



Powering **Power** Development

annual
report
20
09

PTC India Financial Services Limited

TABLE OF CONTENTS

CORPORATE DIRECTORY	1
ABOUT COMPANY	2
VISION & MISSION	2
OUR SHAREHOLDERS	3
PROJECTS	4
BOARD OF DIRECTORS	6
CHAIRMAN'S SPEECH	8
DIRECTOR'S REPORT	12
AUDITOR'S REPORT	17
ANNEXURE TO AUDITOR'S REPORT	18
BALANCE SHEET	20
PROFIT & LOSS ACCOUNT	21
CASH FLOW STATEMENT	22
SCHEDULES FORMING PART OF THE ACCOUNTS	23
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	35

CORPORATE DIRECTORY

BOARD OF DIRECTORS

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

COMPANY SECRETARY

VISHAL GOYAL

REGISTERED OFFICE AND BUSINESS ADDRESS

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

BANKERS

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

AUDITORS

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

EMAIL

info@ptcfinancial.com

WEBSITE

www.ptcfinancial.com

ABOUT COMPANY

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

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

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

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VISION

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

MISSION

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



Our Shareholders

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

PTC India

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

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

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

Goldman Sachs Strategic Investments Limited

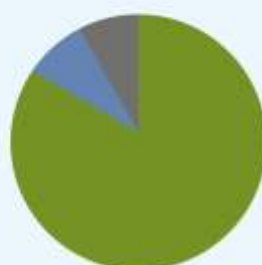
Goldman Sachs Strategic Investments Limited, a company incorporated with limited liability under the laws of Mauritius is a 100% subsidiary of Goldman Sachs. Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of services to a substantial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

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

Macquarie India Holdings Limited

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

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



PTC	77.60%
GS	11.20%
MQ	11.20%

PROJECTS

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



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“Make big plans for they have
the power to stir men's blood”



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

Debt Assistance

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

plant in Jharkhand.

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

Conventional Sector Investments

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

Renewable Energy Investments..

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

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

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

BOARD OF DIRECTORS

T. N. Thakur

Chairman and Managing Director

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

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

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

Ashok Haldia

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

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

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

Deepak Amitabh

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

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

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

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

Shashi Shekhar

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

P Abraham

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

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

Mrs. Rama Murali

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

Dr. Uddesh Kohli

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

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

L.B. Naidu

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

Neil Kant Arora

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

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

Ambalika Banerji

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

Vijay Karnani

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

CHAIRMAN'S SPEECH



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

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