 31.03.2009
Range of Exercise Prices (Rs.)	10 to 64.20	10 to 42.88
Number of Options Outstanding	5,540,376	4,508,380
Weighted average remaining Contractual Life of Options (in years)	4.66	5.39
Weighted average Exercise Price (Rs.)	32.31	22.33

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

- ii) Effect on profit & loss:-

(Rs. in millions)

Particulars	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Employee Compensation Cost pertaining to ESOP plan during the Year	101.41	74.23

- ii) Effect on financial position:-

(Rs. in million)

Particulars	As at 31.03.2010	As at 31.03.2009
Liability for Employee Stock Options outstanding as at the Year end	280.89	285.92
Deferred Compensation Cost outstanding as at the Year end	137.22	211.69

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

(Rs. in million)

Particulars	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Profit as reported for the Year	941.01	908.32
Add: Employee stock compensation under intrinsic value method	101.41	74.23
Less: Employee stock compensation under fair value method	117.21	77.47
Pro forma profit	925.21	905.08

g) Earning per share (Rs.)

Basic	For the Year ended 31.03.2010	For the Year ended 31.03.2009
- As reported	3.31	3.99
- As pro forma	3.26	3.98
Diluted	-	-
- As reported	3.28	3.99
- As pro forma	3.23	3.98

7. Estimated amount of capital commitments:

(Rs. in million)

As at 31.03.2010	As at 31.03.2009
1.24	1.40

8. Details of Contingent liabilities:

a) Claims against the company not acknowledged as debt:

(Rs. in million)

Particulars	As at 31.03.2010	As at 31.03.2009	Remarks
Claims of suppliers	1,285.64	852.87	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	9.81	7.71	Case is pending with the Appellate Authority
Others	2.23	2.23	
Total	1,297.68	862.81	

b) Bank Guarantees :

(Rs. in million)

As at 31.03.2010	As at 31.03.2009
2,803.00	735.00

c. *Letter of Credit:

(Rs. in millions)

As at 31.03.2010	As at 31.03.2009
906.77	1,474.60

*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)	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Sale*	18,222.63	13,818.95	76,441.20	64,373.98
Purchase*	18,227.57	13,822.41	75,834.64	63,864.32

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

**MU's traded include 1,064.56 MU's (Previous Year 333.89 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)	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Sale	13.36	6.55	48.85	22.04

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

Particulars	As at 31.03.2010	As at 31.03.2009
Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity (per day)	6 MW	6 MW
Actual Production (Net) MU's	13.36	6.55

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

(Rs. in million)

Particulars	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Salary, Allowances & Benefits	16.31	14.25
Leave Salary Contribution	0.17	0.27
Contribution to Pension Fund	0.42	0.35
Directors' Sitting Fees	2.27	0.84
Total	19.17	15.71

(Rs. in millions)

Particulars	Mr. T.N. Thakur	Mr. Shashi Shekhar	Mr. Deepak Amitabh
Designation	Chairman & Managing Director	Director	Director
Year of employment in the same capacity	1.04.2009 to 31.03.2010	1.04.2009 to 31.03.2010	1.04.2009 to 31.03.2010
Salaries & Allowance (CTC basis)	7.97	3.82	3.92
Employers Contribution of PF	0.42	0.00	0.18
Gratuity, Pension & Leave Salary Contribution	-	0.59	-
Total	8.39	4.41	4.10

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.

The above does not include provision for CMD's and one of director's (Shri Deepak Amitabh) 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 on account of amortization of ESOP.

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

(Rs. in million)

Particulars	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Travelling*	2.63	2.17
Consultancy**	13.32	19.44
Others	1.52	1.16

* Includes Rs. 0.01 million (Previous Year Rs. 0.076 million) on account of foreign exchange fluctuation.

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

12. Details of Auditors' Remuneration:

(Rs. in million)

Particulars	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Statutory Audit fees	0.44	0.54
Tax Audit fees	0.06	0.06
Tax Matters	0.01	-
Other Matters	0.09	0.04
Out of Pocket Expenses	0.01	0.02
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	-
Total *	1.07	0.66

*Including Service Tax

13. Income earned in foreign exchange:

For the year ended 31.03.2010	For the Year ended 31.03.2009
NIL	NIL

14. Current liabilities, Sundry debtors and certain balances of Loans and Advances are subject to confirmation.
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 millions)

Particulars	Leave Encashment (Unfunded) 31.03.10	Leave Encashment (Unfunded) 31.03.09	Post- employment medical benefits (Unfunded) 31.03.10	Post- employment medical benefits (Unfunded) 31.03.09	Gratuity (Funded) 31.03.10	Gratuity (Funded) 31.03.09
Present value of obligation	14.27	13.06	0.73	2.35	4.39	3.65
Fair value of plan assets	-	-	-	-	4.07	2.15
Net assets / (liability) recognized in Balance Sheet	(14.27)	(13.06)	(0.73)	(2.35)	(0.32)	(1.50)

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

(Rs. in millions)

Particulars	Leave Encashment (Unfunded) 31.03.10	Leave Encashment (Unfunded) 31.03.09	Post- employment medical benefits (Unfunded) 31.03.10	Post- employment medical benefits (Unfunded) 31.03.09	Gratuity (Funded) 31.03.10	Gratuity (Funded) 31.03.09
Present value of obligation as at the beginning of the Year	13.06	8.59	2.35	1.90	3.65	2.55
Interest cost	0.98	0.60	0.18	0.13	0.27	0.18
Past service cost	-	-	-	-	0.74	-
Current service cost	3.03	3.09	-	0.12	0.65	0.84
Curtailement cost/(Credit)	-	-	-	-	-	-
Settlement cost/(Credit)	-	-	-	-	-	-
Benefits paid	(1.42)	(1.28)	(0.07)	(0.40)	(0.14)	(0.44)
Actuarial (gain)/loss on obligation	(1.38)	2.06	(1.72)	0.60	(0.78)	0.52
Present value of obligation as at the end of Year	14.27	13.06	0.73	2.35	4.39	3.65

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

(Rs. in millions)

Particulars	Gratuity (Funded) As at 31.03.10	Gratuity (Funded) As at 31.03.09
Fair value of plan assets as at the beginning of the Year	2.15	2.40
Expected return on plan assets	0.17	0.21
Actuarial gain/(loss) on obligation	0.02	(0.02)
Contributions	1.87	-
Benefits paid	(0.14)	(0.44)
Fair value of plan assets as at the end of the Year	4.07	2.15

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) As at 31.03.10	Gratuity (Funded) As at 31.03.09
Administered by ICICI Prudential Life Insurance	53%	100%
Bank Balance	47%	-

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

(Rs. in million)

Particulars	Leave Encashment (Unfunded) 31.03.10	Leave Encashment (Unfunded) 31.03.09	Post- employment medical benefits (Unfunded) 31.03.10	Post- employment medical benefits (Unfunded) 31.03.09	Gratuity (Funded) 31.03.10	Gratuity (Funded) 31.03.09
Current service cost	3.03	3.09	-	0.12	0.65	0.84
Past service cost	-	-	-	-	0.74	-
Interest cost	0.98	0.60	0.18	0.13	0.27	0.18
Expected return on plan assets	-	-	-	-	(0.17)	(0.21)
Curtailement cost/(Credit)	-	-	-	-	-	-
Settlement cost/(Credit)	-	-	-	-	-	-
Net actuarial (gain)/ loss recognized in the year	(1.38)	2.06	(1.72)	0.59	(0.80)	0.54
Expenses recognized in the profit and loss account	2.63	5.75	(1.54)	0.84	0.69	1.35

The Company expects to contribute Rs.0.71 millions to gratuity and Rs.1.79 millions to leave encashment in 2010-11.

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

(Rs. in millions)

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	0.003	0.05
II	Increase/(decrease) on present value of defined benefit obligations as at 31st March, 2010	0.05	0.06

g) Economic Assumption:

The principal assumptions are the 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

Particulars	Leave Encashment (Unfunded) 31.03.10	Leave Encashment (Unfunded) 31.03.09	Post- employment medical benefits (Unfunded) 31.03.10	Post- employment medical benefits (Unfunded) 31.03.09	Gratuity (Funded) 31.03.10	Gratuity (Funded) 31.03.09
Discounting Rate	7.50%	7.00%	7.50%	7.00%	7.50%	7.00%
Future salary Increase	5.00%	4.50%	5.00%	4.50%	5.00%	4.50%
Expected Rate of return on plan assets	N. A.	N. A.	N. A.	N. A.	8.00%	8.44%
Expected Average remaining working lives of employees in number of years	22.54	22.18	N.A	8.67	23.49	22.18

h) Demographic Assumption

Particulars	Leave Encashment (Unfunded) 31.03.10	Leave Encashment (Unfunded) 31.03.09	Post- employment medical benefits (Unfunded) 31.03.10	Post- employment medical benefits (Unfunded) 31.03.09	Gratuity (Funded) 31.03.10	Gratuity (Funded) 31.03.09
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:

Defined Contribution Plans	(Rs. in million)	
	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Provident Fund	2.90	2.60

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" issued by the Institute of Chartered Accountants of India.

(Rs. in million)				
Name of Related Party	Influence	Nature of Transaction	For the year ended 31.03.2010	For the year ended 31.03.2009
NTPC Ltd.	Significant Influence	Director sitting fees to nominee directors	0.15	0.04
Power Grid Corporation of India Ltd.	Significant Influence	Director sitting fees to nominee directors	0.14	0.08
		Services Received (Wheeling Charges)	1.83	1.94
Power Finance Corporation Ltd.	Significant Influence	Director sitting fees to nominee directors	0.18	0.05
		Pledging of Shares (Refer note no.31)		
NHPC Ltd.	Significant Influence	Director sitting fees to nominee directors	0.15	0.12
		Equity Contribution	-	2832.50
PTC India Financial Services Limited	Subsidiary	Premium on Equity Contribution	-	1087.50
		Payment of expenses etc on behalf of the subsidiary	9.60	6.82
		Rental Income	1.34	0.79
		Equity Contribution	-	410.00
PTC Energy Limited	Subsidiary	Payment of expenses etc on behalf of the subsidiary	5.90	1.70
		Equity Contribution	-	0.50
Barak Power Private Limited	Joint Venture	Equity Contribution	-	0.50
		Payment of expenses on behalf of the Joint Venture	0.00	1.60
Krishna Godavari Power Utilities Limited	Associate	Equity Contribution	-	42.53
Athena Energy Ventures Private Limited	Associate	Equity Contribution	180.00	-
		Advance Against Equity	210.00	-
		Payment of expenses by associate on behalf of the Company	0.02	-

Key Management Personnel

Mr. T.N.Thakur	Chairman & Managing Director	Directors remuneration	8.39	6.83
		Amount Received by Company on Exercise of ESOP	1.74	-

Mr. Shashi Shekhar	Director	Directors remuneration	4.41	3.83
Mr. Deepak Amitabh	Director	Directors remuneration	4.10	4.21
		Amount Received by Company on Exercise of ESOP	1.03	-

Investment Outstanding

(Rs. In million)				
Name of the Company	Relationship	As at 31.03.2010	As at 31.03.2009	
PTC Energy Limited	Subsidiary	410.00	410.00	
PTC India Financial Services Limited	Subsidiary	4,460.00	4,460.00	
Athena Energy Ventures Private Limited	Associate	480.00	300.00	
Krishna Godavri Power Utilities Limited	Associate	195.03	195.03	
Teestha Urja Limited *	Associate	1,257.14	1,257.14	
Barak Power Private Limited	Joint Venture	0.50	0.50	

* Teestha Urja Limited has ceased to be associate w.e.f. March 10, 2010.

Balance Outstanding

(Rs. In million)				
Name of the Company	Relationship	Nature	As at 31.03.2010	As at 31.03.2009
Power Grid Corporation of India Ltd	Significant Influence	Balance Payable	-	0.09
NTPC Limited	Significant Influence	Sitting Fees Payable	-	0.02
		Sitting Fees Payable	-	0.03
Power Finance Corporation Ltd.	Significant Influence	Sitting Fees Payable	-	0.07
		Sitting Fees Payable	-	0.07
PTC India Financial Services Limited	Subsidiary	Balance Recoverable	-	5.83
		Maximum Balance	7.86	20.75
PTC Energy Limited	Subsidiary	Balance Recoverable	2.65	1.44
		Maximum Balance	4.71	1.44
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 31.03.2010	For the Year ended 31.03.2009
Opening equity shares (Qty in Millions)	227.42	227.42
Equity shares issued during the year (Qty in Millions)	67.13	-
Closing equity shares (Qty in Millions)	294.55	227.42
Weighted Average Number of equity shares used as denominator for Basic earning (Qty in Millions)	284.07	227.42
Weighted Average Number of equity shares used as denominator for diluted (Qty in Millions)	286.54	227.42
Net Profit after Tax used as numerator (Amount in Rs. Millions)	941.01	908.32
Basic Earnings per Share (Amount in Rs.)	3.31	3.99
Diluted Earnings per Share (Amount in Rs.)	3.28	3.99
Face value per share (Amount in Rs.)	10.00	10.00

21. The information given in Schedule-F does not include any amount which is outstanding and payable to Micro, Small and Medium Enterprises based on the information available with the company. Details as required by Schedule VI of the Companies Act, 1956 is given below:

I	II	III	IV	V
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting Year	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting Year	The amount of interest due and payable for the Year of delay in making payment (which have been paid but beyond the appointed day during the Year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act,	the amount of interest accrued and remaining unpaid at the end of each accounting Year	the amount of further interest remaining due and payable even in the succeeding Years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 2

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

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

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

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

(Rs. in million)

Particulars	31.03.2010	31.03.2009
Year up to 1 year	0.60	0.60
Year later than 1 year and not later than 5 years	1.95	2.55
Year later than 5 years	Nil	Nil

25. Investments had been made under the Discretionary Portfolio Management Agreement entered into between the Company and HDFC AMC Limited (Portfolio Manager) of Rs. 50 Millions.

(Rs. in million)

Aggregate value of investment in PMS	Book Value as at 31.03.10	Market value as on 31.03.10	Book Value as on 31.03.09	Market value as at 31.03.2009
Quoted investments	-	-	13.71	11.77
Unquoted investments	-	-	46.05	46.61
Total	-	-	59.76	58.38

1. (i) Investments under Portfolio Management Services (PMS) with HDFC AMC Limited (PMS) (at lower of cost or market value):

A. Equity Shares (fully paid-up, quoted unless otherwise stated) as at 31/03/2010 (Figures in Rs.)

NIL

B. Mutual Funds (fully paid-up, un-quoted) as at 31/03/2010 (Figures in Rs.)

NIL

C. Equity Shares (fully paid-up, quoted unless otherwise stated) as at 31/03/2009 (Figures in Rs.)

3,998 Equity Shares Of Re.2 each in AIA Engineering Ltd at a cost of Rs.541,655, 25,136 Equity Shares Of Re.1 each in Apollo Tyres Ltd at a cost of Rs.492,072, 3,307 Equity Shares Of Re.5 each in Biocon Ltd at a cost of Rs.399,447, 2,687 Equity Shares Of Re.2 each in Blue Star Ltd at a cost of Rs. 414,625, 4,130 Equity Shares Of Re.2 each in Crompton Greaves Ltd at a cost of Rs. 562,904, 1,602 Equity Shares Of Re.10 each in ICICI Bank Ltd at a cost of Rs. 718,991, 343 Equity Shares Of Re.5 each in Infosys Technologies Ltd at a cost of Rs.396,213, 4,575 Equity Shares Of Re.2 each in Pantaloon Retail India Ltd at a cost of Rs. 961,131, 1,366 Equity Shares Of Re.1 each in Tata Consultancy Services Ltd at a cost of Rs. 662,425, 822 Equity Shares Of Re.10 each in Jammu & Kashmir Bank Ltd at a cost of Rs. 280,248, 5,025 Equity Shares Of Re.2 each in United Phosphorous Ltd. at a cost of Rs. 555,913,

3,984 Equity Shares Of Re.1 each in Zee Entertainment Ltd at a cost of Rs. 554,268, 12,000 Equity Shares Of Re.5 each in Himatsingka Seide Ltd at a cost of Rs. 722,400, 1,554 Equity Shares Of Re.1 each in ITC Ltd at a cost of Rs. 247,498,

758 Equity Shares Of Re.2 each in Larsen & Toubro Ltd at a cost of Rs. 329,315, 3,000 Equity Shares Of Re.10 each in HBL Nife Power Systems Ltd. at a cost of Rs. 701,057, 1,489 Shares Of Re.2 each in Siemens Ltd at a cost of Rs. 877,453, 2,993 Shares Of Re.2 each in Carborundum Universal Ltd at a cost of Rs. 323,543, 779 Shares Of Re.10 each in State Bank of India Ltd at a cost of Rs. 129,3975, 8,547 Shares of Rs. 1 each in Voltas Ltd at a cost of Rs. 345,174, 742 Shares of Rs. 10 each in Bank of Baroda Ltd at a cost of Rs. 135,701, 977 Shares of Rs. 10 each in Bharat Petroleum Corp at a cost of Rs. 334,915, 643 Shares of Rs. 10 each in Bharti Airtel Ltd. at a cost of Rs. 392,706, 13,610 shares of Rs. 1 each in Dish TV India Ltd. at a cost of Rs. 299,526, 4,701 Shares of Rs. 2 each in HCL Technologies Ltd. at a cost of Rs. 494,402, 2,506 Shares of Rs. 5 each in Reliance Communications Ltd at a cost of Rs. 427,674, 1,627 Shares of Rs. 10 each in Tata Steel Ltd at a cost of Rs. 247,696.

D. Mutual Funds (fully paid-up, un-quoted) as at 31/03/2009 (Figures in Rs.)

4,605,068.72 units of Rs.10 each in HDFC QIF Plan C WD at a cost of Rs. 46,051,451

(ii) Investments under PMS purchased and sold during the year 01/04/2009 to 31/03/2010

A. Equity Shares (fully paid-up, quoted) for the Year 01/04/2009 to 31/03/2010 (Figures in Rs.):

Purchases:

3,864 shares of Rs.2 in Dishman Pharmaceuticals & Chemicals Ltd at a cost of Rs. 425,952, 4132 shares of Rs.10 in IRB Infrastructure Developers Ltd at a cost of Rs. 428,797, 6,704 shares of Rs.2 in Unitech Ltd at a cost of Rs. 293,979, 2,875 shares of Rs.10 in United Breweries Holdings Ltd at a cost of Rs. 316,875, 2,513 shares of Rs.10 in Unity Infraprojects Ltd at a cost of Rs. 317,155, 1,406 shares of Rs. 10 in Zee Entertainment Enterprises Ltd at a cost of Rs. 160,618, 797 shares of Rs.10 in Sadbhav Engineering Ltd at a cost of Rs. 316,608,

Sales:

3,998 Equity Shares Of Re.2 each in AIA Engineering Ltd at a Price of Rs.1,144,876, 25,136 Equity Shares Of Re.1 each in Apollo Tyres Ltd at a Price of Rs.621,006, 3,307 Equity Shares Of Re.5 each in Biocon Ltd at a Price of Rs.820,217, 2,687 Equity Shares Of Re.2 each in Blue Star Ltd at a Price of Rs. 957,120, 742 Shares of Rs. 10 each in Bank of Baroda Ltd at a Price of Rs. 197,130, 977 Shares of Rs. 10 each in Bharat Petroleum Corp at a Price of Rs. 568,877, 1,286 Shares of Rs. 5 each in Bharti Airtel Ltd. at a Price of Rs. 531,211, 4,130 Equity Shares Of Re.2 each in Crompton Greaves Ltd at a Price of Rs. 1,308,880, 13,610 shares of Rs. 1 each in Dish TV India Ltd. at a Price of Rs. 400,192, 4,701 Shares of Rs. 2 each in HCL Technologies Ltd. at a Price of Rs. 737,217, 1,602 Equity Shares Of Re.10 each in ICICI Bank Ltd at a Price of Rs. 1,344,415, 343 Equity Shares Of Re.5 each in

Infosys Technologies Ltd at a Price of Rs.766,934, 2,506 Shares of Rs. 5 each in Reliance Communications Ltd at a Price of Rs. 753,738, 4,575 Equity Shares Of Re.2 each in Pantaloon Retail India Ltd at a Price of Rs. 1,552,293, 1,366 Equity Shares Of Re.1 each in Tata Consultancy Services Ltd at a Price of Rs. 790,432,

1,627 Shares of Rs. 10 each in Tata Steel Ltd at a Price of Rs. 386,135. 822 Equity Shares Of Re.10 each in Jammu & Kashmir Bank Ltd at a Price of Rs. 471,879, 5,025 Equity Shares Of Re.2 each in United Phosphorous Ltd. at a Price of Rs. 819,126, 5,390 Equity Shares Of Re.1 each in Zee Entertainment Ltd at a Price of Rs. 1,266,518, 12,000 Equity Shares Of Re.5 each in Himatsingka Seide Ltd at a Price of Rs. 569,821, 1,554 Equity Shares Of Re.1 each in ITC Ltd at a Price of Rs. 285,979, 758 Equity Shares Of Re.2 each in Larsen & Toubro Ltd at a Price of Rs. 1,247,922, 3,000 Equity Shares Of Re.10 each in HBL Nife Power Systems Ltd. at a Price of Rs. 579,931, 1,489 Shares Of Re.2 each in Siemens Ltd at a Price of Rs. 425,148, 2993 Shares Of Re.2 each in Carborundum Universal Ltd at a Price of Rs. 476,010, 779 Shares Of Re.10 each in State Bank of India Ltd at a Price of Rs. 1,668,372, 8547 Shares of Rs. 1 each in Voltas Ltd at a Price of Rs. 1,255,349, 3,864 shares of Rs.2 in Dishman Pharmaceuticals & Chemicals Ltd at a cost of Rs. 794,401, 4,132 shares of Rs. 10 in IRB Infrastructure Developers Ltd at a cost of Rs. 874,047, 6,704 shares of Rs.2 in Unitech Ltd at a cost of Rs. 358,596, 2,875 shares of Rs.10 in United Breweries Holdings Ltd at a cost of Rs. 573,325, 2,513 shares of Rs.10 in Unity Infraprojects Ltd at a cost of Rs. 1,022,812,

B. Mutual Funds (fully paid-up, unquoted) for the Year 01/04/2009 to 31/03/2010 (Figures in Rs.):

Purchases:

12,942.872 Units Of Rs10 each in HDFC Cash Management Savings Growth at a cost of Rs. 238,000, 15,482.063 Units Of Rs10 each in HDFC Cash Management Savings Growth at a cost of Rs. 285,000, 42,962.279 Units Of Rs 10 each in HDFC Cash Management Savings Growth at a cost of Rs. 791,000, 68,195.606 Units Of Rs10. each in HDFC Cash Management Savings Growth at a cost of Rs. 1,259,000, 96,255.179 Units Of Rs10 each in HDFC Cash Management Savings Growth at a cost of Rs. 1,777,000, 39,862.833 Units Of Rs10 each in HDFC Cash Management Savings Growth at a cost of Rs. 737,000, 35,399.282 Units Of Rs10. each in HDFC Cash Management Savings Growth at a cost of Rs. 655,000, 37,825.979 Units Of Rs10. each in HDFC Cash Management Savings Growth at a cost of Rs. 700,000, 5,643.671 Units Of Rs10. each in HDFC Cash Management Savings Growth at a cost of Rs. 106,000, 89,614.637 Units Of Rs.10 each in HDFC QIF Plan C Wholesale Div at a cost of Rs. 896,146.37, 37,030.122 Units Of Rs.10 each in HDFC QIF Plan C Wholesale Div at a cost of Rs.370,301.22, 883,224.72 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 8,850,000, 678.997 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 6,801, 670.694 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 6,718, 653.539 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 6,546, 662.86 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 6,639, 672.201 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 6,733, 646.157 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 6,472, 690.918 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 6,920, 709.185 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 7,103, 674.264 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 6,753, 683.654 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 6,847

604.151 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 6,052, 479.973 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a cost of Rs. 4,809.

Sales:

32,549.788 Units Of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.600,000, 10,838.17 Units Of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.200,000, 96,194.862 Units Of

Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.1,776,180.41, 21,620.804 Units Of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.400,000, 37,831.294 Units Of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.700,000, 885000 Units Of Rs.10 each in HDFC QIF Plan C Wholesale Div at a price of Rs. 8,850,000, 3,846,713.475 Units Of Rs.10 each in HDFC QIF Plan C Wholesale Div at a price of Rs. 38,467,135, 891,051.311 Units Of Rs.10 each in HDFC CM Treasury Advantage Plan- WD at a price of Rs. 8,935,641,155,504.846 Units of Rs 18.8558 each in HDFC Cash Management Savings Growth at a Price of Rs.2,932,168.27

C. Investments under PMS purchased and sold during the Year 01/04/2008 to 31/03/2009

Equity Shares (fully paid-up,quoted) for the Year 01/04/2008 to 31/03/2009 (Figures in Rs.):

Purchases:

3998 Equity Shares of Re.2 each in AIA Engineering Ltd at a cost of Rs 541655, 25136 Equity Shares of Re.1 each in Apollo Tyres Ltd at a cost of Rs 492072, 300 Equity Shares of Re.10 each in BHEL Ltd at a cost of Rs 427883, 3307 Equity Shares of Re.5 each in Biocon Ltd at a cost of Rs 399447, 2687 Equity Shares of Re.2 each in Blue Star Ltd at a cost of Rs 414625, 4130 Equity Shares of Re.2 each in Crompton Greaves Ltd at a cost of Rs 562904, 1602 Equity Shares of Re.10 each in ICICI Bank Ltd. at a cost of Rs 718991, 713 Equity Shares of Re.5 each in Infosys Technologies Ltd. at a cost of Rs 823616, 914 Equity Shares of Re.5 each in Maruti Suzuki Ltd. at a cost of Rs 449730, 803 Equity Shares of Re.10 each in ONGC at a cost of Rs 550306, 4575 Equity Shares of Re.2 each in Pantaloon Retail India Ltd. at a cost of Rs 961131, 1650 Equity Shares of Re.2 each in Satyam Computers Ltd at a cost of Rs 276006, 1366 Equity Shares of Re.1 each in Tata Consultancy Services Ltd at a cost of Rs 662425, 822 Equity Shares of Re.10 each in Jammu & Kashmir Bank Ltd at a cost of Rs 280248,

5025 Equity Shares of Re.2 each in United Phosphorous Ltd. at a cost of Rs 555913, 3984 Equity Shares of Re.1 each in Zee Entertainment Ltd at a cost of Rs 554268, 779 Shares Of Re.10 each in State Bank of India Ltd at a cost of Rs. 1293976, 1038 Shares Of Re.5 each in Sun Pharmaceuticals Industries Ltd at a cost of Rs. 2328384, 742 Shares of Rs. 10 each in Bank of Baroda Ltd at a Cost of Rs. 135701, 977 Shares of Rs. 10 each in Bharat Petroleum Corp at a Cost of Rs. 334915, 643 Shares of Rs. 10 each in Bharti Airtel Ltd. at a Cost of Rs. 392706, 13610 Shares of Rs. 1 each in Dish TV India Ltd. at a Cost of Rs. 299526, 4701 Shares of Rs. 2 each in HCL Technologies Ltd. at a cost of Rs. 494402, 2506 Shares of Rs. 5 each in Reliance Communications Ltd at a cost of Rs. 427674, 666 Shares of Rs. 10 each in United Spirits Ltd. at a cost of Rs. 347076, 8547 Shares of Rs. 1 each in Voltas Ltd at a cost of Rs. 345174, 238 Shares of Rs. 2 each in Larsen and Toubro Ltd of Rs. 166955

Sales:

15066 Equity Shares of Re.1 each in ITC Ltd at price of Rs. 2659273, 500 Equity Shares of Re.10 each in Bosch Ltd. at price of Rs. 1510171, 1000 Equity Shares of Re.10 each in Procter & Gamble India Ltd at price of Rs. 748938, 15000 Equity Shares of Re.1 each in Shanthi Gears Ltd at price of Rs. 542338, 1811 Equity Shares of Re.2 each in Siemens Ltd at price of Rs. 512680, 12007 Equity Shares of Re.2 each in Carbourundum Universal Ltd at price of Rs.1100759, 832 Shares of Re.5 each in Sun Pharmaceuticals at price of Rs.886965, 7000 Equity Shares Of Re.10 each in Subex Systems Ltd at a price of Rs.1027639, 552 Equity Shares of Re.10 each in Container Corporation of India at a price of Rs.456336, 8000 Equity Shares of Rs. 1 each in Asahi India Safety Glass Ltd at a price of Rs. 299447, 300 Equity Shares of Rs. 10 each in BHEL Ltd at a price of Rs. 430208, 370 Equity Shares of Rs. 5 each in Infosys Technologies Ltd at a price of Rs. 498473, 914 Equity Shares of Rs. 5 each in Maruti Suzuki India Ltd. at a price of Rs. 511052, 803 Equity Shares of Rs. 10 each in ONGC at a price of Rs. 581854, 1650 Equity Shares of Rs. 2 each in Satyam Computers Ltd at a price of Rs. 101304,

666 Equity Shares of Rs. 10 each in United Spirits Ltd. at a price of Rs. 462086, 358 Equity Shares of Rs. 2 each in Larsen & Toubro Ltd at a price of Rs. 304414, 1870 Equity Shares of Rs. 5 each in Sun Pharmaceuticals

Ltd. at a price of Rs. 1919529

D. Mutual Funds (fully paid-up, unquoted) for the Year 01/04/2008 to 31/03/2009 (Figures in Rs.):

Purchases:

18428.312 Units Of Rs10 each in HDFC Cash Management Savings Growth at a cost of Rs.314000, 60278.76 Units Of Rs10 each in HDFC Cash Management Savings Growth at a cost of Rs.1028000, 13267.902 Units Of Rs10 each in HDFC Cash Management Savings Growth at a cost of Rs.229000, 7005.978 Units Of Rs10. each in HDFC Cash Management Savings Growth at a cost of Rs.122000, 60,756.11 Units Of Rs10 each in HDFC Cash Management Savings Growth at a cost of Rs.776013. 95141.47 Units Of Rs10 each in HDFC Cash Management Savings Growth at a cost of Rs.264000, 185748.04 Units Of Rs10. each in HDFC Cash Management Savings Growth at a cost of Rs.3349000, 81704.477 Units Of Rs.10 each in HDFC QIF Plan C Wholesale Div at a cost of Rs.817535, 77601.305 Units Of Rs.10 each in HDFC QIF Plan C Wholesale Div at a cost of Rs.776013. 95141.47 Units Of Rs.10 each in HDFC QIF Plan C Wholesale Div at a cost of Rs.951415., 18735.182 Units of Rs 10 each in HDFC Cash Management Savings Growth at a cost of Rs. 339000, 53630.409 Units Of Rs 10 each in HDFC Cash Management Savings Growth at a cost of Rs. 971000,

9166.763 Units of Rs 10 each in HDFC Cash Management Savings Growth at a cost of Rs. 166000, 12913.765 Units of Rs 10 each in HDFC Cash Management Savings Growth at a cost of Rs. 234000, 6823.497 Units of Rs 10 each in HDFC Cash Management Savings Growth at a cost of Rs. 124000, 25600.684 Units of Rs 10 each in HDFC Cash Management Savings Growth at a cost of Rs. 467000, 8460.052 Units of Rs 10 each in HDFC Cash Management Savings Growth at a cost of Rs. 155000, 12748.639 Units of Rs 10 each in HDFC Cash Management Savings Growth at a cost of Rs. 234000, 97057.48 Units of Rs.10 each in HDFC QIF Plan C Wholesale Div at a cost of Rs.970575.

Sales:

141695.744 Units Of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.2400000, 76143.619 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.1300000, 55613.64 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.1000000, 33339.82 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.600000, 29119.65 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.524288, 149588.63 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.2700000, 33226.64 Units Of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.600000, 17578.525 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.318071.10, 11041.976 Units Of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.200000, 38638.81 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.700000, 33030.371 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.600000, 10951.103 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.200000,

10948.885 Units Of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.200000., 16386.279 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.300000, 5872.876 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.107599.31, 8460.052 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.155115.90, 12748.639 Units of Rs.10 each in HDFC Cash Management Savings Growth at a price of Rs.234325.08.

26 Investments purchased and sold during the Year.

Scheme	Face Value	Unit	Cost (Rs. In millions)
Aig India Liquid Fund Super Ip Daily Dividend Reinvestment	1000	399,629.29	400.03
AIG India Treasury Fund Super IP Daily Dividend Reinvestment	1000	40,050,795.10	400.95
Axis Liquid Fund Daily Dividend-Reinvestment	1000	758,006.93	758.01
Axis Treasury Advantage Fund- Dividend	1000	931,272.82	931.27

Baroda Pioneer Liquid Fund-Insti Daily Dividend	10	133,200,194.51	1,337.02
Baroda Pioneer Treasury Advantage Fund-insti Daily Dividend	10	114,797,377.78	1,149.02
Bharti AXA Liquid Fund Dividend	1000	5,007.95	5.01
Birla Sunlife Cash Plus Fund Insti Premium Plan Dividend Reinvestment	10	262,948,089.54	2,634.61
Birla Sunlife Savings Fund Insti Dividend Reinvestment	10	180,822,900.74	1,809.46
Birla Sunlife Short Term Fund Insti Dividend Reinvestment	10	27,258,934.49	272.74
Canara Robeco Liquid Fund-Insti -Daily Dividend	10	343,915,944.84	3,453.26
Canara RobecoTreasury Advantage Fund Super IP -Insti-Daily Dividend	10	117,545,464.17	1,458.40
DSP Blackrock Cash Manager Fund-Regular Plan-Daily Dividend	1000	112,013.62	12.01
DSP Blackrock Floating Rate Fund-Inst Plan-Daily Dividend	1000	112,023.84	112.08
DWS Insta Cash Plus Fund IP Dividend Reinvestment	10	7,613,007.27	76.52
DWS Insta Cash Plus Fundsuper Ip Dividend Reinvestment	10	109,127,334.14	1,094.63
DWS Ultra Short Term Fund Institutional Plan Dividend Reinvestment	10	92,376,373.91	925.42
Fortis Money Plus Institutional Plan-Daily Dividend	10	34,900,934.72	349.12
Fortis Overnight Institutional Plus-Daily Dividend	10	153,588,299.93	1,536.34
HDFC Floating Rate Fund Dividend Reinvestment	10	257,464,493.96	2,595.47
HDFC Liquid Fund Premium Plan Dividend Reinvestment	10	1,071,049,007.86	13,043.71
HDFC Treasury Advantage Fund Dividend Reinvestment	10	288,115,728.12	2,890.23
HSBC Cash Plus Inst. Plus -Daily Dividend	10	17,091,499.97	171.01
HSBC Floating Rate Fund - Long Term - Weekly Dividend	10	49,205,196.55	553.09
ICICI Prudential Flexible Income Plan-Premium Daily Dividend-Reinvestment	10	149,297,748.92	2,609.00
ICICI Prudential Institutional Liquid Plan-Super IP-Daily Dividend-Reinvestment	10	250,873,258.46	3,942.84
IDFC Cash Fund Super Insti Plan C Daily Dividend	10	472,427,963.59	4,725.46
IDFC Money Manager Fund-TP-SIP Daily Dividend	10	321,522,639.46	3,215.71
JM High Liquidity Fund Institutional Dividend Reinvestment	10	212,357,165.97	2,127.08
JM Money Manager Fund Daily Dividend	10	141,013,746.53	1,410.88
JP Morgan India Liquid Plus Fund-Daily Dividend - Reinvestment	10	276,736,533.48	2,769.83
JP MorganIndia Liquid Fund-Daily Dividend-Reinvestment	10	395,215,115.51	3,955.27
Kotak (Insti) Daily Dividend-Reinvestment	10	298,006,677.37	3,644.06
Kotak Floater Long Term Daily Dividend	10	280,524,105.49	2,827.63
LIC Floating Rate Fund-Dividend Option-Daily	10	189,018,325.07	1,890.78
LIC Floating Rate Fund-Dividend Option-Weekly	10	58,345,370.80	592.65
LIC Income Plus Fund-Dividend Option	10	234,031,599.33	2,340.32
LIC LIQUID Fund-Dividend Option	10	436,695,668.16	4,794.96
LIC Savings Plus Fund-Dividend Option	10	130,224,287.95	1,302.24
LIC Floating Rate Fund -Dividend Option	10	69,811,490.16	708.50
Principal Floating Rate Fund FMP-Insti - Daily Dividend - Reinvestment	10	20,658,012.15	206.83
Principal Cash Management Fund - Liquid Plan Ip-Daily Dividend - Reinvestment	10	563,792,239.04	5,638.32
Principal ultra Short Term Fund Daily Dividend - Reinvestment	10	98,498,440.38	986.95
Reliance Floating Rate Fund-Daily Dividend Reinvestment Plan	10	340,245,388.22	3,426.17
Reliance Liquid Fund-Retail Plan-Daily Dividend Plan	10	79,561,491.47	1,212.72

Reliance Liquid Fund-Treasury Plan-Daily Dividend Plan	10	1,152,693,816.84	17,261.31
Reliance Medium Term Fund-Daily Dividend -Reinvestment Plan	10	433,110,476.60	7,404.24
Reliance Money Manager Fund-Institutional Plan-Daily Dividend -Reinvestment Plan	1000	5,326,664.55	5,332.72
Religare Liquid Fund-Super Institutional Plan-Daily Dividend	10	488,808,933.48	4,996.22
Religare Short Term Plan-Institutional Plan-Daily Dividend	10	257,504,597.35	2,589.13
Religare Ultra short Term Fund-Institutional Plan-Daily Dividend	10	151,750,309.22	1,519.89
SBI Magnum Insta Cash Fund-Dividend	10	110,779,629.63	1,855.59
SBI Shf Ultra Short Term Fund-daily Dividend-reinvestment	10	91,193,283.87	912.43
Sundaram BNP Paribas Money Fund Super IP-Daily Dividend-Reinvestment	10	3,582,056.18	36.16
Tata Floater Fund-Daily Dividend-Reinvestment	10	126,968,972.85	1,274.21
Tata Liquid Super High Investment Fund-Daily Dividend-Reinvestment	1000	1,308,984.76	1,458.89
Templeton India Treasury Management Fund-Super IP-Daily Dividend-Reinvestment	1000	2,268,909.30	2,270.44
Templeton India Ultra Short Term Bond Fund-Super IP-Daily Dividend-Reinvestment	10	178,245,857.37	1,784.53
UTI Floating Rate Fund - Short Term Plan-Daily Dividend Option Reinvestment	1000	2,419,151.14	2,428.29
UTI Liquid Cash Plan - Insti-Daily Income Option Reinvestment	1000	14,606,123.91	14,890.15
UTI Money Market Fund - Insti-Daily Income Option Reinvestment	1000	393,820.82	395.15
UTI Treasury Advantage Fund - Insti Plan-Daily Income Option Reinvestment	1000	4,346,767.27	4,347.70
Fidelity Cash Fund Super IP Daily Dividend	10	991,420.51	10

27 Dividend Received from subsidiary company -NIL

28 As per Accounting Standard - 27 - 'Financial reporting of interest in Joint Ventures' issued by the Institute of Chartered Accountants of India, 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 31.03.2010	As at 31.03.2009
Name of the Joint Venture	*Barak Power Private Ltd	*Barak Power Private Ltd
Company's ownership interest	50%	50%
Assets (Rs. in millions)	1.25	1.25
Liabilities (Rs. in millions)	0.79	0.78
Income (Rs. in millions)	NIL	NIL
Expenditure (Rs. in millions)	0.04	NIL
Contingent Liabilities (Rs. in millions)	NIL	NIL
Capital Commitments (Rs. in millions)	NIL	NIL

*Based on audited figures as on 31.03.2010.

29 Loans and Advances due from directors-NIL.

30 Current tax expense for the year includes an amount of Rs.252.30 lacs on ESOP expenses for the previous year based on recent decision of Delhi Income Tax Appellate Tribunal.

31 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.

32 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.

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

Number of shareholders	1800	1245
Number of shares held	1461002	898495
Dividend remitted (Rs.in millions)	1.75	0.90
Year to which it relates	2008-09	2007-08

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.

(Deepak Amitabh)
Director
DIN 01061535

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

Date : August 12, 2010
Place : New Delhi

(Neena Goel)
Partner
M.No.057986

(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 31* March, 2010

II Capital raised during the year (Amount – Rs. in thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	*Private Placement	
		**671280	
		* Does not include share premium of 43,363.50	
		** Includes shares issued in QIP and vesting of ESOP	

III Position of Mobilisation and Deployment of Funds (Amount – Rs. in thousands)

Total Liabilities	24,951,770	Total Assets	24,951,770
Sources of Funds			
Paid-up Capital	2,945,470	Reserves and Surplus	18,016,900
Secured Liabilities	Nil	Unsecured Loans	Nil
Deferred Tax Liability	89650		
Application of Funds			
Net Fixed Assets*	425,600	Investments	8,760,120
*Includes Capital Work in Progress of 8250			
Net Current Assets	11,866,300		
Accumulated Losses	Nil		

IV Performance of Company (Amount – Rs. in thousands)

Turnover*	78,445,070	Total Expenditure	77,127,140
* including 'Other Income'			
Profit/(Loss) before Tax	1,317,930	Profit/(Loss) after Tax	941,010
Earnings per share in Rs.	3.31	Dividend Rate %	12
Dilutive earnings per share in Rs.	3.28		

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

(Deepak Amitabh)
Director
DIN. 01061535

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

As per our Report of even date attached
For T.R. Chadha & Co.
(Firm Registration No. 006711N)
Chartered Accountants

(Rajiv Maheshwari)
Company Secretary

Dated : August 12, 2010
Place : New Delhi

(Neena Goel)
Partner
M.No. 057986

AUDITORS' 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 2010, 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 its subsidiaries, whose consolidated financial statements reflect total assets of Rs. 9569.04 millions as at 31st March 2010, total consolidated revenue of Rs. 534.90 millions and consolidated cash flows amounting to Rs. 1742.18 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. The auditors of the subsidiary company have stated in their report that-
 - a) They did not audit the financial statements of the associate companies for the year ended March 31, 2010 viz., Ind-Barath Energy (Utkal) Limited, Ind-Barath Power Gencom Limited, Indian Energy Exchange Limited, Meenakshi Energy Private Limited, PTC Bermaco Green Energy Systems Limited and Varam Bio-Energy Private Limited, whose financial statements reflect net accumulated losses of Rs. 91.60 millions, the subsidiary's cumulative share of net losses of Rs. 23.82 millions as at 31st March, 2010, and the subsidiary's share of net losses of Rs.10.92 millions for the year then ended as considered in their 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, insofar as it relates to the amounts included in respect of those associates is based solely on the reports of the other auditors upon which they have relied.
4. We did not audit the financial statements of the associate companies for the year ended March 31, 2010 viz Krishna Godavari Power Utilities Limited, Athena Energy Ventures Private Limited and Teesta Urja Limited and R S India Global Energy Limited, whose financial statements reflect net accumulated losses of Rs. 459.95 millions, the Group's cumulative share of net losses of Rs. 73.68 millions the Group's share of net losses of Rs. 65.77 millions as at 31st March, 2010 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 us by the Company's management, and our opinion, insofar as it relates to the amounts included in respect of those associates is based solely on the reports of the other auditors on which we have noticed.
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.
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 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 2010;
 - (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.No. 057986

Date: 12th August, 2010
Place: New Delhi

ACCOUNTING POLICIES

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	
			As on 31.03.2010	As on 31.03.2009	As on 31.03.2010	As on 31.03.2009
1.	PTC India Financial Services Limited	Subsidiary	77.60%	77.60%	-	-
2	PTC Energy Ltd	Subsidiary	100%	100%	-	-
3	Barak Power Private Limited	Joint Venture	50%	50%	-	-
4	Athena Energy Ventures Private Limited	Associate	20%	20%	(5.92)	(9.04)**
5	Krishna Godavari Power Utilities Limited***	Associate	34.64%	38.79%	-	-
6	Teesta Urja Limited*	Associate	-	33%	(59.85)	-
7	Ind-Barath Energy (Utkal) Limited***	Associate	20.55%	-	-	-
8	Ind-Barath PowerGenCom Limited	Associate	26%	26%	2.99	-
9	India Energy Exchange Limited	Associate	26%	26%	9.94	(9.10)
10	Meenakshi Energy Private Limited***	Associate	26%	26%	-	0.19
11	PTC Bermaco Green Energy Systems Limited***	Associate	26%	26%	-	-
12	RS India Wind Energy Limited	Associate	37%	37%	(1.26)	3.74
13	Varam Bio Energy Private Limited	Associate	26%	26%	(23.89)	(4.18)
14	RS India Global Energy Limited	Associate	48%	48%	(1.75)	0.09

*ceased to be an associate on March 10, 2010

**Includes Group share of Nil (Previous Year Rs.8.94 mn) on account of difference between audited and un-audited profit/ (loss)

***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.
- 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.
- Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable
- Dividend is accounted when the right to receive is established.
- Fees 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

- Liability in respect of defined benefit plans is accounted for on actuarial valuation basis at the year/period end.
- Actuarial gains and losses are recognized in the profit and loss account in the year of its occurrence.
- 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 recognized 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 such 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, 2010

(Amount in Rs. Million)

Particulars	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	2,945.47	2,274.19
Reserves and Surplus	B	<u>18,390.00</u>	<u>13,321.71</u>
		21,335.47	15,595.90
Minority Interest		1,419.75	1,362.91
Loan Funds			
Secured Loans	C	3,108.01	200.00
Unsecured Loans		-	-
Deferred Tax Liabilities (Net)		<u>128.35</u>	<u>90.86</u>
Total		<u><u>25,991.58</u></u>	<u><u>17,249.67</u></u>
APPLICATION OF FUNDS			
Fixed Assets	D		
Gross Block		960.15	605.03
Less: Depreciation		<u>193.28</u>	<u>138.58</u>
Net Block		766.87	466.45
Capital Work-in-Progress		<u>9.48</u>	<u>9.62</u>
		776.35	476.07
Incidental Expenditure during construction	E	0.77	0.77
Investments	F	8,095.96	5,322.69
Loan Financing	G	2,662.01	200.00
Current Assets, Loans and Advances	H		
Sundry Debtors		5,315.16	3,545.67
Cash and Bank Balances		12,451.59	10,515.45
Other Current Assets		123.30	17.47
Loans & Advances		<u>551.80</u>	<u>182.66</u>
		<u>18,441.85</u>	<u>14,261.25</u>
Less: Current Liabilities & Provisions	I		
Current Liabilities		3,550.68	2,568.51
Provisions		<u>434.68</u>	<u>442.64</u>
		<u>3,985.36</u>	<u>3,011.15</u>
Net Current Assets		14,456.49	11,250.10
Miscellaneous Expenditure (to the extent not written off)			
Preliminary Expenses		-	0.03
Pre operative Expense		-	0.01
Total		<u><u>25,991.58</u></u>	<u><u>17,249.67</u></u>

Notes to the Accounts

O

Schedule A to O and Accounting Policies form integral part of the Consolidated Financial Statements

(Deepak Amitabh)
Director
DIN 01061535

(Tantra Narayan Thakur)
Chairman & Managing Director
DIN 00024322

As per our Report of even date attached
For T.R. Chadha & Co.,
(Firm Registration No. 006711N)
Chartered Accountants

Dated : August 12, 2010
Place : New Delhi

(Neena Goel)
Partner
M.No. 057986

(Rajiv Maheshwari)
Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs. Million)

Particulars	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
INCOME			
Sales of Electricity		76,490.06	64,396.02
Sales of coal		269.06	-
Other operational income	J	421.01	151.68
Rebate on purchase of power		1,111.15	832.33
Service charges		47.90	47.38
Surcharge on sale of power		54.31	13.09
Other income	K	865.55	937.27
		<u>79,259.04</u>	<u>66,377.77</u>
EXPENDITURE			
Purchase of Electricity		75,834.64	63,864.32
Purchase of coal		258.94	-
Rebate on sale of power		915.96	871.65
Employee cost	L	217.12	161.08
Other expenses	M	282.17	198.56
		<u>77,508.83</u>	<u>65,095.61</u>
Profit/(Loss) before depreciation/amortisation and prior period items		<u>1,750.21</u>	<u>1,282.16</u>
Depreciation/amortisation	D	55.69	62.40
Prior period adjustments (net)	N	2.31	1.05
Profit before tax		<u>1,692.21</u>	<u>1,218.71</u>
Provision for taxation			
-Current tax		447.95	179.96
-Deferred tax charge/(credit) (refer note no.2)		37.48	45.09
-Wealth tax		0.11	0.19
-Fringe benefit tax		-	2.31
Profit after tax and before share of associates and minority interest		<u>1,206.67</u>	<u>991.16</u>
Adjustment on consolidation for pre-acquisition profit			(13.37)
Profit for the year before share of associates and minority interest		<u>1,206.67</u>	<u>977.79</u>
Profit/(loss) of associates (including share of Rs.13.51 mn (Previous year Rs.0.04mn) for prior period expenses)		(79.69)	(18.31)
Less: Minority interest in profit/(loss)		54.29	18.60
Net profit for the year after share of associates and minority interest		<u>1,072.69</u>	<u>940.88</u>
Balance as per last account		703.11	475.13
Balance available for appropriations		<u>1,775.80</u>	<u>1,416.01</u>
Less: Appropriations			
-Proposed dividend		353.46	352.90
-Dividend Tax on proposed dividend		58.71	59.98
-Transfer to contingency reserve		-	10.47
-Transfer to statutory reserve fund		50.95	17.06
-Transfer to general reserve		282.30	272.49
Balance carried to balance sheet		<u>1,030.38</u>	<u>703.11</u>
Notes to the Accounts	O		
Earnings per share-Basic		<u>3.78</u>	<u>4.14</u>
Earnings per share-Diluted		<u>3.74</u>	<u>4.14</u>

Schedule A to O and Accounting Policies form integral part of the Consolidated Financial Statements

(Deepak Amitabh)
Director
DIN 01061535

(Tantra Narayan Thakur)
Chairman & Managing Director
DIN 00024322

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

Dated : August 12, 2010
Place : New Delhi

(Rajiv Maheshwari)
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs. Million)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1,692.21	1,218.71
Adjustment for:		
Depreciation	55.69	62.40
ESOP expenses written off	112.81	75.23
Pre-operative expenses written off	0.02	-
Preliminary expenses written off	0.03	-
Loss on sale of fixed assets	0.04	0.02
Excess provision written back	(4.09)	(12.05)
Foreign exchange fluctuation	0.01	0.05
Interest others	116.15	36.17
Other income	(679.52)	(934.35)
Profit on sale of investment	(156.44)	(92.98)
Provision for diminution	-	(23.90)
Operating profit before adjustments (including working capital changes)	1,136.91	329.30
Adjustments for:		
Disbursement of loan financing	(2,462.01)	(200.00)
Purchase of investments (net)	(2,066.92)	(882.24)
Sundry debtors	(1,769.47)	(1,751.62)
Loans and advances	(328.76)	21.09
Current liabilities	908.93	652.67
Provisions	(1.51)	8.44
Cash generated/ (used) from/for operating activities	(4,582.83)	(1,822.36)
Direct taxes paid (net)	(502.66)	(175.52)
Net cash generated/ (used) from/for operating activities (A)	(5,085.49)	(1,997.88)
CASH FLOW FROM INVESTING ACTIVITIES		
Other income	587.89	930.98
Purchase of fixed assets	(356.14)	(6.82)
Pre-operative & preliminary expenses	-	(0.03)
Sale of fixed assets	0.15	0.02
Sale/(purchase) of investments in associates	(198.03)	(813.92)
Sale/ (purchase) of other investments (net)	(586.11)	10,201.20
Profit on sale of investment	156.44	92.98
Interest-others	(3.91)	(46.57)
Net cash generated/ (used) in investing activities (B)	(399.71)	10,357.84
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of additional Shares (including share premium net of expense)	4,966.89	981.33
Proceeds from long term borrowings	2,662.01	200.00
Proceeds from short term borrowings	246.00	-
Interest and other charges	(40.68)	(0.05)
Dividend paid (Including dividend tax)	(412.88)	(266.07)
Cash flow generated/(used) from financing activities (C)	7,421.34	915.21
Net increase/ (use) in cash and cash equivalent (A+B+C)	1,936.14	9,275.17
Cash and Cash equivalent (Opening Balance)	10,515.45	1,240.28
Cash and Cash equivalent (Closing Balance)	12,451.59	10,515.45

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. 5.51 Millions (Previous year Rs. 4.34 Millions) kept in dividend unpaid account.
- Previous year's figures have been rearranged/regrouped wherever necessary.

(Deepak Amitabh)
Director
DIN 01061535

(Tantra Narayan Thakur)
Chairman & Managing Director
DIN 00024322

As per our Report of even date attached
For T.R. Chadha & Co.,
(Firm Registration No. 006711N)
Chartered Accountants

Dated : August 12, 2010
Place : New Delhi

(Neena Goel)
Partner
M.No. 057986

(Rajiv Maheshwari)
Company Secretary

SCHEDULE - FORMING PART OF CONSOLIDATED ACCOUNTS

(Amount in Rs. Million)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised		
750,000,000 (Previous year 750,000,000)	7,500.00	7,500.00
Equity shares of Rs.10/- each	<u>7,500.00</u>	<u>7,500.00</u>
Issued, Subscribed & Paid Up*		
294,547,401 (Previous year 227,419,000)		
Equity Shares of Rs.10/- each fully paid up	2,945.47	2,274.19
(*For details of options with respect to equity shares, refer Note No.8)	<u>2,945.47</u>	<u>2,274.19</u>
SCHEDULE 'B'		
RESERVES & SURPLUS		
Share Premium		
Balance brought forward	11,589.87	11,589.87
Add: Addition during the year		
-Received on qualified institutional placement (QIP)	4,333.26	1,455.50
-Transferred from ESOP Outstanding A/c on exercise of Employee Stock Option (ESOP)	31.97	-
-Received on exercise of ESOP	3.09	-
Less: Minority interest	-	289.64
Less: Share issue expenses	(40.74)	-
Less: Adjustment on consolidation	-	1,165.86
Sub Total (i)	<u>15,917.45</u>	<u>11,589.87</u>
General Reserve		
Balance Brought Forward	848.57	576.08
Add: Additions during the year	282.30	272.49
Sub Total (ii)	<u>1,130.87</u>	<u>848.57</u>
Capital Reserve on Consolidation		
Balance Brought Forward	77.63	77.63
Add: Additions during the year	1.91	-
Sub Total (iii)	<u>79.54</u>	<u>77.63</u>
Statutory Reserve Fund [in terms of Section 45-IC of the Reserve Bank of India, 1934]		
Balance Brought Forward	17.06	-
Add: Additions during the year	50.95	17.06
Sub Total (iv)	<u>68.01</u>	<u>17.06</u>
Contingency Reserve		
Balance Brought Forward	10.47	-
Add: Additions during the year	-	10.47
Sub Total (v)	<u>10.47</u>	<u>10.47</u>
Surplus being balance in Profit & Loss Account	1,030.38	703.11
Sub Total (vi)	<u>1,030.38</u>	<u>703.11</u>
Employee Stock Options (ESOP)		
ESOP Outstanding	322.61	291.55
Less: Deferred Employee Compensation	(169.33)	(216.55)
Sub Total (vii)	<u>153.28</u>	<u>75.00</u>
Grand Total (Sub Total (i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii))	<u>18,390.00</u>	<u>13,321.71</u>

SCHEDULE - FORMING PART OF CONSOLIDATED ACCOUNTS

(Amount in Rs. Million)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'C'		
LOAN FUND SECURED		
Term loans from banks (Refer note I below)	862.01	200.00
Debentures (Refer note II below)	2,000.00	-
Short term loan from bank (Refer note III below)	246.00	-
	<u>3,108.01</u>	<u>200.00</u>

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) of PTC India Financial Services Limited (PFS). 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. 3.13 mn (previous year - Rs. Nil).
- (II) 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 privately placed 9.35% secured redeemable non convertible debentures of Rs.1,000,000 each (Series 2) allotted on February 3, 2010 redeemable in entirety on February 2, 2012.
Series I are secured and Series 2 has to be secured, by way of mortgage of immovable building of PFS and first charge by way of hypothecation of the receivables of the loan assets created by the proceed of respective debentures. Further Series I has also been secured by pari passu charge by way of hypothecation of the receivable of loan assets created by the PFS out of its own sources which are not charged to any other lender of the PFS.
- (III) The short term loan are secured by way of fixed deposits of PFS lying with the bank. Amount payable within one year Rs. 246 mn (previous year - Rs. Nil).

SCHEDULE 'D'

FIXED ASSETS

(Amount in Rs. Million)

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	AS AT 01.04.09	ADDITIONS	SALES/ ADJUSTMENTS	AS AT 31.03.2010	UPTO 01.04.2009	FOR THE YEAR	SALES/ ADJUSTMENTS	UP TO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.09
TANGIBLE ASSETS										
Land										
Leasehold Land - Perpetual Lease	34.43	-	-	34.43	-	-	-	-	34.43	34.43
Leasehold Land - Others	1.26	-	-	1.26	0.06	0.06	-	0.12	1.14	1.20
Buildings	149.17	1.19	-	150.36	45.83	5.19	-	51.02	99.34	103.34
Furniture and Fixture	18.24	2.34	(0.05)	20.53	12.80	1.40	(0.03)	14.17	6.36	5.44
Vehicle	5.10	1.98	-	7.08	2.26	1.00	-	3.26	3.82	2.84
Plant & Machinery	354.74	347.94	-	702.68	49.47	42.20	-	91.67	611.01	305.27
Office Equipments	27.56	2.33	(1.11)	28.78	19.71	2.87	(0.96)	21.62	7.16	7.85
Capital Expenditure Not Represented by Capital Asset	5.54	-	-	5.54	1.89	1.85	-	3.74	1.80	3.65
INTANGIBLE ASSETS										
Computer Software	6.49	-	-	6.49	5.93	0.23	-	6.16	0.33	0.57
Membership fee to power exchanges	2.50	0.50	-	3.00	0.63	0.89	-	1.52	1.48	1.87
Total	605.03	356.28	(1.16)	960.15	138.58	55.69	(0.99)	193.28	766.87	466.45
Previous Year	613.56	8.39	(16.92)	605.03	79.09	62.40	(2.91)	138.58	466.45	-
Capital Work In Progress	9.62	0.96	(1.10)	9.48	-	-	-	-	9.48	9.62

(Amount in Rs. Million)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'E'		
INCIDENTAL EXPENDITURE DURING CONSTRUCTION		
Professional fee for Pre-Feasibility reports	0.77	0.77
	<u>0.77</u>	<u>0.77</u>

SCHEDULE - FORMING PART OF CONSOLIDATED ACCOUNTS

(Amount in Rs. Million)

Particulars	Face Value Rs.	Quantity As at 31.03.20010	Quantity As at 31.03.2009	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'F'					
INVESTMENTS					
Long Term Trade Investments - Unquoted					
Equity Shares Fully paid up					
Associate Companies					
- Athena Energy Ventures Private Limited	10	48,000,000	30,000,000	466.17	292.09
- Krishna Godavri Power Utilities Limited	10	19,503,493	19,503,493	195.03	195.03
- Ind-Barath Powergencom Limited	10	55,929,491	55,630,000	559.29	556.30
- Indian Energy Exchange Limited (including capital reserve of Rs. 0.19 millions)	10	7,049,865	6,939,190	70.50	60.52
- Meenakshi Energy Private Ltd (including capital reserve Rs. 0.19 million)	10	43,569,309	15,000,000	435.69	150.19
- PTC Bermaco Green Energy Systems Ltd	10	843,684	490,838	8.44	4.91
- RS India Wind Energy Limited	10	57,559,163	57,311,415	575.59	576.85
- Varam Bio Energy Private Limited	10	1,583,231	4,111,942	15.83	36.94
- Ind-Barath Energy (Utkal) Limited	10	105,000,000	-	1,050.00	-
- RS India Global Energy Limited	10	23,402,542	21,600,000	232.37	216.09
Other companies					
- East Coast Energy Private Limited	10	96,511,403	-	965.11	-
- Teesta Urja Limited*	10	125,400,000	125,400,000	1,199.20	1,257.14
Debentures, fully paid up					
Compulsorily and fully convertible debentures in East Coast Energy Private Limited	100,000,000	-	6	-	600.00
Optionally convertible debentures in MEIHPL	10,000,000	34	-	340.00	-
Optionally convertible debentures in Varam Bio Energy Private Limited	500,000	40	-	20.00	-
Long Term Non-Trade Investments - Quoted					
Mutual Funds					
- HDFC FMP 13M March 2010- Growth Series XII	10	20,000,000	-	200.00	-
- Canara Robeco- FMP- Series 5-13 Month (Plan A)-Growth	10	20,000,000	-	200.00	-
- L&T FMP Series- 12-PLAN 15M -March 10-I- Growth	10	15,000,000	-	150.00	-
- Religare FMP- Series- II Plan -A (13 Months)- Growth	10	30,000,000	-	300.00	-
- Reliance Fixed Horizon Fund -XIV-Series 2-Growth Plan	10	50,000,000	-	500.00	-
- Axis Fixed Term Plan Series1(384Days) -Growth	10	20,000,000	-	200.00	-
Equity Shares					
- 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
- Portfolio Management Services with HDFC AMC Company Limited (Refer Accounting Policy No. 10 for valuation of Investments)		-	-	-	13.71
Others					
- Gold		6000 gm	12000 gm	5.76	11.52
Long Term Non Trade Investments - Unquoted					
Mutual Funds					
- LIC MF Fixed Maturity Plan Series 37-13 Months	10	-	80,000,000	-	800.00
- DSP Merrill Lynch FMP 12.5 Series 384 Days	10	-	50,000,000	-	500.00
Sub Total (i)				7,694.27	5,276.58
Short Term Investments - (Quoted)					
Equity Shares					
Portfolio Management Services with HDFC AMC Limited (AMC) (Refer Accounting Policy no. 10 for valuation of Investments)				-	46.05
Short Term Investments - (Unquoted)					
Mutual Funds					
- JP Morgan India Short Term Income Fund -Growth Plan	10	10,000,000	-	100.00	-
- Axis Short Term Fund-Institutional- Growth	10	10,000,000	-	100.00	-
- Kotak Bond Short Term-Growth	10	11,308,126	-	200.10	-
- Franklin Templeton Money Plus Account	10	98,430	5,630	1.59	0.06
Sub Total (ii)				401.69	46.11
Total (Sub Total (i)+(ii))				8,095.96	5,322.69
Aggregate market value of quoted investments				1,576.68	38.43
Aggregate cost of quoted investments				1,561.04	30.52
Aggregate cost of un-quoted investments				6,534.92	5,292.17

* Ceased to be an Associate w.e.f March 10, 2010.

SCHEDULE - FORMING PART OF CONSOLIDATED ACCOUNTS

(Amount in Rs. Million)

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'G'		
LOAN FINANCING		
(Considered good unless otherwise stated)		
Secured		
Loans	2,662.01	200.00
	<u>2,662.01</u>	<u>200.00</u>
SCHEDULE 'H'		
CURRENT ASSETS, LOANS AND ADVANCES		
i. SUNDRY DEBTORS*		
Outstanding over six months		
- Unsecured, considered good	392.54	54.36
Outstanding for less than six months		
- Unsecured, considered good	4,922.62	3,491.31
*(Refer note no. 3)		
Sub total (i)	<u>5,315.16</u>	<u>3,545.67</u>
ii. CASH AND BANK BALANCES		
Cash in hand (including foreign currency)	0.08	0.07
Balance with Scheduled Banks		
- Term Deposits	11,995.29	10,403.50
- Current Accounts	456.22	111.88
Sub total (ii)	<u>12,451.59</u>	<u>10,515.45</u>
iii. OTHER CURRENT ASSETS		
Interest accrued but not due on:		
-Term deposits	104.53	17.47
-Loans	18.43	-
-Debentures	0.34	-
Sub total (iii)	<u>123.30</u>	<u>17.47</u>
iv. LOANS & ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Loans		
- Employees	10.71	9.42
Advances		
- Barak Power Private Limited (Joint Venture)	0.77	0.77
- Employees	0.83	1.05
Advances recoverable in cash or kind or for value to be received	165.71	60.11
Advance against Investment (Refer Note No.16)	215.31	2.79
Deposits with Customs, Port trust and other authorities	57.72	62.74
Cash and cash equivalent with portfolio managers	0.62	0.25
Advance income tax (Net of provision Rs. 1092.67mn, Previous year Rs. 647.08 mn)	99.44	44.84
Advance fringe benefit tax (Net of provision Rs. 7.71 mn, Previous year Rs. 7.71 mn)	0.69	0.69
Sub total (iv)	<u>551.80</u>	<u>182.66</u>
Total (Sub Total (i)+(ii)+(iii)+(iv))	<u>18,441.85</u>	<u>14,261.25</u>

SCHEDULE - FORMING PART OF CONSOLIDATED ACCOUNTS

(Amount in Rs. Million)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 'I'		
CURRENT LIABILITIES & PROVISIONS		
(i) Current Liabilities		
Sundry creditors		
- Micro and small enterprises	-	-
- Others	3,291.56	2,304.75
Advances from customers	82.52	138.69
Security deposits received	69.08	107.58
Unclaimed dividend	5.51	4.34
Other Liabilities		
- Statutory Liabilities	5.22	4.07
- Others	24.93	9.08
Interest accrued but not due on loan funds	71.86	-
Sub total (i)	<u>3,550.68</u>	<u>2,568.51</u>
(ii) Provisions		
- Employee benefits	15.77	18.80
- Proposed dividend	353.46	352.90
- Dividend tax on proposed dividend	58.71	59.98
- Others	6.74	10.96
Sub total (ii)	<u>434.68</u>	<u>442.64</u>
Total (Sub Total (i)+(ii))	<u>3,985.36</u>	<u>3,011.15</u>
SCHEDULE 'J'		
OTHER OPERATIONAL INCOME		
Interest on compulsorily and fully convertible debentures (Gross)	166.33	4.43
(Tax deducted at source Rs. 17.64 mn, Previous year NIL)		
Interest on loan (Gross)	135.74	0.14
(Tax deducted at source Rs. 15.0 mn, Previous year NIL)		
Dividend	46.41	122.16
- On long term investment- non trade (Previous year Rs. 0.14 mn)	0.11	
- On current investment- non trade (Previous year Rs. 122.02 mn)	46.30	
Consultancy income (Gross) (Tax deducted at source Rs. 4.57 mn, Previous Year Rs. 2.14 mn)	24.44	39.09
Dispatch claim	1.26	-
Fee based income	46.77	9.33
Profit/ (loss) from sale of investment	0.06	(23.47)
- Equity (Previous Year Rs. (36.02) mn)	-	
- Mutual Fund (Previous Year Rs. 12.55 mn)	0.06	
	<u>421.01</u>	<u>151.68</u>
SCHEDULE 'K'		
OTHER INCOME		
Interest (Gross) (Tax deducted at source Rs. 55.68 mn, Previous year Rs. 75.43 mn)	458.65	340.39
- Deposits (Previous Year Rs. 339.74 mn)	457.33	
- Others (Previous year Rs. 0.65 mn)	1.32	
Dividend	235.15	384.43
- on current investments-non trade (Previous Year Rs. 484.22 mn)	234.97	
- on long term investment-non trade (Previous Year Rs. 0.21 mn)	0.18	
Rental income (Gross) (Tax deducted at source Rs.0.97mn, Previous year Rs. 0.83 mn)	5.44	7.47
Profit/ (loss) from sale of investment	156.44	92.98
- on current investments-non trade (Net) (Previous Year Rs. 94.18 mn)	0.83	
- on long term investments-non trade (Net) (Previous Year Rs. (1.20) mn)	155.61	
Foreign currency fluctuation (net)	0.02	(0.05)
Excess provisions written back	4.09	12.05
Miscellaneous incomes	5.76	-
Dispatch claim	-	-
	<u>865.55</u>	<u>937.27</u>

SCHEDULES - FORMING PART OF CONSOLIDATED ACCOUNTS

(Amount in Rs. Million)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 'L'		
EMPLOYEE COST		
Salaries, allowances and benefits	81.57	67.80
Contribution to provident & other funds	3.77	3.00
Gratuity and leave encashment	3.70	6.90
Staff welfare expenses	15.27	8.15
Employee compensation expense (ESOP)	112.81	75.23
	<u>217.12</u>	<u>161.08</u>
SCHEDULE 'M'		
OTHER EXPENSES		
Coal quality inspection fee	0.24	-
Legal and professional charges	16.47	36.22
Fund raising expenses	8.61	-
Consultancy expenses	44.70	38.08
Rent for Company leased accomodation	0.60	0.60
Advertisement	3.25	2.37
Communication	7.43	5.68
Business development	8.13	8.59
Travelling and conveyance expenses	21.07	18.69
Printing and stationery	3.87	3.50
Fees and expenses to directors	2.63	0.92
Repair and Maintenance Expenses		
-Building	2.11	3.58
-Others	2.39	2.37
-Wind mill-operation and maintenance	3.43	-
Bank and financial charges	13.28	10.72
EDP expenses	1.38	1.13
Books and periodicals	0.26	0.44
Insurance expenses	0.47	0.60
Water and electricity expenses	3.62	3.47
Rates, fees and taxes	3.86	26.69
Handling and scheduling charges	-	0.02
Security expenses	1.04	0.93
Property tax	0.40	0.40
Other general expenses	13.15	19.35
Interest	116.15	25.39
Charity and donation	1.38	1.01
Preliminary expenses written off	-	0.26
Auditors' remuneration	1.66	1.63
Loss on sale of fixed assets (net)	0.04	0.02
Provision for diminution in value of investments	-	(23.90)
Expenses relating to increase in share capital	-	9.80
Dispatch claim expenses	0.55	-
	<u>282.17</u>	<u>198.56</u>
SCHEDULE 'N'		
PRIOR PERIOD ADJUSTMENTS (NET)		
INCOME		
Miscellaneous	-	0.15
	<u>-</u>	<u>0.15</u>
EXPENDITURE		
Legal and professional expenses	1.48	0.45
Consultancy expenses	0.01	0.57
Rates, fees and taxes	0.41	-
Preoperative expenses written off	0.02	-
Preliminary expenses written off	0.03	-
Others	0.36	0.18
	<u>2.31</u>	<u>1.20</u>
Prior period adjustments (Net)	<u>2.31</u>	<u>1.05</u>

SCHEDULE 'O'

NOTES TO THE CONSOLIDATED ACCOUNTS

- 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.

- Deferred tax liability/(asset):

(Rs. in Million)		
Particulars	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability on account of timing differences in:		
Depreciation	140.13	99.82
Sub-Total (a)	140.13	99.82
Deferred Tax Assets arising on account of timing differences in:		
Retirement benefits	4.51	4.70
Provision for LTC	-	0.59
Preliminary Expenses	6.84	3.67
Carried forward business losses	0.43	-
Sub-Total (b)	11.78	8.96
Net Deferred Tax Liability/(Assets) (a-b)	128.35	90.86

In case of PTC Energy Limited(subsidiary company), deferred tax asset of Rs. 5.07 mn has been recognized in the books as there is virtual certainty that such deferred tax asset can be realized against future taxable profit as evidenced by long term coal supply orders received by the subsidiary company for the forthcoming financial years.

- 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.
- Current liabilities, sundry debtors and certain balances of loans and advances are subject to confirmation.
- 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.
- Based on the information available with the Group, there are no dues as at March 31, 2010 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.
- Book debts of the Company and PTC Energy Limited (subsidiary company) are hypothecated to the banks for availing the non- fund based working capital facilities.
- 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-08, 22-July-2009
Date of Board Approval	21-Aug-08
Date of Shareholder's 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 1 st year	15%
On completion of 2 nd Year	15%
On completion of 3 rd year	30%
On completion of 4 th Year	40%

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

Particulars	Year Ended 31.03.2010		Year Ended 31.03.2009	
	Number of Shares	Weighted Average Exercise Price (Rs.)	Number of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the Year	4,508,380	22.33	-	-
Granted during the Year	1,705,643	64.20	4,548,380	22.41
Forfeited during the Year	210,846	40.34	40,000	30.91
Exercised during the Year	462,801	16.67	-	-
Expired during the Year	-	-	-	-
Outstanding at the end of the Year	5,540,376	32.31	4,508,380	22.33
Exercisable at the end of the Year	212,706	34.69	-	-
Weighted average remaining contractual life (in years)	4.66	-	5.39	-
Weighted average fair value of options granted during the Year	1,705,643	46.45	4,548,380	66.18

- The details of exercise price for stock options outstanding at the end of the year are as given.

Particulars	As at 31.03.2010	As at 31.03.2009
Range of Exercise Prices (Rs.)	10 to 64.20	10 to 42.88
Number of Options Outstanding	5,540,376	4,508,380
Weighted average remaining	4.66	5.39
Contractual Life of Options (in years)		
Weighted average Exercise Price (Rs.)	32.31	22.33

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

- Effect on profit and loss account :-

(Rs. in Million)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Employee Compensation Cost pertaining to ESOP plan during the Year	101.41	74.23

- Effect on financial position:-

(Rs. in Million)

Particulars	As at 31.03.2010	As at 31.03.2009
Liability for Employee Stock Options outstanding as at the Year end	280.89	285.92
Deferred Compensation Cost outstanding as at the Year end	137.22	211.69

- 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):

(Rs. in Million)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
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	Rs. 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, second tranche of ESOP 2008 was approved by the shareholders on October 23, 2009 and provided for grant of 10,075,000 options exercisable at a price of Rs 16 per share, representing one share for each option upon exercise. During the previous year 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. The maximum tenure of these options granted is 4 years from the respective date of grant.

Movement in stock option	Year Ended 31.03.2010 (in Nos.)		Year Ended 31.03.2009 (in Nos.)	
	Growth	Founder	Growth	Founder
Outstanding the beginning of the year	8,865,000	1,210,000	-	-
Add: Granted during the year	10,075,000	-	8,865,000	1,210,000
Less: Forfeited during the year	544,500	-	-	-
Less: Exercised during the year	-	-	-	-
Less: Expired during the year	-	-	-	-
Options outstanding as at the end of the year	18,395,500	1,210,000	8,865,000	1,210,000

The subsidiary company under the intrinsic value method has recognized the excess of the intrinsic price over the exercise price of the options amounting to Rs.11.40 mn (previous year Rs.0.99 mn) as an expense.

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

Particulars	Year ended 31.03.2010	Year ended 31.03.2009	
	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 as under:-

Particulars	(Rs. in Million)	
	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Profit as reported for the year	1,072.69	940.88
Add: Employee stock compensation under intrinsic value method	112.81	75.23
Less: Employee stock compensation under fair value method	179.67	93.43
Pro forma profit	1,005.83	922.68
Earnings per share (Rs.)		
Basic		
- As reported	3.78	4.14
- As Pro forma	3.54	4.06
Diluted		
- As reported	3.74	4.14
- As Pro forma	3.51	4.06

9. 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.

10. The group is organized into following reportable segments referred to in

Accounting Standard (AS-17) "Segment Reporting":

Segment-wise Revenue, Results and Capital Employed

(Rs. in Million)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Segment Revenue		
Power Trading	77,664.12	65,278.77
Investment	395.49	112.59
Unallocated	1,119.43	986.41
Revenue from operations	79,259.04	66,377.77

(Rs. in Million)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Segment Profit/(Loss) before tax		
Power Trading	615.09	284.10
Investment	230.82	94.48
Unallocated	846.30	840.13
Total Profit Before Tax	1,692.21	1,218.71
Less: Tax Expenses (Including wealth tax & FBT)	485.54	227.55
Profit After Tax	1,206.67	991.16
Add: Adjustment on consolidation for pre-acquisition profit	-	(13.37)
Add: Profit of Associates	(79.69)	(18.31)
Less: Minority Interest	54.29	18.60
Net Profit after Tax	1,072.69	940.88

(Rs. in Million)

Particulars	As at 31.03.2010	As at 31.03.2009
Segment Assets		
Power Trading	6,051.37	3,905.71
Investment	6,812.09	2,209.70
Unallocated	17,113.48	14,145.41
Total Assets	29,976.94	20,260.82

(Rs. in Million)

Particulars	As at 31.03.2010	As at 31.03.2009
Segment Liabilities		
Power Trading	3,480.87	2,584.08
Investment	3,187.25	206.17
Unallocated	553.60	511.76
Total Liabilities	7,221.72	3,302.01

(Rs. in Million)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Capital Expenditure during the Year		
Power Trading	5.46	2.86
Investment	2.64	0.43
Unallocated	348.04	3.53
Total Capital Expenditure	356.14	6.82

(Rs. in Million)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Depreciation/Amortization during the Year		
Power Trading	10.73	10.18
Investment	0.32	0.24
Unallocated	44.63	51.98
Total depreciation/amortization during the Year	55.69	62.40

(Rs. in Million)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Non Cash Expenses (other than depreciation/amortisation) during the year		
Power Trading	98.28	69.20
Investment	11.40	1.00
Unallocated	3.22	5.05
Total	112.90	75.25

11. 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) 31.03.2010	Leave Encashment (Unfunded) 31.03.2009	Post-employment medical benefits (Unfunded) 31.03.2010	Post-employment medical benefits (Unfunded) 31.03.2009	Gratuity (Funded) 31.03.2010	Gratuity (Funded) 31.03.2009
Present value of obligation	14.66	13.24	0.73	2.35	4.45	3.70
Fair value of plan assets	—	—	—	—	4.07	2.15
Net assets / (liability) recognized in balance sheet as provision	(14.66)	(13.24)	(0.73)	(2.35)	(0.38)	(1.55)

(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) 31.03.2010	Leave Encashment (Unfunded) 31.03.2009	Post-employment medical benefits (Unfunded) 31.03.2010	Post-employment medical benefits (Unfunded) 31.03.2009	Gratuity (Funded) 31.03.2010	Gratuity (Funded) 31.03.2009
Present value of obligation as at the beginning of the year	13.24	8.59	2.35	1.90	3.70	2.55
Interest cost	0.99	0.60	0.18	0.13	0.27	0.18
Past service cost	-	-	-	-	0.74	-
Current service cost	3.28	3.27	-	0.12	0.70	0.89
Benefits paid	(1.41)	(1.28)	(0.08)	(0.40)	(0.14)	(0.44)
Actuarial (gain)/loss on obligation	(1.44)	2.06	(1.72)	0.60	(0.82)	0.52
Present value of obligation as at the end of year	14.66	13.24	0.73	2.35	4.45	3.70

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

(Rs. in Million)

Particulars	Gratuity (Funded) 31.03.2010	Gratuity (Funded) 31.03.2009
Fair value of plan assets as at the beginning of the year	2.15	2.40
Expected return on plan assets	0.17	0.21
Actuarial gain/(loss) on obligation	0.02	(0.02)
Contributions	1.87	—
Benefits paid	(0.14)	(0.44)
Fair value of plan assets as at the end of the year	4.07	2.15

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

(Rs. in Million)

Particulars	As at 31.03.2010	As at 31.03.2009
Administered by ICICI Prudential Life Insurance	53%	100%
Bank Balance	47%	—

(e) The amounts recognized in Profit and Loss Account for the year are as follows:

(Rs. in Million)

Particulars	Leave Encashment (Unfunded) 31.03.2010	Leave Encashment (Unfunded) 31.03.2009	Post-employment medical benefits (Unfunded) 31.03.2010	Post-employment medical benefits (Unfunded) 31.03.2009	Gratuity (Funded) 31.03.2010	Gratuity (Funded) 31.03.2009
Current service cost	3.28	3.27	—	0.12	0.70	0.89
Past service cost	—	—	—	—	0.74	—
Interest cost	0.99	0.60	0.18	0.13	0.27	0.18
Expected return on plan assets	—	—	—	—	(0.17)	(0.21)
Curtailment cost/(Credit)	—	—	—	—	—	—
Settlement cost/(Credit)	—	—	—	—	—	—
Net actuarial (gain)/ loss recognized in the year	(1.44)	2.06	(1.72)	0.60	(0.84)	0.54
Expenses recognized in profit and loss account	2.83	5.93	(1.54)	0.85	0.70	1.40

The group expects to contribute Rs.0.77 Million to gratuity and Rs.1.99 Million to leave encashment in 2010-11.

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

(Rs. in Millions)

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	0.003	0.05
II	Increase/(decrease) on present value of defined benefit obligations as at 31st March, 2010	0.05	0.06

(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	Leave Encashment (Unfunded) 31.03.2010	Leave Encashment (Unfunded) 31.03.2009	Post-employment medical benefits (Unfunded) 31.03.2010	Post-employment medical benefits (Unfunded) 31.03.2009	Gratuity (Funded) 31.03.2010	Gratuity (Funded) 31.03.2009
Discounting Rate	7.50%	7.00%	7.50%	7.00%	7.50%	7.00%
Future salary Increase	5.00%	4.50%	5.00%	4.50%	5.00%	4.50%
Expected Rate of return on plan assets	N. A.	N. A.	N. A.	N. A.	8.00%	8.44%
Expected average remaining working lives of employees in number of years	22.54 to 26.15	22.18 to 24.72	N.A.	8.67	23.49 to 29.26	22.18 to 24.72

(h) Demographic Assumption

Particulars	Leave Encashment (Unfunded) 31.03.2010	Leave Encashment (Unfunded) 31.03.2009	Post-employment medical benefits (Unfunded) 31.03.2010	Post-employment medical benefits (Unfunded) 31.03.2009	Gratuity (Funded) 31.03.2010	Gratuity (Funded) 31.03.2009
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	Upto 30 Years	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%
	Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%

12. Details of expenses incurred for defined contribution plans during the year:

(Rs. in Million)

Defined Contribution Plans	For the year ended 31.03.2010	For the year ended 31.03.2009
Provident Fund	3.77	3.00

13. Estimated amount of capital commitments:

(Rs. in Million)

	As at 31.03.2010	As at 31.03.2009
	509.14	10,681.58

14. Details of Contingent liabilities:

a) Claims against the group not acknowledge as debt:

(Rs. in Million)

Particulars	As at 31.03.2010	As at 31.03.2009	Remarks
Claims of suppliers	1285.64	852.87	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	9.81	7.71	Case is pending with the (Appeallate Authority)
Others	92.23	2.23	-
Total	1,387.68	862.81	

b) Bank Guarantees :

(Rs. in Million)

As at 31.03.2010	As at 31.03.2009
2803.00	735.00

c) Letter of Credit:

(Rs. In Millions)

As at 31.03.2010	As at 31.03.2009
906.77	1474.60*

*against energy banking

15. Remuneration to Directors (including Chairman & Managing Director):

(Rs. in Million)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Salary, allowances and benefits	19.50	15.97
Leave salary contribution	0.17	0.27
Contribution to pension fund	0.42	0.52
Directors' sitting fees	2.63	0.92
Total	22.72	17.68

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

The above does not include provision for CMD's leave salary and gratuity for the year and two Director's (Shri Deepak Amitabh and Shri Ashok Haldia) leave Salary and gratuity from 21st January, 2009 and 13th August, 2008 respectively which have been included in the overall provision for leave salary and gratuity made on actuarial basis.

16. 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.

(Rs. in Million)

Name of Related Party	Influence	Nature of Transaction	For the year ending 31.03.2010	For the year ending 31.03.2009
NTPC Limited	Significant Influence	Director sitting fees to nominee directors	0.15	0.04
Power Grid Corporation of India Ltd.	Significant Influence	Director sitting fees to nominee directors	0.14	0.08
		Services Received (Wheeling Charges)	1.83	1.94

Power Finance Corporation Ltd.	Significant Influence	Director sitting fees to nominee directors Pledging of shares (Refer Note No. 21)	0.18	0.05
NHPC Limited	Significant Influence	Director sitting fees to nominee directors	0.15	0.12
Barak Power Private Limited	Joint Venture	Payment of expenses on behalf of the joint venture	-	0.80
Krishna Godavari Power Utilities Limited	Associate	Equity contribution	-	42.53
Athena Energy Ventures Private Limited	Associate	Equity contribution	180.00	-
		Advance against equity	210.00	-
		Payment of expenses on behalf of the company	0.02	-
RS India Global Energy Limited	Associatet	Equity contribution	18.03	216.00
Ind Barath Powergencom Limited	Associatet	Equity contribution	-	556.30
Indian Energy Exchange Limited	Associatet	Equity contribution	-	4.39
Meenakshi Energy Private Limited	Associatet	Equity contribution	285.50	150.00
PTC Bermaco Green Energy Systems Limited	Associatet	Equity contribution	3.53	4.91
		Advance for Investment	5.30	0.01
RS India Wind Energy Limited	Associatet	Equity contribution	-	353.11
Ind Barath Energy (Utkal) Limited	Associatet	Equity contribution	1050.00	-
Varam Bio Energy Private Limited	Associatet	Equity contribution	2.78	16.41
		Advance for investment	-	2.78

Key Management Personnel

Mr. T.N.Thakur	Chairman & Managing Director	Directors remuneration	8.39	6.83
		Amount received by Company on Exercise of ESOP	1.74	-
Mr. Shashi Shekhar	Director	Directors remuneration	4.41	3.83
Mr. Deepak Amitabh	Director	Directors remuneration	4.10	4.21
		Amount received by company on Exercise of ESOP	1.03	-
Mr. Ashok Haldia*	Director	Directors remuneration	3.19	1.89

* Mr. Ashok Haldia has Joined as director w.e.f 13.08.2008 in PTC India Financial Services Limited.

Investment Outstanding :

(Rs. in Million)			
Name of the Company	Relationship	As at 31.03.2010	As at 31.03.2009
Athena Energy Ventures Private Limited	Associate	466.17	292.09
Krishna Godavari Power Utilities Limited	Associate	195.03	195.03
Teestha Urja Limited *	Associate	-	1,257.14
RS India Global Energy Limited	Associates	232.37	216.09
Ind Barath Powergencom Limited	Associates	559.29	556.30
Indian Energy Exchange Limited	Associates	70.50	60.52
Meenakshi Energy Private Limited	Associates	435.69	150.19
PTC Bermaco Green Energy Systems Limited	Associates	8.44	4.91
RS India Wind Energy Limited	Associates	575.59	576.85
Ind Barath Energy (Utkal) Limited	Associates	1050.00	-
Varam Bio Energy Private Limited	Associates	15.83	36.94

* Teestha Urja Limited has ceased to be associate w.e.f March 10, 2010.

(Rs. in Million)				
Name of the Company	Relationship	Nature	As at 31.03.2010	As at 31.03.2009
Power Grid Corporation of India Ltd.	Significant influence	Balance Payable	-	0.09
NTPC Limited	Significant influence	Sitting fee Payable	-	0.02
Power Finance Corporation Ltd.	Significant influence	Sitting fee Payable	-	0.03
NHPC Limited	Significant influence	Sitting fee Payable	-	0.07
Barak Power Private Limited	Joint Venture	Balance Recoverable	0.77	0.77

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

(Rs. in Million)		
Particulars	Year ending 31.03.2010	Year ending 31.03.2009
Opening equity shares (Qty in Millions)	227.42	227.42
Equity shares issued during the year (Qty in Millions)	67.13	-
Closing equity shares (Qty in Millions)	294.55	227.42
Weighted Average Number of equity shares used as denominator for Basic earning (Qty in Millions)	284.07	227.42
Weighted Average Number of equity shares used as denominator for diluted earnings (Qty in Millions)	286.54	227.42
Net Profit after Tax used as numerator (Amount in Rs. Millions)	1,072.69	940.88
Basic Earnings per Share (Amount in Rs.)	3.78	4.14
Diluted Earnings per Share (Amount in Rs.)	3.74	4.14
Face value per share (Amount in Rs.)	10.00	10.00

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

(Rs. in Million)		
Particulars	Year ending 31.03.2010	Year ending 31.03.2009
Year up to 1 year	0.60	0.60
Year later than 1 year and not later than 5 years	1.95	2.55
Year later than 5 years	Nil	Nil

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

19. The management is of the opinion that no case of impairment of assets exists under the provision of Accounting Standard (AS)-28 on Impairment.
20. The current tax expense of the Group for the year includes an amount of Rs.25.23 mn on ESOP expenses for the previous year based on recent decision of Delhi Income Tax Appellate Tribunal.
21. 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.
22. Loans and advances due from directors-NIL
23. Figures of the previous year have been regrouped/reclassified wherever considered necessary to conform to current year classification.
24. Schedules A to O and accounting policies form an integral part of accounts.

(Deepak Amitabh)
Director
DIN. 01061535

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

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

(Rajiv Maheshwari)
Company Secretary

Dated : August 12, 2010
Place : New Delhi

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1	Name of the Company	PTC India Financial Services Limited	PTC Energy Limited
2	No. of Shares held by PTC India Limited Face Value	337,250,001 Rs. 10 each	41,000,000 Rs. 10 each
3	Extent of Holding	77.60%	100%
4	Financial Year of the Subsidiary ended on	March 31, 2010	March 31, 2010
5	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 Holding Company:	NIL	NIL
b.	Not dealt with or provided for in the accounts of Holding Company:	197.51	11.20
6	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 Holding Company:	NIL	NIL
b.	Not dealt with or provided for in the accounts of Holding Company:	66.19	(22.92)

PTC India Financial Services Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

The Directors have pleasure in presenting the Fourth Annual Report together with audited accounts of your company for the financial year ending 31st March, 2010.

Overview

1. PTC India Financial Services Limited (PFS) is a systematically important non-deposit taking NBFC registered with Reserve Bank of India (RBI), exclusively engaged in providing financing solutions to projects in the energy value chain. An impressive all-round growth reflected in financial and operational performance during the year 2009-10 has provided a strong base to a newly set-up and fast evolving institution. Significantly improved performance during the year is also marked by a large number of initiatives taken to broad-base resource mix, explore new areas of business and build institutional capacity.

Financial Results

2. Starting its business operations effectively from September, 2007, PFS in its third year of operations i.e. 2009-10, has recorded revenue income of Rs.534.90 million rising from Rs.116 million in 2008-09. The highlights of financial results are as under.

(Rs. in million)		
Particulars	2009-10	2008-09
Revenue	534.90	116.00
Expenditure	167.42	28.92
Amortization & depreciation	0.47	0.24
Profit/(Loss) before tax	367.00	86.81
Provision for tax	112.48	1.51
Net profit/loss after taxation	254.52	85.30
Transfer to statutory reserve fund	50.95	17.06
Equity share capital (Rs. 10 each)	4,345.83	4,345.83
Reserve and surplus (including share premium)	2,001.14	1,746.62

The Profit Before Tax (PBT) has increased to Rs.367 million, from Rs.86.81 million in the year 2009-10 as compared to last year. This was largely due to increased level of disbursement of loans to power projects - both term loan and mezzanine/short-term loan, and increase in the fee-based income. The revenue for the year includes Rs. 348.84 million as interest on loans, and fee based income towards services involved in appraisal, structuring of financing product, due-diligence, legal documentation and disbursement as compared to Rs.13.89 million during the previous year.

Operational Performance

3. The year under review was a challenging one as the global economy was still recovering from financial crisis and was faced with debt crisis in the middle-east and certain other parts of Europe. Private power projects in India were severely constrained by delay in financial closure of the existing projects. Investment climate was generally not conducive to promote and encourage significant investment in the sector. Despite these challenges, PFS could stand out with a difference by remaining innovative in identifying and providing structured products tailored to the needs and requirements of the private power projects while managing the risk prudently. Amount of gross sanctions made during the year was Rs.17,273.40 million compared to Rs. 7,214.60 million in the previous year. Level of disbursement during the year was Rs.2,872.01 million as the loans and Rs. 1,815.86 million as equity. Undisbursed committed sanction as on 31st March, 2010 amounted to Rs. 1,061.26 million for equity, and Rs.13,979.74 million for debt. With strong pipeline of projects available, new initiatives taken and those under contemplation; your company expects to record a much higher level of growth in the current year i.e. 2010-11.
4. Considering the time lag in implementation of projects, the sanctions made during the year would also result in disbursement in the next year onwards. Cumulative level of effective sanctions and disbursement as on 31st March, 2010 has been Rs. 4,874.75 million for equity and Rs. 17,051.75 million for debt. Number of projects for which financial assistance was sanctioned during the year was 20, taking total number of assisted projects so far to 43. Financial assistance extended by PFS so far would help capacity creation of about 11000 MW. Fuel-wise, assisted projects comprised of 16 coal-based thermal projects; 8 bio-mass based thermal projects; 3 hydro based projects; and 3 wind based projects.
5. On the resource mobilisation front, PFS, for the first time accessed bond market in its endeavour to increase resource base. PFS has successfully raised two tranches of Rs.1000 million each from the bond market and listed the same

on the wholesale debt segment of NSE. PFS was successful in obtaining further reduction in the interest rates on the lines of credit obtained from various banks considering the general decline in the interest rates. External Commercial Borrowing of US \$30 million has recently been sanctioned by a multi-lateral agency.

6. Amongst the new initiatives taken, PFS has started the activity of carbon financing. In terms of the scope of the activity undertaken, PFS finances Indian companies by acquiring their Certified Emissions Reductions (CERs) rights which have already accrued or would accrue to them in future over a period of time. At the same time, PFS has entered into agreements/MoUs with an international bank of repute as well as with a large international trader of energy and energy products for back to back sale of these CERs. Projects in India, which are eligible for Clean Development Mechanism (CDM) benefits under United Nations Framework Convention for Climate Change (UNFCCC), would now find an opportunity to get financing against CERs from an Indian entity rather than approaching an international entity for the same. Apart from this, PFS also commissioned a 6 MW wind farm in the State of Karnataka. The project was commissioned in a record time of two and a half months. Since renewable projects are going to be increasingly dominant in the Indian power sector, PFS in order to positioning itself to play an important role, is currently contemplating new strategic initiatives for financing projects in the renewable sector.
7. As a philosophy, PFS believes in maintaining strong rapport with 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 for the equity assistance. Apart from India Energy Exchange, Varam Bio-Energy Pvt. Ltd, which started their commercial operation last year, two units of Ind- Barath Powergencom Ltd. have commenced operations. East Coast Energy Pvt. Ltd., Meenakshi Energy Private Limited and Ind- Barath Energy (Utkal) Limited have achieved financial closure or tied up financing plan during the year.
8. To support higher level of growth, PFS contemplates to augment its capital base through IPO and / or private placement, apart from accessing debt market.

HRD

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

Capital Structure

10. During the financial year 2009-10, the capital base (share capital plus premium) remained unchanged at Rs. 4,345.83 million. The capital structure of PFS as on 31st March, 2010 stood as under:

Sr. No.	Particulars of Shareholders	No. of Equity Shares		% Shareholding	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
1	PTC India Limited	337250001	337250001	77.60 %	77.60 %
2	GS Strategic Investments Limited	48666667	48666667	11.20 %	11.20 %
3	Macquarie India Holdings Limited	48666667	48666667	11.20 %	11.20 %
	Total	434583335	434583335	100 %	100 %

Dividend

11. The Directors have not recommended dividend for the financial year ended on 31st March, 2010.

Transfer to Reserves

12. Out of profits of financial year 2009-10, Rs. 50.95 million has been transferred to Statutory Reserve Fund in terms of Section-45-IC of Reserve Bank of India Act, 1934.

Directors' Responsibility Statement

13. In pursuance of Section-217 (2AA) of the Companies Act, 1956, the Directors make the following statement that :
 - (i) In preparation of the Annual Accounts, 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 2009-10 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

14. 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.

15. Since PFS is engaged in investment and lending activities, particularly relating to conservation of energy and technology absorption are not applicable to it. The Company has incurred Rs.1.42 million as expenditure in foreign exchange during the financial year ended on 31st March, 2010.

Particulars of Employees

16. During the Financial Year ended on 31st March, 2010, particulars of the employee who was employed for full or part of the year and who was in receipt of remuneration from PFS, which in aggregate not more than Rs.2.40 million per annum or Rs.0.20 million per month as the case may be are given at Annexure of this report.

Auditors

17. 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, 2010. Audited Accounts together with the Auditor's Report thereon are annexed to this report.

Corporate Governance

18. Your Company endeavours to inculcate good corporate governance practices in its organisational and business systems and processes. Your company realises that the good governance is a reflection of its culture, policies, relationship with stakeholders and commitments to values. Accordingly, it not only fulfils corporate governance requirements as stipulated by the Reserve Bank of India for NBFCs but also endeavours to adhere to corporate governance requirements stipulated by SEBI for listed companies, as a best practice.

Committees of Board of Directors:

19. The Board has constituted the following committees:

- 1) Audit Committee
- 2) Nomination-cum-Remuneration Committee
- 3) Compensation Committee for ESOP
- 4) Assets Liability Management Committee
- 5) Risk Management Committee

1. Audit Committee

As per the requirement of Companies Act, 1956, the Board has constituted an Audit Committee. The Committee's role includes oversight of the company's financial reporting process to ensure that the financial statements of the company are true and fair, reviewing the company's financial and risk management. The Committee is chaired by Shri. P. Abraham, and Shri Shashi Shekhar, Shri Deepak Amitabh, Mrs. Rama Murali are the members of the committee. The Committee met five times in the financial year 2009-10. The Chairman of the Audit committee, Mr. P. Abraham was present in the last AGM of the company.

2. Nomination-cum-Remuneration Committee

The Board has constituted a Nomination cum Remuneration Committee in its 15th meeting on 5th of August, 2008. The Committee's role includes fixing of remuneration of managerial personnel and ensuring that fit and proper person are placed on Board of the Company. The Committee is chaired by Shri T.N. Thakur and Shri P. Abraham, Shri. Deepak Amitabh, Shri L.B. Naidu are members of the Committee. During the financial year 2009-10, no meeting of the committee was held.

3. Compensation Committee for ESOP

The Board has constituted a Compensation Committee for ESOP in its 14th meeting held on 29th April, 2008. The scope of the Committee is to finalize the basic feature of ESOP scheme and allocation of ESOP to Directors and employees of the Company. The Committee is chaired by Shri T.N. Thakur and Shri Deepak Amitabh and Shri L.B. Naidu are members of the committee. The Committee met twice during the financial year 2009-10.

4. Assets Liability Management Committee

The Board has constituted Assets Liability Management Committee in its 19th

meeting held on 30th March 2009. The Company has also put in place an ALM Policy for effectively managing market risk, interest rate and liquidity risk. The policy also provides for periodic reporting to Board and prescribes various limits. The Committee is chaired by Shri T.N. Thakur and Shri P. Abraham, Shri Deepak Amitabh, Dr. Ashok Haldia are the members of the Committee. The Committee met twice during the financial year 2009-10.

5. Risk Management Committee

The Board has constituted a Risk Management Committee in its 21st meeting held on 7th July, 2009, as per the requirement of Reserve Bank of India. The scope of the Committee is to review risk management in relation to various risks, like - credit risk, operational risk and integrated risk profile of the Company. The Committee is chaired by Shri Shashi Shekhar, and Shri. L.B. Naidu, Dr. Ashok Haldia are the members of the Committee. The Committee met twice during the financial year 2009-10

Employee Stock Option Plan - ESOP 2008

20. The Company instituted the Employee Stock Option Plan - ESOP 2008 to grant equity based incentives to all its eligible employees. During the year, second tranche of ESOP 2008 was approved by the shareholders on October 23, 2009 and provided for grant of 1,00,75,000 options exercisable at a price of Rs 16 per share, representing one share for each option upon exercise. During the previous year 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. The vesting period of these options granted is 4 years from the respective date of grant.

Movement in Stock Options	Year ended 31.03.2010 (in Nos.)	
	Growth Options	Founder Member Options
Outstanding at the beginning of the year	8865000	1210000
Add: Granted during the year	10075000	-
Less: Forfeited during the year	544500	-
Less: Exercised during the year	-	-
Less: Expired during the year	-	-
Options outstanding as at the end of the year	18395500	1210000

Debenture Trustees

21. The Company has issued Non Convertible Debentures(NCD) of Series I & 2, in line with the requirement of SEBI, appointed IDBI Trusteeship Services Limited as debentures trustee for NCDs Series I & 2.

Acknowledgement

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., G.S. Strategic Investments Ltd., various banks, and officials of the Company.

For and on behalf of the Board of Directors

(Tantra Narayan Thakur)

Chairman & Managing Director

Date : 23rd July, 2010

Place : New Delhi

Annexure

Name of Employee	Dr. Ashok Haldia
Designation	Director
Qualification	M com, CA, CS, CWA, Ph. D
Nature of employment	Contractual
Nature of duties of employment	Responsible for entire operations as Director of the Company.
Last Employment	Secretary of ICAI
Number of Year of experience	30 years
Age	53 years
Date of commencement of employment	13 th August, 2008
Gross Remuneration	Rs. 3.19 Million
No. of equity shares held	Nil
Whether relative of a Director or Manager	No

PTC India Financial Services Limited

AUDITORS' REPORT

TO THE MEMBERS OF PTC INDIA FINANCIAL SERVICES LIMITED

1. We have audited the attached Balance Sheet of PTC India Financial Services Limited ("the Company") as at March 31, 2010, 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, 2010;
 - (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, 2010 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 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

Place : Gurgaon
Dated : 23rd July, 2010

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) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that need to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (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, 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, 2010 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 income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess, which have not been deposited.
- (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 and according to the information and explanations given to us, the Company has not granted any loans and advances during the year 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 1000 debentures each for Series 1 and Series 2 of face value of Rs.1,000,000 per debenture. The Company has created security in respect of the debentures issued under Series 1. However, for Series 2 the Company is in the process of creating security.
- (xviii) The Company has not raised any money by way of public issue during the year.
- (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)

Place : Gurgaon
Date : 23rd July, 2010

PTC India Financial Services Limited
BALANCE SHEET AS AT MARCH 31, 2010

(Rupees in lacs)

	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	43,458.33	43,458.33
Employee stock option outstanding	2	123.96	9.98
Reserves and surplus	3	20,011.43	17,466.19
Loan funds			
Secured loan	4	31,080.10	2,000.00
Deferred tax liability (net) [Refer note 9 of schedule 20]		437.51	-
		<u>95,111.33</u>	<u>62,934.50</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	3,504.75	9.15
Less: Depreciation		7.74	3.15
		<u>3,497.01</u>	<u>6.00</u>
Add: Capital work in progress		9.60	-
		<u>3,506.61</u>	<u>6.00</u>
Investments	6	40,670.40	20,001.17
Loan financing	7	26,620.10	2,000.00
Deferred tax assets (net)		-	36.25
[Refer note 9 of schedule 20]			
Current assets, loans and advances			
Sundry debtors	8	0.11	-
Cash and bank balances	9	23,447.38	40,869.18
Other current assets	10	475.24	68.00
Loans and advances	11	1,183.87	74.01
		<u>25,106.60</u>	<u>41,011.19</u>
Less: Current liabilities and provisions	12		
Current liabilities		788.05	117.82
Provisions		4.33	2.29
		<u>792.38</u>	<u>120.11</u>
Net current assets		24,314.22	40,891.08
		<u>95,111.33</u>	<u>62,934.50</u>
Notes to accounts	20		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Jaideep Bhargava
Partner

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

Place : New Delhi
Date : 23rd July, 2010

The schedules referred to above form an integral part of the balance sheet

For and on behalf of the Board of Directors

Deepak Amitabh
Director and CFO
DIN: 01061535

Vishal Goyal
Company Secretary

Ashok Haldia
Director
DIN: 00818489

PTC India Financial Services Limited
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(Rupees in lacs)

	Schedule	As at 31.03.2010	As at 31.03.2009
INCOME			
Income from investments	13	2,128.06	1,031.23
Interest income	14	1,357.37	1.37
Fee based income		467.71	93.25
Income from sale of power		0.11	-
Other income	15	1,395.70	34.19
		<u>5,348.95</u>	<u>1,160.04</u>
EXPENDITURE			
Personnel expenses	16	256.90	95.48
Administration and other expenses	17	256.90	94.37
Interest and other charges	18	1,160.44	1.76
Depreciation / Amortisation	5	4.70	2.36
Expenses relating to increase in share capital	19	-	98.00
		<u>1,678.94</u>	<u>291.97</u>
Profit before tax		3,670.01	868.07
Less : Tax expense			
- Current tax		651.00	-
- Deferred tax charge / (benefit) [Refer note 9 of schedule 20]		473.77	13.87
- Fringe benefit tax		-	1.21
Profit after tax		<u>2,545.24</u>	<u>852.99</u>
Balance as per last balance sheet		672.64	(9.75)
Less : Transfer to statutory reserve		(509.50)	(170.60)
Balance carried to balance sheet		<u>2,708.38</u>	<u>672.64</u>
Basic / Diluted earnings per share (Rs.)		0.59	0.35
[Refer note 8 of schedule 20]			
Notes to accounts	20		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Jaideep Bhargava
Partner

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

Place : New Delhi
Date : 23rd July, 2010

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

For and on behalf of the Board of Directors

Deepak Amitabh
Director and CFO
DIN: 01061535

Ashok Haldia
Director
DIN: 00818489

Vishal Goyal
Company Secretary

PTC India Financial Services Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Rupees in lacs)

	For the year ended 31.03.2010	For the year ended 31.03.2009
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,670.01	868.07
Adjustment for:		
Depreciation/Amortisation	4.70	2.36
Employee stock options	113.98	9.98
Profit / (loss) on sale of non trade current investments (net)	(0.60)	234.73
Dividend Income on investment other than power project companies	(464.14)	(1,221.66)
Interest on fixed deposits	(1,393.88)	(33.84)
Interest - others	(0.02)	(0.35)
Interest and other charges	1,160.44	1.76
Operating profit before working capital changes	(3090.49)	(138.95)
Increase/Decrease		
Current assets and Loans and advances	(709.22)	(69.46)
Trade and other payables	(45.06)	(106.09)
Loan financing	(24,620.10)	(2,000.00)
Investments in power project companies (net)	(20,669.23)	(8,822.41)
Cash generated from operations	(42,953.12)	(11,136.91)
Direct taxes paid	(1,193.79)	(15.44)
Net cash generated from operating activities	(44,146.91)	(11,152.35)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,505.79)	(4.31)
Proceeds from sale of fixed assets	0.48	0.07
Profit / (loss) on sale of non trade current investments (net)	0.60	(234.73)
Dividend Income on investment other than power project companies	464.14	1,221.66
Interest on fixed deposits	1,128.67	11.51
Interest - others	0.02	0.35
Net cash used in investing activities	(1,911.88)	994.55
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	26,620.10	2,000.00
Proceeds from short term borrowings	2,460.00	-
Proceeds from issue of equity share capital (including share premium)	-	49,013.33
Interest and other charges	(443.11)	(0.50)
	28,636.99	51,012.83
Net increase/(decrease) in cash and cash equivalents	(17,421.80)	40,855.03
Opening cash and cash equivalents	40,869.18	14.15
Closing cash and cash equivalents	23,447.38	40,869.18
	(17,421.80)	40,855.03

Notes:

1 Closing cash and cash equivalents comprise :

Cheques in hand	0.01	-
Balance with scheduled banks		
- Current accounts	221.02	74.28
- Fixed deposit accounts	23,226.35	40,794.90
Total	23,447.38	40,869.18

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

T. N. Thakur
Chairman and Managing
Director
DIN: 00024322
Place : New Delhi
Date : 23rd July, 2010

For and on behalf of the Board of Directors

Deepak Amitabh
Director and CFO
DIN: 01061535

Vishal Goyal
Company Secretary

Ashok Haldia
Director
DIN: 00818489

PTC India Financial Services Limited

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rupees in lacs)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE – 1: SHARE CAPITAL		
Authorised		
600,000,000 (previous year 600,000,000) equity shares of Rs. 10 each	60,000.00	60,000.00
ISSUED		
434,583,335 (previous year 434,583,335) equity shares of Rs. 10 each	43,458.33	43,458.33
SUBSCRIBED & PAID UP		
434,583,335 (previous year 434,583,335) equity shares of Rs. 10 each fully paid up	43,458.33	43,458.33
	<u>43,458.33</u>	<u>43,458.33</u>
Of the above Subscribed and Paid up Capital:		
337,250,001 (previous year 337,250,001) equity shares of Rs. 10 each representing 77.60% (previous year 77.60%) are held by PTC India Limited, the holding company and its nominees		
SCHEDULE – 2: EMPLOYEE STOCK OPTION OUTSTANDING		
[Refer note 4 of schedule 20]		
Stock options outstanding	537.69	72.60
Less: Deferred employee compensation expense	(413.73)	(62.62)
	<u>123.96</u>	<u>9.98</u>
SCHEDULE – 3: RESERVES AND SURPLUS		
Securities Premium		
Balance brought forward	16,622.95	2,067.95
Add: Additions during the year	-	14,555.00
	<u>16,622.95</u>	<u>16,622.95</u>
Statutory reserve		
[in terms of Section 45-IC of the Reserve Bank of India, 1934]		
Balance brought forward	170.60	-
Add: Additions during the year	509.50	170.60
	<u>680.10</u>	<u>170.60</u>
Profit and loss account	2,708.38	672.64
	<u>20,011.43</u>	<u>17,466.19</u>
SCHEDULE – 4: LOAN FUNDS		
Secured		
Debentures (refer note (i) below)	20,000.00	-
Term loans from banks (refer note (ii) below)	8,620.10	2,000.00
Short term loan from bank (refer note (iii) below)	2,460.00	-
	<u>31,080.10</u>	<u>2,000.00</u>

Note

- (i) 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 privately placed 9.35% secured redeemable non convertible debentures of Rs.1,000,000 each (Series 2) allotted on February 3, 2010 redeemable in entirety on February 2, 2012.
- Series I are secured and Series 2 has to be 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 I has also been secured by pari passu charge by way of hypothecation of the receivable of loan assets created by the Company out of its own sources which are not charged to any other lender of the Company.
- (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. 31.25 lacs (previous year - Rs. Nil)
- (iii) The short term loan are secured by way of fixed deposits lying with the bank. Amount payable within one year Rs. 2460 lacs (previous year - Rs. Nil)

SCHEDULE - 5: FIXED ASSETS

(Rupees in lacs)

Particulars	GROSS BLOCK - AT COST			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31.03.2009	Additions during the year	Deletions/ Adjustments	As at 31.03.2010	Upto 31.03.2009	For the year	Deletions/ Adjustments	Upto 31.03.2010	As at 31.03.2010 As at 31.03.2009
Tangible Assets :									
Building	-	11.94	-	11.94	-	0.17	-	0.17	11.77
Plant and machinery (Wind mill)	-	3,479.39	-	3,479.39	-	1.46	-	1.46	3,477.93
Office equipments	2.16	0.91	0.59	2.48	0.55	0.64	0.11	1.08	1.40
Computers	6.23	3.28	-	9.51	2.46	2.20	-	4.66	4.85
Furnitures and fixtures	0.29	0.67	-	0.96	0.03	0.10	-	0.13	0.83
Intangible assets :									
Software	0.47	-	-	0.47	0.11	0.13	-	0.24	0.23
Total	9.15	3,496.19	0.59	3,504.75	3.15	4.70	0.11	7.74	3,497.01
Previous year	4.92	4.31	0.08	9.15	0.80	2.36	0.01	3.15	9.60
Capital works in progress									
(including capital advances of Rs.9.60 lacs (previous year Rs. Nil))									3,506.61
									6.00

SCHEDULES FORMING PART OF THE ACCOUNTS

	Face Value	As at 31.03.2010		As at 31.03.2009	
		Quantity (Nos.)	Value (Rupees in lacs)	Quantity (Nos.)	Value (Rupees in lacs)
SCHEDULE - 6: INVESTMENTS					
Long Term Investment					
(i) Trade – Unquoted (at cost)					
[Refer note 10 of schedule 20]					
In Associates – Equity shares, fully paid up					
Ind-Barath Energy (Utkal) Limited	10.00	105,000,000	10,500.00	-	-
Ind-Barath Power Gencom Limited	10.00	55,630,000	5,563.00	55,630,000	5,563.00
Indian Energy Exchange Limited	10.00	6,939,190	693.92	6,939,190	693.92
Meenakshi Energy Private Limited	10.00	43,550,000	4,355.00	15,000,000	1,500.00
PTC Bermaco Green Energy Systems Ltd.	10.00	843,684	84.37	490,838	49.08
RS India Wind Energy Limited	10.00	57,311,415	5,731.14	57,311,415	5,731.14
Varam Bio Energy Private Limited	10.00	4,390,000	439.00	4,111,942	411.20
In Equity shares, fully paid up					
East Coast Energy Private Limited	10.00	96,511,403	9,651.14	-	-
Debentures, fully paid up					
Compulsorily and fully convertible debentures in East Cost Energy Private Limited	100,000,000.00	-	-	6	6,000.00
Optionally convertible debentures in Meenakshi Infrastructure Holding Private Limited	10,000,000.00	34	3,400.00	-	-
Optionally convertible debentures in Varam Bio Energy Private Limited	500,000.00	40	200.00	-	-
(ii) Non trade – Quoted (at cost)					
Equity shares, fully paid up					
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
Total			40,670.40		20,001.17
Aggregate cost of quoted investments			52.83		52.83
Aggregate cost of unquoted investments			40,617.57		19,948.34
Total			40,670.40		20,001.17
Aggregate market value of quoted investments (Based on last traded price available as at year end)			101.40		85.71

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rupees in lacs)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE – 7: LOAN FINANCING (Considered good unless otherwise stated)		
Secured		
Loans	26,620.10	2,000.00
	<u>26,620.10</u>	<u>2,000.00</u>
SCHEDULE – 8: SUNDRY DEBTORS		
Unsecured considered good		
Less than six months	0.11	-
	<u>0.11</u>	<u>-</u>
SCHEDULE – 9: CASH AND BANK BALANCES		
Cheques on hand	0.01	-
Balance with scheduled banks in :		
- Current accounts	221.02	74.28
- Fixed deposit accounts	23,226.35	40,794.90
	<u>23,447.38</u>	<u>40,869.18</u>
SCHEDULE – 10: OTHER CURRENT ASSETS (Considered good unless otherwise stated)		
Interest accrued but not due on :		
- Fixed deposits	287.54	22.33
- Loans	184.32	1.37
- Debentures	3.38	44.30
	<u>475.24</u>	<u>68.00</u>
SCHEDULE – 11: LOANS AND ADVANCES (Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	506.71	7.55
Advance against investment	53.10	27.96
Balance with central excise on current accounts	46.08	3.31
Advance income tax [net of provision for income tax Rs 656.61 lacs (previous year Rs 5.61 lacs)]	576.81	34.02
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>1,183.87</u>	<u>74.01</u>
SCHEDULE – 12: CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors		
Total outstanding dues of creditors other than micro and small enterprises * (Refer note 11 of schedule 20)	58.83	111.35
Other liabilities	10.63	5.21
Interest accrued but not due on loan funds	718.59	1.26
	<u>788.05</u>	<u>117.82</u>
PROVISIONS		
Provision for gratuity [Refer note 5 (A) of schedule 20]	0.57	0.53
Provision for leave encashment [Refer note 5 (B) of schedule 20]	3.76	1.76
	<u>4.33</u>	<u>2.29</u>
	<u>792.38</u>	<u>120.11</u>

* Includes Rs. Nil (previous year Rs 58.30 lacs) due to PTC India Limited, the holding Company

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rupees in lacs)

	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE – 13: INCOME FROM INVESTMENTS		
Profit / (loss) on sale of non trade current investments (net)		
– Shares	–	(360.20)
– Mutual funds	0.60	125.47
Dividend income		(234.73)
– On non trade long term investment	1.13	1.45
– On non trade current investment	463.01	1,220.21
Interest on debentures	1,663.32	1,221.66
[tax deducted at source Rs. 176.37 lacs (previous year Rs. Nil)]		44.30
	<u>2,128.06</u>	<u>1,031.23</u>
SCHEDULE – 14: INTEREST INCOME		
Interest on*		
– Loan	1,357.37	1.37
[*tax deducted at source Rs. 150.05 lacs (previous year Rs. Nil)]		
	<u>1,357.37</u>	<u>1.37</u>
SCHEDULE – 15: OTHER INCOME		
Interest on fixed deposits	1,393.88	33.84
[tax deducted at source Rs. 181.38 lacs (previous year Rs. 2.06 lacs)]		
Interest - others	0.02	0.35
Excess provision written back	1.80	–
	<u>1,395.70</u>	<u>34.19</u>
SCHEDULE – 16: PERSONNEL EXPENSES		
Salaries and other allowances	114.54	72.77
Contribution to provident and other funds	5.84	3.35
Employee stock options	113.98	9.98
Staff welfare	22.54	9.38
	<u>256.90</u>	<u>95.48</u>
SCHEDULE – 17: ADMINISTRATION AND OTHER EXPENSES		
Legal and professional	110.81	66.66
Fund raising expense	86.12	–
Rates and taxes	6.41	2.85
Rent	12.17	7.07
Travelling and conveyance	17.51	7.39
Communication expenses	5.59	2.00
Business development	1.79	0.20
Donation	3.00	4.00
Directors' sitting fees	2.40	0.55
Repairs and maintenance – others	4.15	1.15
Books and periodicals	0.72	1.05
Loss on foreign currency transaction	0.01	–
Miscellaneous expenses	6.22	1.45
	<u>256.90</u>	<u>94.37</u>
SCHEDULE – 18: INTEREST AND OTHER CHARGES		
Interest on loan	416.06	1.26
Interest on debentures	708.06	–
Financial charges	36.32	0.50
	<u>1,160.44</u>	<u>1.76</u>
SCHEDULE – 19: EXPENSES RELATING TO INCREASE IN SHARE CAPITAL		
Fees for increase in authorised share capital	–	48.98
Stamp duty for issue of share capital	–	49.02
	<u>–</u>	<u>98.00</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE – 20 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) and 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. 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

- Interest and other dues are accounted on accrual basis.
- Dividend is accounted when the right to receive is established.
- Fee based incomes are recognised when reasonable right of recovery is established and the revenue can be reliably measured.
- 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 incomes 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 can not be made.

- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 2.40 lacs (previous year Rs. Nil).

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, second tranche of ESOP 2008 was approved by the shareholders on October 23, 2009 and provided for grant of 10,075,000 options exercisable at a price of Rs 16 per share, representing one share for each option upon exercise. During the previous year 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. The maximum tenure of these options granted is 4 years from the respective date of grant.

Movement in Stock Options	Year ended 31.03.2010 (in Nos.)		Year ended 31.03.2009 (in Nos.)	
	Growth Options	Founder Member Options	Growth Options	Founder Member Options
Outstanding at the beginning of the year	8,865,000	1,210,000	-	-
Add: Granted during the year	10,075,000	-	8,865,000	1,210,000
Less: Forfeited during the year	544,500	-	-	-
Less: Exercised during the year	-	-	-	-
Less: Expired during the year	-	-	-	-
Options outstanding as at the end of the year	18,395,500	1,210,000	8,865,000	1,210,000

The Company under the intrinsic value method has recognized the excess of the intrinsic price over the exercise price of the options amounting to Rs.113.98 lacs (previous year Rs.9.98 lacs) as an expense.

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 31.03.2010	Year ended 31.03.2009	
	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 on Financial Position

1. Impact on Profitability

Particulars	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Profit as reported for the year	2,545.24	852.99
Add: Employee stock compensation under intrinsic value method	113.98	9.98
Less: Employee stock compensation under fair value method	624.62	159.58
Pro forma profit	2,034.60	703.39

2. Impact on Basic/diluted EPS

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
- As reported (in Rupees)	0.59	0.35
- As pro forma (in Rupees)	0.47	0.29

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 31.03.2010	Year ended 31.03.2009
Opening defined benefit obligation	0.53	-
Current service cost	0.42	0.53
Interest cost	0.04	-
Actuarial (gains)/losses	(0.42)	-
Closing defined benefit obligation	0.57	0.53

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

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Closing defined benefit obligation	0.57	0.53
Closing fair value of plan assets	-	-
Net asset/(liability) recognized in balance sheet	(0.57)	(0.53)

Expense recognized in profit and loss account

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Current service cost	0.42	0.53
Interest cost	0.04	-
Net actuarial losses / (gains) recognized in the year	(0.42)	-
Net expense	0.04	0.53

(B) Leave encashment

Changes in the present value of the defined benefit obligation:

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Opening defined benefit obligation	1.76	-
Current service cost	2.42	1.76
Interest cost	0.13	-
Actuarial (gains)/losses	(0.55)	-
Closing defined benefit obligation	3.76	1.76

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

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Closing defined benefit obligation	3.76	1.76
Closing fair value of plan assets	-	-
Net asset/(liability) recognized in balance sheet	(3.76)	(1.76)

Expense recognized in profit and loss account

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Current service cost	2.42	1.76
Interest cost	0.13	-
Net actuarial losses / (gains) recognized in the year	(0.55)	-
Net expense	2.00	1.76

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

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Discounting Rate	7.50%	7.00%
Future Salary Increase	5.00%	4.50%

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

- C) In respect of the defined contribution plans, the Company has recognized the following amounts in the profit and loss account:

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Employer's contribution to provident fund	5.84	3.35

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' as notified by 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:

Holding company	: PTC India Limited
Associate companies	: Ind-Barath Energy (Utkal) Limited : Ind-Barath Power Gencom Limited : Indian Energy Exchange Limited : Meenakshi Energy Private Limited : PTC Bermaco Green Energy Systems Limited : RS India Wind Energy 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

	(Rupees in lacs)	
Nature of transactions	Year ended 31.03.2010	Year ended 31.03.2009
Issue of share capital	-	28,325.00
Securities premium received	-	10,875.00
Reimbursement of expenses *	109.34	68.23
Balances outstanding as at the year end		
- Payable	-	58.30

* Includes Rs. 28.94 lacs (previous year Rs. 18.89 lacs) towards remuneration of Director.

(ii) Transactions with key management personnel

	(Rupees in lacs)	
Nature of transactions	Year ended 31.03.2010	Year ended 31.03.2009
Reimbursement of expenses	1.05	1.60
Remuneration paid**	31.91	18.89

** Also included under reimbursement of expenses to holding company as disclosed at (i) above.

(iii) Transactions with associates

	(Rupees in lacs)	
Nature of transactions	Year ended 31.03.2010	Year ended 31.03.2009
Investment in equity share capital :		
- Ind Barath Energy (Utkal) Limited	10,500.00	-
- Ind Barath Power Gencom Limited	-	5,563.00
- Indian Energy Exchange Limited	-	43.92
- Meenakshi Energy Private Limited	2,855.00	1,500.00
- PTC Bermaco Green Energy Systems Limited	35.28	49.08
- RS India Wind Energy Limited	-	3,531.14
- Varam Bio Energy Private Limited	27.81	164.06
Advance against investment :		
- PTC Bermaco Green Energy Systems Limited	52.95	0.15
- Varam Bio Energy Private Limited	-	27.81
Investment balances outstanding at the year end :		
- Ind Barath Energy (Utkal) Limited	10,500.00	-
- Ind Barath Power Gencom Limited	5,563.00	5,563.00
- Indian Energy Exchange Limited	693.92	693.92
- Meenakshi Energy Private Limited	4,355.00	1,500.00
- PTC Bermaco Green Energy Systems Limited	84.37	49.08
- RS India Wind Energy Limited	5,731.14	5,731.14
- Varam Bio Energy Private Limited	439.00	411.20

8. Earnings per share

	Year ended 31.03.2010	Year ended 31.03.2009
Profit after tax attributable to equity shareholders (Rupees in lacs)	2,545.24	852.99
Weighted Average number of equity shares outstanding during the year (Nos.)	434,583,335	240,600,458
Basic/Diluted* earnings per share of face value Rs. 10 each (in Rupees)	0.59	0.35

* There are no dilutive potential equity shares.

9. Deferred tax

The breakup of deferred tax assets/ (liabilities) as at March 31, 2010 is as under:

	(Rupees in lacs)		
	Balance as at 31.03.2009	Movement during the year	Balance as at 31.03.2010
Deferred tax asset arising on account of timing differences in :			
- Preliminary expenses	36.02	(12.55)	23.47
- Provision for retirement benefits	0.78	0.65	1.43
Less:			
Deferred tax liability arising on account of timing differences in :			
- Depreciation	0.55	461.87	462.42
Net deferred tax assets/ (liabilities)	36.25	(473.77)	(437.52)

10. The percentage holding and the investment in associate companies as at March 31, 2010 is given below:

Name of the associate company	Country of incorporation	% holding	Face value Rupees per share	As at March 31, 2010 (Rupees in lacs)	As at March 31, 2009 (Rupees in lacs)
Ind-Barath Energy (Utkal) Limited	India	20.55%	10	10,500.00	-
Ind-Barath Power Gencom Limited	India	26%	10	5,563.00	5,563.00
Indian Energy Exchange Limited	India	26%	10	693.92	693.92
Meenakshi Energy Private Limited	India	26%	10	4,355.00	1,500.00
PTC Bermaco Green Energy Systems Ltd.	India	26%	10	84.37	49.08
RS India Wind Energy Limited	India	37%	10	5,731.14	5,731.14
Varam Bio Energy Private Limited	India	26%	10	439.00	411.20
Total				27,366.43	13,948.34

Amounts of Rs. 53.10 lacs paid as advance against equity and pending allotment as at March 31, 2010 to PTC Bermaco Green Energy Systems Limited included under loans and advances under Schedule 11.

11. Based on the information available with the Company, there are no dues as at March 31, 2010 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 - 3006 KWH (Previous year Nil).

13. Managerial remuneration:

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Salary and allowances	27.61	16.36
Perquisites	2.87	1.71
Contribution to provident funds	1.43	0.82
Total	31.91	18.89

Note: The above figures do not include contribution 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.

14. Auditors' remuneration (excluding service tax)

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Statutory audit	5.00	6.00
Tax audit	1.50	1.00
Other services	2.50	2.00
Total	9.00	9.00

15. Expenditure incurred in foreign currency

	(Rupees in lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Books and periodicals	-	0.68
Front end fees	13.65	-
Travelling	0.45	-
Other	0.12	-
Total	14.22	0.68

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

17. Schedules 1 to 20 and the statement of additional information form an integral part of the accounts.

18. 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
Liabilities side:		
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	20,000.00	-
: Unsecured	-	-
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	-	-
(c) Term Loans	8620.10	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans (short term bank loan)	2460.00	-
Assets side:		Amount outstanding
(2) Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:		
(a) Secured		26,620.10
(b) Unsecured		500.00
(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)		-

(Rupees in lacs)		
Particulars	Amount Outstanding	Amount Overdue
2. Unquoted:		
(i) Shares: (a) Equity		37,017.57
(b) Preference		-
(ii) Debentures and Bonds		3,600.00
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (advance against equity share capital)		53.10
Total		40,723.50

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

(Rupees in lacs)			
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	26,620.10	500.00	27,120.10
Total	26,620.10	500.00	27,120.10

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

(Rupees in lacs)			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	200.00	37,017.57	37,217.57
2. Other than related parties	3,400.00	52.83	3,452.83
Total	3,600.00	37,070.40	40,670.40

III. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at 31 March, 2010

(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
Liabilities									
Borrowings from banks	2,460.00	-	-	-	31.25	1,096.21	1,686.68	5,805.96	11,080.10
Market Borrowings	-	-	-	-	-	16,666.67	3,333.33	-	20,000.00
Assets									
Receivables under financing activity	-	-	-	10,000.00	8,094.67	1,362.33	1,783.23	5,379.87	26,620.10
Investment	3,400.00	-	-	-	-	200.00	-	37,070.40	40,670.40

(7) Other information

(Rupees in lacs)	
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

I. Capital Adequacy Ratio

(Rupees in lacs)	
Particulars	As at 31 March 2010
Tier I Capital	63,469.53
Tier II Capital	-
Total Capital	63,469.53
Total Risk Weighted Assets	71,878.11
Capital Ratios	
Tier I Capital as Percentage of Total Risk Assets (%)	88.30 %
Tier II Capital as Percentage of Total Risk Assets (%)	-
Total Capital (%)	88.30 %

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, 2010.

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
Dated: 23rd July, 2010

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 31 st March, 2010	
II	Capital raised during the year (Amount – Rs. in thousands)	
	Public Issue	Rights Issue
	Nil	Nil
	Bonus Issue	Private Placement
	Nil	Nil
III	Position of Mobilisation and Deployment of Funds (Amount – Rs. in thousands)	
	Total Liabilities	Total Assets
	9,511,133	9,511,133
	Sources of Funds	
	Paid-up Capital	Reserves and Surplus
	4,345,833	2,013,539
	Secured Loans	Unsecured Loans
	3,108,010	Nil
	Application of Funds	
	Net Fixed Assets	Investments
	350,661	4,067,040
	Loans	Net Current Assets
	2,662,010	2,431,422
	Deferred Tax (Net)	Misc. Expenditure
	(43,751)	Nil
	Accumulated Losses	
	Nil	
IV	Performance of Company (Amount – Rs. in thousands)	
	Turnover	Total Expenditure
	534,895	167,894
	Profit/(Loss) before Tax	Profit/(Loss) after Tax
	+ 367,001	+ 254,524
	Earnings per share in Rs.	Dividend Rate %
	0.59	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
Dated: 23rd July, 2010

Vishal Goyal
Company Secretary

PTC Energy Ltd.

DIRECTORS' REPORT

To,
The Members, PTC Energy Limited.

The Directors have great pleasure in presenting you the second Annual Report of PTC Energy Limited (PEL) together with the Audited Accounts for the year ending on 31st March 2010.

1.0 Financial Results

1.1 Financial Performance

PEL was incorporated on 1st August 2008 as wholly owned subsidiary of PTC India Ltd. and commenced its business operations effectively in the beginning of financial year under review. The financial highlights of your company for the year 2009-10 are as follows:

	(Rs. In Lacs)	
	2009-10	2008-09
Income	2,802.88	10.92
Expenditure	2,725.35	240.83
Profit/(Loss) Before Tax	73.43	(229.90)
Provision for Tax	-	-
Current Tax	11.34	-
Deferred Tax Charge/(Credit)	(49.91)	(0.70)
Net Profit/ (Loss) After Tax	112.00	(229.20)
Equity Share Capital	4,100.00	4,100.00

The Company has followed prudential Accounting norms and policies in its Accounts for the year ending 2010.

1.2 Operations Review

During the year, PEL with its team of experienced professional in imported fuel provided fuel intermediation to the upcoming power developers. Since the current fuel resources in India especially for coal cannot support the upcoming power plants and is falling deficient to meet the demand, there is an opportunity to fill this demand through import of coal and as well add to business value of PTC.

PEL has supplied a total quantity of 1.07 lacs MT towards fuel intermediation during the year.

In addition to this, the Company has also provided consultancy to a large gamut of clientele across different phases of the energy sector value chain.

During the year, the Company has tied up imported coal for supplying 17.6 lacs MT per annum for a period of five years to 2 power projects of total capacity of 450 MW.

With strong pipeline of assignments available for fuel intermediation, tolling, and joint development of power in Joint Venture, your company expects to record much higher level of growth in the year 2010-11.

1.3 Investment in Joint Venture

The Company has further invested Rs. 182 lacs in M/s. R S India Global Energy Limited (RSIGEL) and thereby raising its total equity contribution to Rs. 2340 lacs from Rs. 2160 lacs last year maintaining its stake at 48% of equity capital of RSIGEL.

2.0 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.

3.0 Board of Directors

Consequent to his separation from PTC India Ltd., Sh. Arun Bhalla, Whole- time Director has also resigned from PEL Board w.e.f. 4th February 2010. The Board places on record its deep appreciation for the valuable contribution made by Sh. Arun Bhalla as member of the Board.

Sh. Deepak Amitabh and Sh. S. Balachandran are liable to retire by rotation and being eligible offer themselves for re-appointment.

Your directors have re-appointed, subject to the approval of the members at ensuing Annual General Meeting, Sh. Shashi Shekhar as Managing Director for a period of 1 year from 5th August 2010.

Sh. Satish Mehta was appointed as Director effective 1st February 2010 and recently Sh. Arun Kumar was appointed as Whole-time Director effective 16th July 2010, subject to the approval of members at ensuing Annual General Meeting, for a period of 5 years.

4.0 Auditors

M/s. T. R. Chadha & Co. has been re-appointed as Statutory Auditors of the Company

for the financial year 2009-10 by the Shareholders in the first Annual General Meeting of the Company to hold office till the conclusion of the forthcoming Annual General Meeting of the Company and has given its consent for re-appointment.

The Statutory Auditors have audited the Accounts of the Company for the Year ended 31st March 2010 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 the financial year 2010-11 at the ensuing Annual General Meeting.

5.0 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. Ashok Haldia and Sh. Deepak Amitabh as members of the Audit Committee.

6.0 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 during the year were as under:

Foreign Exchange Earned :	Rs. 12.64/- lacs (equivalent USD 27,836)
Foreign Exchange Used :	Rs. 1620.96/- lacs (equivalent USD 35,00,759)

7.0 Particulars of the employees

During the Financial Year ending 2010, 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. 24 lacs per annum or Rs. 2 lakh per month except Sh. Arun Kumar, the details of whose are given below:

Name	Sh. Arun Kumar
Designation	Executive Vice President
Qualification	FICWA, Post Graduate Diploma in Management & Information Technology
Nature of Employment whether contractual or otherwise	Regular (on deputation from PTC)
Nature of Duties of Employees	Fuel linkage, investment in to coal mines overseas, consultancy, business development.
Last employment held	Additional General Manager- Satluj Jal Vidyut Nigam Ltd.
Number of years of experience	33 years
Age	54 years
Date of commencement of employment	October 2003 (in PTC, on deputation to PEL from December 2008)
Gross Remuneration (Rs. in lacs)	27.10
No. of Equity Shares held (of Rs. 10/- each)	NIL
Whether Relative of a Director or Manager	No

8.0 Acknowledgement

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 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 : 16th July, 2010

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, 2010, 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, 2010 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, 2010,
 - 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)

(Neena Goel)
Partner
M. No. 057986

Place : New Delhi
Dated : 16th July, 2010

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, 2010 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.
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.,
Chartered Accountants
(Firm Registration No. 006711N)

(Neena Goel)
Partner
M. No. 057986

Place : New Delhi
Dated : 16th July, 2010

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 period 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 the year/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, 2010

(Amount in Rs.)

	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	410,000,060	410,000,060
Total		<u>410,000,060</u>	<u>410,000,060</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	B	104,846	
Less: Depreciation		<u>9,831</u>	
Net Block		95,015	
Investments	C	234,025,420	216,000,000
Deferred Tax Assets		5,061,120	69,724
Current Assets, Loans and Advances			
Sundry Debtors	D	4,947,950	-
Cash and Bank Balances		162,600,920	172,186,573
Other Current Assets		64,417	121,369
Loans & Advances		477,452	211,219
		<u>168,090,739</u>	<u>172,519,161</u>
Less: Current Liabilities & Provisions			
Current Liabilities	E	8,980,066	1,508,731
Provisions		11,903	-
		<u>8,991,969</u>	<u>1,508,731</u>
Net Current Assets		159,098,770	171,010,430
Profit & Loss Account (Debit Balance)		11,719,735	22,919,906
Total		<u>410,000,060</u>	<u>410,000,060</u>
Notes to the Accounts			
L			
Schedule A to L and Accounting Policies form integral part of Financial Statements			

Shashi Shekhar
Managing Director
DIN No. 01747358

For and on behalf of Board
Arun Kumar
Director
DIN No. 01853255

Nidhi Verma
Company Secretary

As per our Report of even date attached
For T.R. Chadha & Co.,
Chartered Accountants
(Firm Registration No. 006711N)
Chartered Accountants
(Neena Goel)
Partner
M.No. 057986

Dated : 16th July, 2010
Place : New Delhi

PTC Energy Ltd.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(Amount in Rs.)

	Schedule	For the year ended 31.03.2010	For 8 months period ended 31.03.2009
INCOME			
Sales of Coal		269,058,154	-
Other Operating Income	F	5,984,858	-
Other Income	G	5,244,972	1,092,984
		<u>280,287,984</u>	<u>1,092,984</u>
EXPENDITURE			
Purchase of Coal		258,941,084	-
Employee Cost	H	7,076,811	1,420,288
Direct Operating Expenses	I	4,515,441	-
Establishment Expenses	J	1,991,493	22,662,326
Depreciation		9,831	-
		<u>272,534,660</u>	<u>24,082,614</u>
Profit Before Prior Period Expenses and Tax		7,753,324	(22,989,630)
Prior Period Expenses	K	410,006	-
Profit Before Tax		<u>7,343,318</u>	<u>(22,989,630)</u>
Provision for Taxation			
-Current Tax		1,134,543	-
-Deferred Tax Charge/(Credit) (Refer Note No. 9)		(4,991,396)	(69,724)
Profit After Tax		<u>11,200,171</u>	<u>(22,919,906)</u>
Balance as per Last Account		(22,919,906)	-
Balance carried to Balance Sheet		<u>(11,719,735)</u>	<u>(22,919,906)</u>
Notes to the Accounts	L		
Earning Per Share-Basic (Rs.)		0.27	(4.23)
Earning Per Share-Diluted (Rs.)		0.27	(4.23)

Schedule A to L and Accounting Policies form integral part of Financial Statements

Shashi Shekhar
Managing Director
DIN No. 01747358

For and on behalf of Board
Arun Kumar
Director
DIN No. 01853255

Nidhi Verma
Company Secretary

As per our Report of even date attached
For T.R. Chadha & Co.,
Chartered Accountants
(Firm Registration No. 006711N)
Chartered Accountants
(Neena Goel)
Partner
M.No. 057986

Dated : 16th July, 2010
Place : New Delhi



PTC Energy Ltd.
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2010

	(Amount in Rs.)	
	For the year ended 31.03.2010	For 8 months period ended 31.03.2009
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	7,343,318	(22,989,630)
Adjustment for:		
Depreciation	9,831	-
Interest Income	(5,216,923)	(1,092,984)
Operating Profit before Working Capital Changes	2,136,226	(24,082,614)
Adjustment for:		
Sundry Debtors	(4,947,950)	-
Loans & Advances	(151,641)	-
Current Liabilities	7,471,335	1,508,731
Provisions	11,903	-
Cash Generated from Operating Activities	4,519,873	(22,573,883)
Direct Taxes Paid (Net)	(1,249,135)	(211,219)
Net Cash from Operating Activities (A)	3,270,738	(22,785,102)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investment of associate company	(18,025,420)	(216,000,000)
Purchase of fixed assets	(104,846)	-
Interest Income	5,273,875	971,615
Net Cash used in Investing Activities (B)	(12,856,391)	(215,028,385)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	410,000,060
Cash flow from Financing Activities (C)	-	410,000,060
Net increase/use in cash and cash equivalent (A+B+C)	(9,585,653)	172,186,573
Cash and Cash equivalent (Opening Balance)	172,186,573	-
Cash and Cash equivalent (Closing Balance)	162,600,920	172,186,573

- 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.
- Previous period's figures have been rearranged/regrouped where ever necessary.

Shashi Shekhar
Managing Director
DIN No. 01747358

For and on behalf of Board
Arun Kumar
Director
DIN No. 01853255

Nidhi Verma
Company Secretary

As per our Report of even date attached
For T.R. Chadha & Co.,
Chartered Accountants
(Firm Registration No. 006711N)
Chartered Accountants
(Neena Goel)
Partner
M.No. 057986

Dated : 16th July, 2010
Place : New Delhi

PTC Energy Ltd.
SCHEDULES - FORMING PART OF THE ACCOUNTS

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED		
500,000,000 Equity shares of Rs.10/- each	5,000,000,000	5,000,000,000
Issued, Subscribed & Paid Up		
41,000,006 Equity Shares of Rs.10/- each fully paid up	410,000,060	410,000,060
Total	<u>410,000,060</u>	<u>410,000,060</u>

Note:- 41,000,000 (Previous Year 41,000,000) shares are held by PTC India Ltd (Holding Company)

SCHEDULE 'B'

FIXED ASSETS

(Amounts in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2009	Additions	Sales Adjustments	As at 31.03.2010	As at 01.04.2009	For the period	Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Tangible Assets :										
Office Equipments	-	104,846	-	104,846	-	9,831	-	9,831	95,015	-
Total	-	104,846	-	104,846	-	9,831	-	9,831	95,015	-
Previous Year	-	-	-	-	-	-	-	-	-	-

	Quantity			Amount in Rs.	
	Face Value	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'C'					
INVESTMENTS					
Long Term Trade Investments - Unquoted (at cost)					
Equity Shares					
Associate Company					
-RS India Global Energy Limited (fully paid up)	10	23,402,542	21,600,000	234,025,420	216,000,000
Total				<u>234,025,420</u>	<u>216,000,000</u>
Aggregate market value of quoted investments				-	-
Aggregate cost of quoted investments				-	-
Aggregate cost of un-quoted investments				234,025,420	216,000,000

	As at 31.03.2010	As at 31.03.2009
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SCHEDULE 'D'

i. SUNDRY DEBTORS

Due for less than six months

- Secured

- Unsecured, considered good

Sub-total (i)

-	-
4,947,950	-
<u>4,947,950</u>	<u>-</u>

ii. CASH & BANK BALANCES

Balance with Scheduled Banks -

Term Deposits

Current Accounts

Sub-total (ii)

159,010,000	171,779,804
3,590,920	406,769
<u>162,600,920</u>	<u>172,186,573</u>

PTC Energy Ltd.

SCHEDULES - FORMING PART OF THE ACCOUNTS

Amount in Rs.)		
	As at 31.03.2010	As at 31.03.2009
iii. OTHER CURRENT ASSETS		
Interest accrued but not due	64,417	121,369
Sub-total (iii)	<u>64,417</u>	<u>121,369</u>
iv. LOANS & ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advance Income Tax	325,811	211,219
(Net of Provision for Income Tax Rs. 11,34,543, Previous Year Nil)		
Others	151,641	-
Sub-total (iv)	<u>477,452</u>	<u>211,219</u>
Total (Sub Total (i)+(ii)+(iii)+(iv))	<u>168,090,739</u>	<u>172,519,161</u>

SCHEDULE 'E'

CURRENT LIABILITIES & PROVISIONS

i. Current Liabilities		
Sundry Creditors		
- Micro & Small Enterprises	-	-
- Others	5,796,177	-
Other Liabilities		
- Statutory Liabilities	382,194	-
- PTC India Ltd (Holding Company)	2,648,820	1,441,448
- Others	152,875	67,283
Sub-total (i)	<u>8,980,066</u>	<u>1,508,731</u>
ii. Provisions		
Employee Benefits	11,903	-
Sub-total (ii)	<u>11,903</u>	<u>-</u>
Total (Sub Total (i)+(ii))	<u>8,991,969</u>	<u>1,508,731</u>

	For the year ended 31.03.2010	For 8 months period ended 31.03.2009
--	-------------------------------------	--

SCHEDULE 'F'

OTHER OPERATING INCOME

Consultancy Income-Gross (TDS Rs. 466,971, Previous year Rs. Nil)	4,720,000	-
Dispatch Claim	1,264,858	-
Total	<u>5,984,858</u>	<u>-</u>

SCHEDULE 'G'

OTHER INCOME

Interest on fixed deposits-Gross (TDS Rs. 782,164 , Previous year Rs. 211219)	5,216,923	1,092,984
Foreign Exchange Fluctuation (Net)	28,049	-
Total	<u>5,244,972</u>	<u>1,092,984</u>

PTC Energy Ltd.

SCHEDULES - FORMING PART OF THE ACCOUNTS

	Amount in Rs.)	
	For the year ended 31.03.2010	For 8 months period ended 31.03.2009
SCHEDULE 'H'		
EMPLOYEE COST		
Salaries, Allowances & Benefits	6,143,281	1,185,773
Contribution to Provident & Other Funds	287,636	65,847
Gratuity & Leave Encashment	368,800	86,755
Staff Welfare Expenses	277,094	81,913
Total	7,076,811	1,420,288
SCHEDULE 'I'		
DIRECT OPERATING EXPENSES		
Coal Quality Inspection Fee	244,231	-
Dispatch Claim	545,445	-
Consultancy Expenses	3,725,765	-
	4,515,441	-
SCHEDULE 'J'		
ESTABLISHMENT EXPENSES		
Professional Charges Expenses	750,000	43,764
Communication	109,383	-
Business Development	68,230	-
Travelling and Conveyance Expenses	637,215	3,000
Printing & Stationery	9,311	-
Directors' Sitting Fee	120,000	20,000
Repair & Maintenance Expenses		
-Building-	-	-
-Others	38,720	3,520
Bank Charges	74,292	345
Water & Electricity Expenses	1,331	-
Rates, Fees & Taxes	45,136	22,268,000
Preliminary Expenses Written off	-	256,414
Auditors Remuneration	137,875	67,283
Total	1,991,493	22,662,326
SCHEDULE 'K'		
PRIOR PERIOD EXPENSES		
Rates, Fees & Taxes	410,006	-
Total	410,006	-

PTC Energy Ltd.

SCHEDULES - FORMING PART OF THE ACCOUNTS

SCHEDULE 'L'

NOTES TO THE ACCOUNTS

1 Quantitative information in respect of purchase and sale of coal:

Particulars	Qty. in MT*		Value (Rs.)	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Sale	107,351.97	-	269,058,154	-
Purchase	107,334.19	-	258,941,084	-

*Acceptable weighment differences

2 Income in foreign currency (on accrual basis):

(Rs.)

Particulars	For the year ended 31.03.2010	For the period ended 31.03.2009
Dispatch Money	1,264,858	-

3 Details of Auditors' Remuneration:

(Rs.)

Particulars	For the year ended 31.03.2010	For the period ended 31.03.2009
Statutory Audit Fees*	110,300	39,708
Tax Audit Fees*	27,575	-
Other Matters	-	27,575
Total	137,875	67,283

*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:

(Rs.)

Particulars	Gratuity (Unfunded) For the year ended 31.03.2010	Leave Encashment For the year ended 31.03.2010
Present value of obligation	3,421	8,482
Fair value of plan assets	-	-
Net assets / (liability) recognized in balance sheet as provision	3,421	8,482

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

(Rs.)

Particulars	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/Period	-	-
Current service cost	3,421	8,482
Present value of obligation as at the end of Year/Period	3,421	8,482

SCHEDULES - FORMING PART OF THE ACCOUNTS

c) The amounts recognized in the statement of Profit & Loss Account for the year/ period are as follows:-

(Rs.)

Particulars	Gratuity (Unfunded) For the year ended 31.03.2010	Leave Encashment For the year ended 31.03.2010
Current service cost	3,421	8,482
Expenses recognized in the statement of profit & losses	3,421	8,482

The Company expects to contribute Rs.11,626 for gratuity and Rs.17,504 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 31.03.2010	Leave Encashment For the year ended 31.03.2010
Discounting Rate	7.50%	7.50%
Future salary Increase	5.00%	5.00%
Expected Average remaining working lives of employees in number of years	28.01	28.01

e) Demographic Assumption:

Particulars	Gratuity (Unfunded) For the year ended 31.03.2010	Leave Encashment For the year ended 31.03.2010
Retirement Age	60	60
Mortality Table	LIC 1994-96	LIC 1994-96
Ages	Withdrawal rates	
upto 30 Years	3.00%	3.00%
from 31 to 44 Years	2.00%	2.00%
Above 44 years	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/period:

(Rs.)

Defined Contribution Plans	For the year ended 31.03.2010	For the period ended 31.03.2009
Provident Fund	287,636	65,847

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 31.03.2010	For the Period ended 31.03.2009
PTC India Ltd	Holding Company	Shares issued by the company	-	410,000,000
		Payments of Expenses etc on the behalf of the company	5,899,861	1,697,862
RS India Global Energy Ltd	Associate	Equity contribution by the company	18,025,420	216,000,000

Investment Outstanding

Name of the Company	Relationship	As at 31.03.2010	As at 31.03.2009
RS India Global Energy Ltd	Associate	234,025,420	216,000,000

Balance Outstanding

Name of the Company	Relationship	Nature	As at 31.03.2010	As at 31.03.2009
PTC India Ltd	Holding Company	Payable	2,648,820	1,441,448

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

Particulars	For the year ended 31.03.2010	For the Period ended 31.03.2009
Opening balance of equity shares issued (No.)	41,000,006	-
Add: Equity shares issued during the year/period	-	41,000,006
Closing balance of shares issued	41,000,006	41,000,006
Weighted number of equity shares used as denominator	41,000,006	5,423,874
Profit/(Loss) attributable to equity shareholders	11,200,171	(22,919,906)
Earnings per Share (Amount in Rs.)	0.27	(4.23)
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 31.03.2010	As at 31.03.2009
Deferred Tax Liability on account of timing differences in:		
Depreciation	7,183	-
Sub-Total (a)	7,183	-
Deferred Tax Asset arising on account of timing differences in:		
Gratuity and Leave Encashment	151,324	-
Preliminary Expenses	4,489,228	69,724
Carried Forward Losses	427,751	-
Sub-Total (b)	5,068,303	69,724
Net Deferred Tax Liability/(Asset) (a-b)	(5,061,120)	(69,724)

Deferred Tax Asset of Rs. 5,068,303 has been recognized in the books as there is virtual certainty that such deferred tax asset can be realized against future taxable profit as evidenced by long term coal supply orders received by the company for the forthcoming financial years.

- 10 The information given in Schedule-F does not include any amount which is outstanding and payable to Micro, Small and Medium Enterprises based on the information available with the company. Details as required by Schedule VI of the Companies Act, 1956 are given below:-

I	II	III	IV	V
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year/Period	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year/period	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year/period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	the amount of interest accrued and remaining unpaid at the end of each accounting year/period.	the amount of further interest remaining due and payable even in the succeeding year/period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006
NIL	NIL	NIL	NIL	NIL

11 CIF value of imports:

For the year ended 31.03.2010	For the period ended 31.03.2009
258,941,084	NIL

(Rs.)

12 Loans and Advances due from directors-NIL.

13 The company was incorporated on 1st August, 2008 and the Profit & Loss Account for the previous period had been prepared from the date of incorporation to 31st March, 09 i.e. for a period of 8 months. Hence the current year figures are not comparable with the corresponding previous period figures

14 Book Debts are hypothecated to the banks for availing the non fund based working facilities.

15 Figures of the previous period/year have been regrouped /reclassified wherever considered necessary to confirm to current Period classification.

16 Schedules A to L and accounting policies form an integral part of accounts.

For and on behalf of Board

Shashi Shakhar
Managing Director
DIN No. 01747358

Arun Kumar
Director
DIN No. 01853255

Nidhi Verma
Company Secretary

As per our Report of even date attached
For T.R. Chadha & Co.,
Chartered Accountants
(Firm Registration No. 006711N)
Chartered Accountants
(Neena Goel)
Partner
M.No. 057986

Dated : 16th July, 2010
Place : New Delhi

**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 11th Annual General Meeting of the Company to be held on 23rd September, 2010 at 11:00 a.m. at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi - 110 001.

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 11th Annual General Meeting / General Meeting (not being an Annual General Meeting) of the company to be held on the 23rd September, 2010 and at any adjournment thereof.

Affix
30Paise
Revenue
Stamp

Signed this day of 2010.

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).

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



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