



9TH ANNUAL REPORT 2007-2008



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.

Incentivize development of Power Projects by providing services on a holistic basis.

Promote exchange of power with neighbouring countries.

Values

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

NINTH ANNUAL GENERAL MEETING

To be held on Wednesday, 6th August, 2008 at 4.00 PM
at Air Force Auditorium, Subroto Park New Delhi-110 010

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 Gireesh B. Pradhan, Addl. Secretary, MOP
5. Smt. Preeti Saran, Joint Secretary, MEA
6. Shri Satnam Singh, Director (Fin.), PFC
7. Shri A.B.L. Srivastava, Director (Fin.), NHPC
8. Shri I.J. Kapoor, Executive Director, NTPC
9. Shri R.G. Yadav, ED, 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

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

Sri Venkatesh Bhavan

W-40, Okhla Industrial Area, Phase-II

New Delhi - 110 020

Phone: 41406149; Fax: 41709881

Principal Bankers

IDBI Ltd.

Corporation Bank

Yes Bank



NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the Members of PTC India Ltd. (PTC) will be held on Wednesday the 6th August, 2008 at 04:00 p.m. at Air-force Auditorium, Subroto Park, Dhaura Kuan, New Delhi-110010 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31 March 2008, Profit & Loss Account for the year ended on that date, the Auditors' report thereon and the Director's Report for the financial year 2007-08.
2. To consider and if thought fit, to pass with or without modification (s), the following resolution for dividend for the Financial Year 2007-2008 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 10% be and is hereby declared for the financial year 2007-08, out of the profits of the Company on the 22,74,19,000 equity shares of Rs. 10/- each fully paid up to be paid as per the ownership as on 26th July, 2008".
3. To appoint a Director in place of Shri Satnam Singh, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri D.P. Bagchi, who retires by rotation and is eligible for reappointment.
5. 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 2008-2009 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 Auditor of the Company for the Financial Year 2008-2009 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

6. To appoint Mrs. Preeti Saran (who in pursuance of section 260 of the Companies Act, 1956 was appointed as an Additional Director by the Board of Directors to hold the office of Director only up to the date of this meeting), in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director and to move the following resolution as ordinary Resolution:
"Resolved that pursuant to Section 257 of the Companies Act, 1956, Mrs. Preeti Saran be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation."
7. To appoint Shri A.B.L. Srivastava (who in pursuance of section 260 of the Companies Act, 1956 was appointed as an Additional Director by the Board of Directors to hold the office of Director only up to the date of this meeting), in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director as a nominee of NHPC Ltd. and to move the following resolution as ordinary Resolution:
"Resolved that pursuant to Section 257 of the Companies Act, 1956, Shri A.B.L. Srivastava be and is hereby appointed as a Director of the Company as a nominee of NHPC Ltd. and shall be liable to retire by rotation."
8. To appoint Shri I.J. Kapoor (who in pursuance of section 260 of the Companies Act, 1956 was appointed as an Additional Director by the Board of Directors to hold the office of Director only up to the date of this meeting), in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director as a nominee of NTPC Ltd. and to

move the following resolution as ordinary Resolution:

- "Resolved that pursuant to Section 257 of the Companies Act, 1956, Shri I.J. Kapoor be and is hereby appointed as a Director of the Company as a nominee of NTPC Ltd. and shall be liable to retire by rotation."
9. To consider and if thought fit, to pass with or without modification (s), the following resolution for approval of appointment of Shri Shashi Shekhar as Whole-time Director already approved by the Board of Directors w.e.f. 25.01.2008 and to move the following as ordinary Resolution:
"Resolved that pursuant to the provision of Section 269, 309, schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and provisions of the Articles of Association, Shri Shashi Shekhar be and is hereby appointed as the Whole-time of the Company with such designation as may be approved by the Board from time to time w.e.f. 25.01.2008 for a period of for a period of five years or his repatriation from deputation, whichever is earlier.
Further resolved that the Board of Directors be and are hereby authorized to fix/ vary and/ to revise the remuneration of Shri Shashi Shekhar and the Board is further authorized to settle any question in connection therewith or incidental thereto."
10. To consider and if thought fit, to pass with or without modification (s), the following resolution for approval of appointment of Shri Deepak Amitabh as Whole-time Director already approved by the Board of Directors w.e.f. 25.01.2008 and to move the following as ordinary Resolution:
"Resolved that pursuant to the provision of Section 269, 309, schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and provisions of the Articles of Association, Shri Deepak Amitabh be and is hereby appointed as Whole-time of the Company with such designation as may be approved by the Board from time to time w.e.f. 25.01.2008 for a period of for a period of five years or his repatriation from deputation, whichever is earlier.
Further resolved that Board of Directors be and are hereby authorized to fix/ vary and/ to revise the remuneration of Shri Deepak Amitabh and the Board is further authorized to settle any question in connection therewith or incidental thereto."
11. To consider and if thought fit, to pass with or without modification (s), the following resolution relating to ESOP (as explained in the explanatory notes) and to move the following as special Resolution:
"Resolved that subject to the approval of the shareholders pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 [the "Act"], the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 [the "SEBI Guidelines"], including any statutory modification(s) or re-enactment(s) of the Act and/or Guidelines, the relevant provisions of the Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed, consent be and is hereby accorded to create, offer, issue and grant/allot at any time to or to the benefit of present and future permanent employees of the Company and the Directors of the Company except an employee who is Promoter or belongs to the Promoter Group or a Director who either himself or through his relative or through any body corporate directly or indirectly holds more than 10% of the outstanding equity shares of the Company under the Plan titled "PTC India Limited Employee Stock Option Plan" (hereinafter referred to as the "Plan;") upto 11,370,950 (i.e., 5% of the Issued Share Capital as on 31st March, 2008) exercisable by the employees and Directors giving right to subscribe to one Equity share of Rs. 10/- each for every equity



option so granted/allotted, at such price, in one or more tranches, and on such terms and conditions as given in the Plan as placed before the meeting, duly initialed by the Chairman for the purpose of identification.

Further resolved that the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu from the date of allotment, in all respects with the then existing Equity shares of the Company and that the Company shall conform to the Accounting Policies as laid in Clause 13.1 and Schedule I of the SEBI Guidelines and relevant Accounting Standards as laid down by the Institute of Chartered Accountants of India, prevailing from time to time.

Further resolved that for the purpose of giving effect to this resolution, the Compensation Committee constituted by the Board of Directors, as the case may be, be and are hereby severally authorized on behalf of the Company to evolve, decide upon and bring into effect the Plan and make modifications, changes, variations, alterations or revisions in the said Plan from time to time and as they may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the shareholders of the Company to the end and intent that the shareholders shall be deemed to have given such consent/approval expressly."

12. To consider and if thought fit, to pass with or without modification (s), the following resolution relating to ESOP (as explained in the explanatory notes) and to move the following as Special Resolution:

"Resolved that subject to all requisite approvals, the benefits of the "PTC India Limited Employee Stock Option Plan" as proposed under Resolution No. 11 above be extended to such present and future permanent employees and the Directors of the subsidiaries of the Company in India and outside India whether existing or to be incorporated in the future, except an employee who is Promoter or belongs to the Promoter Group or a Director who either himself or through his relative or through any body corporate directly or indirectly holds more than 10% of the outstanding equity shares of the Company, under the Plan titled "PTC India Limited Employee Stock Option Plan", on the same terms and conditions including price as applicable to the present and future permanent employees of the Company."

By Order of the Board of Directors,

For PTC INDIA LTD.
(Rajiv Maheshwari)
Company Secretary

Place: New Delhi
Date: 1st July, 2008

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. A proxy form is enclosed. The instrument appointing a proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business set out in the notice is enclosed.
3. 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 26th July, 2008 to 6th August, 2008 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 26th July, 2008, 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, Sri Venkatesh Bhavan, W-40 Okhla Industrial Area - Phase-II, 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.

Item no. 3 and 4

Shri Satnam Singh and Shri D.P. Bagchi are retiring by rotation and are eligible for reappointment.

Shri Satnam Singh

Presently, Shri Satnam Singh is working as a Director (Fin.) on the Board of the Power Finance Corporation Ltd., (PFC). He has rich experience of Indian Power & Finance Sector

He is also a Director on the Board of Jharkhand Integrated Power Limited and PFC Consulting Ltd. He is a member of Shareholders Grievance Committee of PFC. He does not have any shareholding in the Company.

Shri D.P. Bagchi

Shri D.P. Bagchi has worked as Chief Secretary to the Government of Orissa. He has rich experience in all sectors of Indian Economy.

He is a Director on the Board of Visa Steel Limited, N.I.N.L., Jindal India Thermal Power Limited, Kajaria Ceramics and Hindustan Powergen Ltd. He is Chairman of Audit Committee of Visa Steel Ltd. and N.I.N.L. He is also a Member of investors Grievance Committee of Visa Steel Limited. He does not have any material shareholding in the Company.

All the Directors whose appointment/ re-appointment are proposed are interested in the proposal of their own appointment/ re-appointment. The Board recommends the above proposals for approval.

Item no. 6, 7 and 8 and

Mrs. Preeti Saran

Presently, Mrs. Preeti Saran is working as Joint Secretary, Ministry of External Affairs, Government of India. She has rich experience of Indian Economy specially matters relating to foreign affairs and neighboring countries of India. She is not a Director in any other Company except PTC. She does not hold membership of any Committee and she does not have any material shareholding in the Company.

Mrs. Saran is interested in her own appointment. The Board recommends the above proposal for approval.

Shri A.B.L. Srivastava

Presently, Shri A.B.L. Srivastava is working as Director (Fin.) of NHPC Limited. He has rich experience of Indian Financial and Power Sector. He does not have any shareholding in the Company.

Shri A.B.L. Srivastava is interested in his own appointment. The Board recommends the above proposal for approval.

Shri I. J. Kapoor

Presently, Shri I.J. Kapoor is working as Executive Director (Comm.) of NTPC Limited. He has rich experience of Indian Power Sector. He does not have any directorship in any other Company and has no shareholding in the Company.

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

Item no. 9 and 10

Shri Shashi Shekhar

Shri Shashi Shekhar, an IAS Officer of the Tamil Nadu Cadre, 1981 Batch joined PTC India Ltd. as Executive Director in June 2007 on deputation basis. Shri Shashi Shekhar has held various senior positions in the State as well as Central Govt. He was District Collector of Pudukottai and Nilgiri Districts in Tamil Nadu. He was Managing Director of Tamil Nadu Minerals, Tamil Nadu Urban Development Fund and Tamil Nadu Transport Development Finance Corporation (a NBFC). He was also Finance Commissioner to raise extra budgetary resources from the

market. He was Director and later Joint Secretary in the Ministry of Power from 1998-2003 during which period he held the post of Director General of Bureau of Energy Efficiency as additional charge.

He is a Director on the Board of PTC India Financial Services Ltd. as nominee of PTC. He is a member of Audit Committee of PTC India Financial Services Ltd. He does not have any shareholding in the Company. Shri Shashi Shekhar is interested in his own appointment.

Shri Deepak Amitabh

Shri Deepak Amitabh belongs to the 1984 batch of Indian Revenue Service. He is on deputation at PTC and has more than 24 years of work experience in auditing, financial analysis and revenue mobilization. He has acted as Financial Advisor to Director General Naval Projects, Mumbai and has held in the Indian Revenue Service, the post of Additional Commissioner of Income Tax, New Delhi and Joint Commissioner of Income Tax, Mumbai.

He is a Director of PTC India Financial Services Limited (PFS), and in Athena Energy Ventures Private Limited (AEVPL) as nominee of PTC. He is also a Director on the Board of Athena Damwe Power Private Ltd. He is a member of Audit Committee of PTC India Financial Services Ltd. He is a Chairman of Audit Committee of AEVPL. He has 300 equity shares in the shareholding in PTC.

Shri Deepak Amitabh is interested in his own appointment.

The Board recommends the above proposals for approval.

Item no. 11 & 12

The human resource of an organization plays a vital role in its growth and success. The Board of Directors ("Board") recognizing the need to retain and attract the best talent in the Company, and to recognize and reward contribution of the employees to the organization's success, have proposed to offer the employees an option to acquire the equity shares of the Company under the Employee Stock Option Plan titled as "PTC India Limited Employee Stock Option Plan" (hereinafter referred to as "Plan"). The objective of the Plan is to retain and attract the best talent in the Company, to infuse a sense of entrepreneurship and ownership amongst the employees, to motivate the employees to perform better and to recognize and reward contribution of the employees to the organization's success.

The Compensation Committee (hereinafter referred to as "Committee") constituted by the Board will administer and supervise the Plan.

The main features of the Plan are as under:-

1) Total number of options to be granted

The maximum number of shares that may be issued pursuant to exercise of options granted to the eligible employees shall not exceed 5% of the Issued Share Capital of the Company as on 31st March, 2008 (i.e., 11,370,950 shares). Out of this 5%, the Company proposes to grant 2% of options as part of first grant of options after implementation of the Plan ('initial grant'). The Committee will have the right to increase or reduce such number of shares as it deems fit.

2) Identification of classes of employees entitled to participate in the Plan

I) The following employees are eligible to participate in the Plan based on such criteria as may be decided by the Committee at its own discretion from time to time :-

- A permanent employee of the Company working in India or outside India;
- A Director of the Company whether whole time or not;
- An employee as defined in sub clauses (a) or (b) above of a subsidiary, in India or outside India.

II) The following employees are not eligible to participate in the Plan.

An employee who is a:-

- Promoter; or
- belongs to the Promoter Group; or
- a Director, who either by himself or through his relative or through any body corporate, directly or indirectly, holds more than 10 percent of the outstanding Shares of the Company.



3) Requirement of vesting and period of vesting

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

4) Maximum period within which the options shall be vested

The maximum period for vesting the options shall be 4 (four) years from the grant date.

5) Exercise price and method of option valuation

The Exercise Price for the initial grant of Options shall be as under:

Category of Participants	Exercise Price
Category I (who joined the Company or the Subsidiary on or before March 31, 2003)	10% of the Market Price as on date of grant or Rs 10/- whichever is higher
Category II (who joined the Company or the Subsidiary between April 01, 2003 to March 31, 2006)	30% of the Market Price as on the date of grant or Rs 10/- whichever is higher
Category III (who joined the Company or the Subsidiary on or after April 01, 2006 onwards)	50% of the Market Price as on the date of grant or Rs 10/- whichever is higher

The Exercise Price of Options incase of subsequent grants shall be 75% of the Market Price as on date of Grant or Rs 10/- whichever is higher.

For purposes of this Clause,

"Initial Grant" means the first grant of options by the Company after the implementation of the Plan.

"Subsequent Grant" means all the following grants after the initial grant, whether or not the grantee has been granted options earlier.

6) Exercise period and the process of exercise

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 years from the first vesting date. The exercise of options shall take place at the time and place designated by the Committee or the Company and by executing such documents as mentioned in the Plan to pass a valid title to the relevant shares to the participant, free and clear of any liens, encumbrances and transfer, restrictions save for those set out therein. An option shall be deemed to be exercised only when the Committee receives a written or an electronic notice of exercise and the exercise price (in accordance with the Plan) from the person entitled to exercise the option.

7) Appraisal process for determining the eligibility of the employees to the Plan

All employees are eligible to participate in the Plan subject to such criteria as may be decided by the Committee at its own discretion, including, but not limited to the date of joining of the employee with the Company or its subsidiary, performance evaluation, current compensation, criticality or any other criteria, as the Committee determines.

However, an employee who is a

- Promoter; or
- belongs to the Promoter Group; or
- a director, who either by himself or through his Relative or through any body corporate, directly or indirectly, holds more than 10 percent of the outstanding Shares of the Company,

shall not be eligible to participate in the Plan.

8) Maximum number of options to be issued per employee and in aggregate

The Committee would offer the options to an employee eligible to participate in the Plan, in accordance with the terms and conditions of the Plan for the time being in force. Each option shall entitle the participant to one share of the Company.

During any one year, no employee or Director shall be granted options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options.

9) Disclosure and accounting policies

The Company shall follow and conform to the Accounting Policies as mentioned in Clause 13.1 and Schedule I of Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, (the "SEBI Guidelines") and the applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time.

10) Method for valuation of options

The Company will use the Intrinsic Value Method to value its options. The difference between employee compensation cost computed following the Intrinsic Value to value its options and the employee compensation cost, that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall be disclosed in the Directors' Report.

Since the Plan provides for issue of shares to be offered to persons other than the existing shareholders of the Company, consent of the shareholders is sought by way of a special resolution pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956, (the "Act"), the provisions of the SEBI including any statutory modification(s) or re-enactment(s) of the Act and/or of the SEBI Guidelines.

A copy of the Plan will be available for inspection by the shareholders on any working day from the date of this notice to the date of 9th Annual General Meeting between 10.00 a.m. to 3.00 p.m.

The Board recommends the resolutions to the shareholders for their approval. Directors are interested in the resolutions to the extent of their shareholding(s).

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

Place: New Delhi
Date: 1st July, 2008

(Rajiv Maheshwari)
Company Secretary



DIRECTORS' REPORT

To,

The Members, PTC India Ltd.

Your Directors have immense pleasure in presenting to you, the ninth Annual Report on the activities of your Company, together with the Audited Annual Accounts for the Financial Year 2007-2008.

Performance and Financial Highlights

Your Company has completed another significant year of its operations, one in which it has sustained and consolidated its position in the industry. In spite of various constraints, the trading volumes were marginal higher this year at 9,889 MUs as against 9,549 MUs during the previous year, with a turnover of Rs. 39,493 Million (including other income) as against Rs. 37,859 Million (including other income) in the financial year 2006-07. Your Company has earned a profit after tax of Rs. 487 Million as against Rs. 351 Million in the previous year.

Your Company has allotted 77,419,000 equity shares of Rs. 10 each fully paid up at the issue price of Rs. 155 per equity share aggregating to an issue size of Rs. 11,99,99,45,000/- in favor of Qualified Institutional Buyers (QIBs) on 15th January, 2008 in terms of Chapter XIII-A of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended. ABN AMRO Securities (India) Pvt. Ltd and Kotak Mahindra Capital Company Limited acted as Book Running Lead Managers for the issue.

The financial results of the Company for the FY 2007-08 vis-a-vis 2006-07 under broad heads are summarized as under:

Particulars	(in Rupees million)	
	For the Year ended 31.03.2008	For the Year ended 31.03.2007
Sales* (including rebate on purchase of power and surcharge)	39,061.47	37,666.56
Other Income (including income from consultancy services)	431.62	192.92
Purchase** (including rebate on sale of power, scheduling and handling charges)	38,693.59	37,216.52
Employee Cost	79.86	57.03
Other Expenses etc.	99.47	94.53
Profit before amortization, depreciation and prior period items	620.17	491.40
Amortization and Depreciation	29.48	32.83
Prior Period Expenses/(Income)	1.35	1.36
Profit Before Tax	589.34	457.21
Provision for Taxation (including deferred tax income)	102.21	106.27
Profit After Tax	487.13	350.94
Balance as per last accounts	404.58	334.41
Transferred to General Reserves	146.14	105.28
Dividend (incl. dividend tax)	266.07	175.49
Balance carried forward to Balance Sheet	479.50	404.58
Earning Per Share in Rs.	2.93	2.34

* Includes Coal Sales of Rs. Nil Million in FY 07-08 and Rs. 134.82 Million in previous FY 06-07.

** Includes Coal Purchases of Rs. Nil Million in FY 07-08 and Rs. 134.50 Million in previous FY 06-07.

Dividend

The Directors recommend dividend @ 10% for the FY 07-08.

Reserves

Out of the profit of the Company, a sum of Rs. 146.14 Million has been transferred to General Reserves during the year and total reserves and surplus stood at Rs. 12,521.37 Million (including share premium) as on 31.03.2008.

Capital Structure

As on 31.03.2008, PTC has Authorized share capital of Rs. 750,00,00,000 and paid-up capital of Rs. 2,27,41,90,000/- divided into 22,74,19,000 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 5.28% each, or 21.12% collectively of the paid-up equity and subscribed share capital of your Company and the balance of 78.88% of the equity paid-up and subscribed share capital of your Company is held by Power Entities, Financial Institutions, 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 31.03.2008 is as follows:-

Category	No. of shares held	Percentage of shareholding
A Promoter's holding		
1. Promoters		
- Indian Promoters	48000000	21.12
- Foreign Promoters	-	-
2. Persons acting in concert	-	-
Sub-Total	48000000	21.12
B. Non-Promoter's Holding		
1. Institutions		
Mutual Funds and UTI	21042173	9.25
Banks and Financial Institutions	12317607	5.42
Insurance Companies	20883457	9.18
FII's	81233861	35.72
Sub-Total B(1)	135477098	59.57
2. Non Institutions		
Bodies Corporate (incl. DVC)	18776079	8.26
Individuals		
(holding nominal share capital upto Rs. One lac)	22677225	9.97
Individuals		
(Holding nominal share capital in excess of Rs. One lac)	1634314	.72
Others		
- NRIs	817484	0.36
- Trusts and Foundations	36800	0.02
Sub-Total B (2)	43941902	19.32
GRAND TOTAL	227419000	100.00

Distribution of shareholding - As on 31.03.2008

Nominal value of each share is Rs. 10/-

Number of Folios	Share Holding of Nominal Value of Rs.		No. of Shares	% To Total
117672	Upto	500	14292398	6.28
4498	501	To 1000	3748161	1.65
1623	1001	To 2000	2486229	1.09
472	2001	To 3000	1231784	.54
171	3001	To 4000	618193	.27
202	4001	To 5000	968711	.42
250	5001	To 10000	1846046	.81
212	10001	To 50000	4235634	1.87
24	50001	To 100000	1710446	.75
84	100001	And Above	196281398	86.3
125208	TOTAL		227419000	100.00



Share price data - BSE Scrip Code - 532524 and NSE - 'PTC'

Month	Monthly High	Monthly Low
April -07	62.20	53.50
May -07	71.30	55.10
June -07	69.15	58.15
July -07	107.00	62.70
August -07	86.00	68.30
September -07	97.85	80.75
October -07	125.40	77.50
November -07	174.65	115.50
December -07	169.70	138.10
January -08	201.70	94.85
February -08	132.00	97.70
March -08	118.00	84.50

Net Worth and Earning Per Share (EPS)

As on 31.03.2008, Net Worth of your Company stands at Rs. 14,795.56 Million as compared to Rs. 2,638.82 Million on 31.03.2007 and EPS of the Company stands at Rs.2.93 compared to Rs. 2.34 on 31.03.2007.

Management Discussions and Analysis

This year has been a crucial period for the country's revival of interest towards the power sector. A number of initiatives were taken by the Government to encourage investments in the sector and sensitize the various stakeholders about the importance of energy and need to conserve the valuable energy resources. Various regulatory and policy matters have been under active discussions at different platforms for preparing a clearer road map for evolution of the power market.

The regulatory landscape has seen positive development with the approval being given to the first National level Power Exchange, Indian Energy Exchange (IEX). Issues like open access for the collective transactions on the power exchange have been dealt by the policy makers. Being the frontrunner in the development of the power market, your Company has rightly been associated with and co-promoted the Indian Energy Exchange, along with FTIL and MCX.

However, the mist regarding fixation of the short term trading margin at 4 paise per KWh continued and there was no change in the status quo. This regulation, which is a sub-judice matter, has a strong bearing on your Company's profitability and its ability to introduce new products and services in the market since risks and returns go together.

On the performance front, your Company has been constantly adding value to the sector by the short term trading of power. As a consequence, now power has been viewed as an asset and a source of earning revenue. Till now the domestic long term business has not been significantly contributing to the operational performance. However, the long term portfolio is in the maturity phase and the year ahead would see significant benefits to the sector in terms of addition to the generating capacity and to your Company in terms of greater trading volumes.

In terms of cross border trade, currently your Company is trading surplus power from the three hydro projects in Bhutan. 1020 MW Tala project, becoming fully operational, generated power throughout the year and contributed significantly to the cross-border trade volumes. To add to that, PTC is also looking for exchange of power with Nepal and active efforts are on to strengthen and build transmission lines between the two countries for operationalizing trading of power based on commercial principles.

PTC organized a high level Power Summit for the 2nd time, in succession in Kathmandu during September 2007 in association with Nepal Bankers Association and Independent Power Producers' Association of Nepal to take forward the cooperation between the two countries on development of Nepal's hydropower potential. The 2nd Power Summit was a resounding success just as the first one and it kick-started serious dialogues between Indian and Nepalese Government agencies, investors and private entrepreneurs towards accelerated development of

Nepal's hydro resources. The summit aimed to give special focus on inviting the investment participation from private players and to explore the accessibility to the power market in India through Power Exchange. Over 200 participants, including the leading names in the power sector as well as Financial Institutions such as SN Power, Butwal Power Company, ICF International, IDFC, POWERGRID, JSPL, IFC Dhaka, L&T, IL&FS, NHPC, ATHENA, ICTC, Standard Chartered Bank, Nabil Bank, Bank of Kathmandu, Everest Bank, Himalayan Bank etc. participated in the Summit. This has led to deeper engagement between the key stakeholders of the two countries and one can see a spurt in the active discussions on development and also award of some hydro projects in Nepal to both public and private project developers from India and other countries.

Today, various power utilities are working round the clock on ways and means to maximize the cost and reliability benefits that they can derive from existing power facilities by gainfully using trading opportunities given by your Company. Building sustainable relationships with such partners would not have been possible without a foundation of good governance practices. And this is perhaps the keystone of the overarching superstructure of PTC; the Company has established the highest standards of corporate governance in its business operations and strongly communicated its most important core value - transparency.

PTC has always given due importance to governance and accountability and has continually revised its standards of transparency within the organisation. It has also constantly emphasised that risk management and control framework provides an integrated approach to identify, assess/quantify, mitigate, monitor and report business risks across an organisation and improves the ability to make the right decisions at the right time. Also, Clause 49 of the Listing Agreement by Securities and Exchange Board of India (SEBI) has emphasized the laying down of procedures to control risks through means of a properly defined framework.

Trading, as such, is a highly volatile business and is inherently influenced by various risks that occur and have an adverse effect on the profitability of the business. With a view of this, PTC in association with PricewaterhouseCoopers (PwC) has proactively developed a Risk Management Framework for the Company by identifying significant risks faced by the Company and devising ways to manage these risks. The Company is now in the process of operationalising the framework to form it as a part of its day to day operations.

Following the mandated nature of competitive bidding for new generation capacity procurement by distribution utilities, your Company has been actively participating in bids floated by state utilities such as Gujarat, Haryana, Karnataka, Maharashtra among others. Your Company is confident that it will be able to successfully compete in such competitive biddings since it has tied up long term capacities at competitive tariffs with project developers on long term basis..

PTC India Financial Services Ltd. (PFS), the initiative for funding energy and related infrastructure, has stepped in the energy infrastructure space and has made certain proprietary investments including 26% stake in the Indian Energy Exchange (IEX). Over the coming years, PFS would be a very significant building block for realizing a part of our vision of acting as a bridge between power and financial services.

Alongside, Athena Energy Ventures Private Ltd., the developmental venture promoted by your Company with an equity stake of 20% effectively bagged projects adding to more than 6000 MW in the first year of its operation

The Business Development Group has been performing steadily with the order book size for advisory crossing Rs. 35 Million. Your Company's initiative of setting up a wind power project in Maharashtra has been successful and the project got commissioned in March 2008. Realizing the need to promote renewable sources of energy and to educate people about the growing scarcity of fossil fuels, global warming etc., your Company is looking for trading in renewables and aggregating Certified Emission Reductions (CERs) from the projects where it has participated.

PTC has partnered with USEA in organizing workshops on Grid connected Renewable Energy and Distributed Generation, which are funded by Asia Pacific Partnership for Clean Development and Climate of US Department of State. The purpose of the workshops is to promote policy and regulatory changes and encourage incentive to