



PTC India Financial Services Limited

Report



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Unlocking The Potential

ANNUAL REPORT
2010



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abstract and Company's General business profile

Corporate Directory

BOARD OF DIRECTORS

T. N. THAKUR, Chairman & Managing Director
ASHOK HALDIA, Whole Time Director
DEEPAK AMITABH, Whole Time Director & CFO
(Upto 22nd September, 2010)
SHASHI SHEKHAR
SUDHIR KUMAR
M. K. GOEL
P. ABRAHAM
RAMA MURALI
UDDESH KOHLI
C. R. MURALIDHARAN
L. B. NAIDU
NEIL KANT ARORA

COMPANY SECRETARY

VISHAL GOYAL

REGISTERED OFFICE AND BUSINESS ADDRESS

2ND FLOOR, NBCC TOWER,
15 BHIKAJI CAMA PLACE,
NEW DELHI - 110 066, 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 (Statutory Auditor for 2010-11)
RAVI RAJAN & CO. (Internal Auditor for 2010-11)

CONSULTANTS

KPMG
DHIR & DHIR ASSOCIATES

EMAIL

info@ptcfincial.com

WEBSITE

www.ptcfincial.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, as well as carbon credit financing.

PFS is a systemically important non-deposit taking NBFC and have been recently been classified by the RBI as an Infrastructure Finance Company ("IFC"). The IFC status enhances PFS's ability to raise funds on a cost competitive basis & enables PFS to assume higher debt exposure in Infrastructure projects.

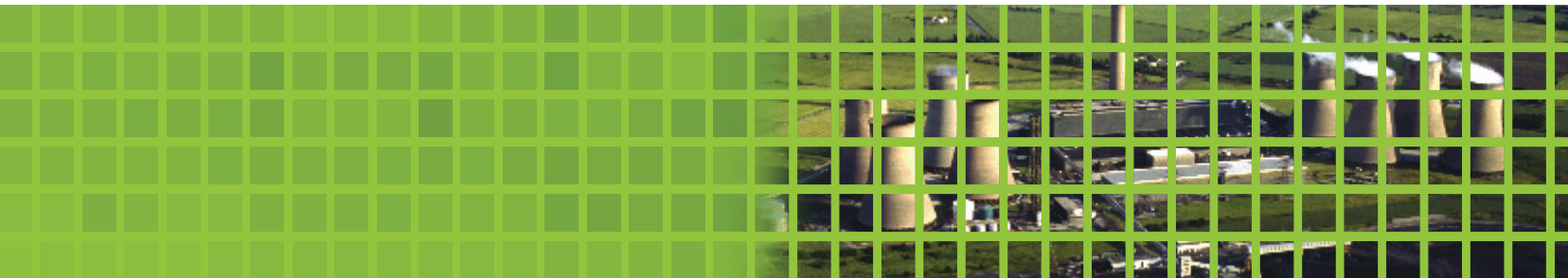


VISION

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

MISSION

"To partner and forge strong relationship 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 Limited (PTC), GS 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 GS Strategic Investments Limited and Macquarie India Holdings Limited.

PTC India Limited

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

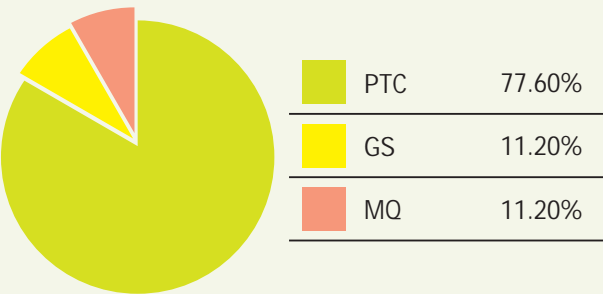
GS Strategic Investments Limited

GS 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.

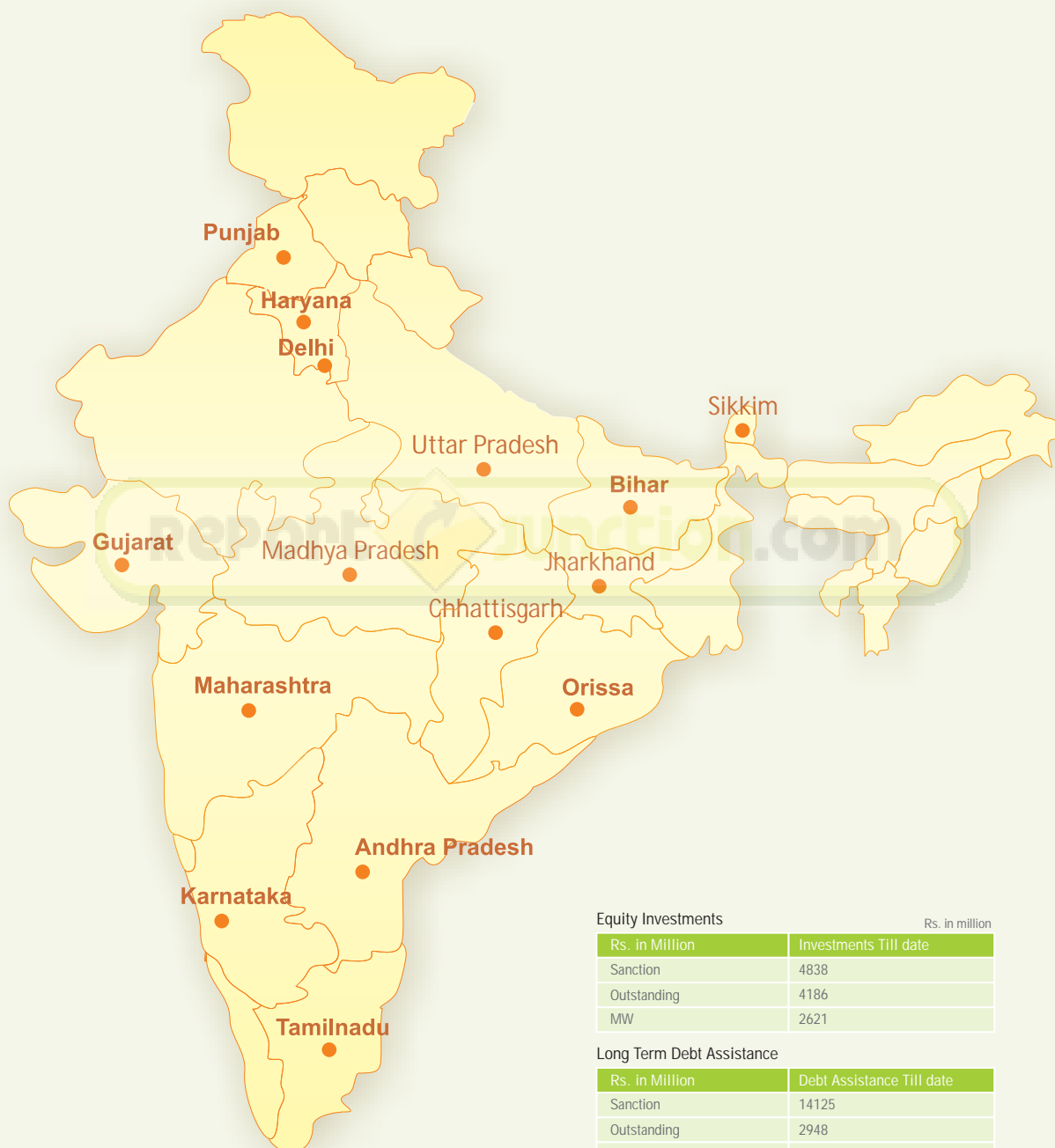
Macquarie India Holdings Limited

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 15,500 employees in 28 countries across Europe, America, Africa and Australia, the Macquarie Group possesses total assets of AUD 149 billion with a further AUD 317 billion in assets under management as on 30 September 2010.

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



Projects



Equity Investments

Rs. in million

Rs. in Million	Investments Till date
Sanction	4838
Outstanding	4186
MW	2621

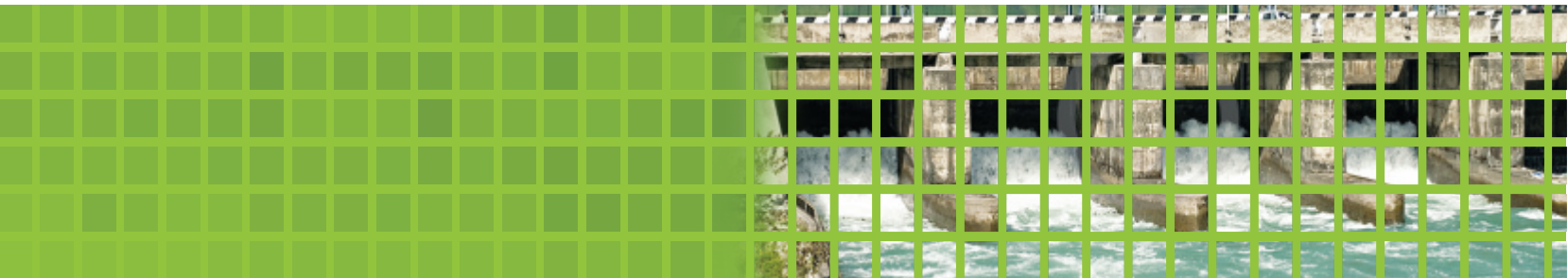
Long Term Debt Assistance

Rs. in Million	Debt Assistance Till date
Sanction	14125
Outstanding	2948
MW	7208

Mezzanine / Short Term Debt Assistance / CER Financing

Rs. in Million	Mezzanine / Short Term Debt Assistance Till date
Sanction	6641
Outstanding	3164
MW	1753

* As on 30th September, 2010



Power Exchange

INDIA'S FIRST POWER EXCHANGE - PFS IS ONE OF THE PROMOTERS OF THE INDIA'S FIRST POWER EXCHANGE VIZ. INDIAN ENERGY EXCHANGE AND HOLDS 21.12% EQUITY IN IT.

Renewable Energy Sector Investments

37% equity in a wind farm 99.45 MW project in Maharashtra

- 39.60 MW was Commissioned in Sep. 2010 and remaining 59.85 MW is expected to be commissioned by June 2011

26% equity in a 10 MW biomass power project in Maharashtra

- Commissioned in Feb.2009, the project is primarily using rice husk as raw material and other biomass locally available.

Upto 26% equity in an SPV to undertake 500 MW of biomass and renewable energy projects

- This SPV will scout for investment opportunities across the nation.

- Around 50 projects already identified and out of these permissions for 25 projects received from state govt.
- Land acquisition for Five projects are in the progress acquisition.

Conventional Energy Sector Investments

26% equity in 189 MW imported coal based power project in Tamil Nadu

- The first two units of 63 MW each has been commissioned and the last unit is expected to be commissioned shortly

13% equity in 2*350 MW thermal power project in Orissa

- The first unit of the project is expected to be commissioned by December 2011 and second unit by March 2012.

26% equity in the phase I of 300 MW imported coal based power project in Andhra Pradesh

- PTC will supply coal to the project and will purchase the power by paying conversion charges.

- Financial closure has been achieved.
- The project is expected to be commissioned by March 2012.

15% Equity in stage I of 2*660 MW thermal power project in Andhra Pradesh

- BTG order has been placed and all regulatory approval are in place
- The project is expected to be commissioned by 2013.

Debt Financing

350 MW Coal based power plant at Janjgir-Champa, Chhattisgarh

- Sanctioned Loan - Rs. 500 million
- Disbursed - Rs.93.6 million
- Expected COD - April 2012

54 MW Captive power plant at Rajgangpur, Orissa

- Sanctioned Loan - Rs. 391.7 million
- Disbursed - Rs. 300 million
- Expected COD - March 2011



PFS wind farm at Davangere, Distt. Karnataka

Projects

10 MW Biomass based power plant at Chandrapur, Maharashtra

- Sanctioned Loan - Rs. 83.3 million

10 MW Biomass based power plant at Garhchiroli, Maharashtra

- Sanctioned Loan - Rs. 162.5 million
- Disbursed - Rs. 162.5 million
- Plant Commissioned in April 2010

2*660 MW Coal based power plant at Jhajjar, Haryana

- Sanctioned Loan - Rs. 318.7 million
- Disbursed - Rs. 318.7 million
- The expected COD is Jan 12 (Unit I) and May 12 (Unit II)

3*360 MW Coal based power plant at Chhattisgarh

- Sanctioned Loan - Rs. 700 million
- Disbursed - Rs. 102.4 million
- Expected COD - November 2012

Captive 2*60 MW coal based thermal power plant at Cuttack, Orissa

- Sanctioned Loan - Rs. 1200 million
- Disbursed - Rs. 18.78 million
- Expected COD - February 2012



270 MW coal based thermal power plant at Saraikela, Jharkhand

- Sanctioned Loan - Rs. 400 million



- Expected COD - December 2012

10 MW biomass based thermal power plant at Amreli, Gujarat

- Sanctioned Loan - Rs. 172.5 million
- Disbursed - Rs. 152 million
- Plant is expected to be commissioned by January 2011

15 MW small hydro power project at Koraput, Orissa

- Sanctioned Loan - Rs. 163 million
- Expected Fin Closure - Mar 2011
- Expected COD - March 2014

96 MW hydro power project at East Sikkim, Sikkim

- Sanctioned Loan - Rs. 1000 million
- Expected Fin Closure - March 2011

- Expected COD - October 2015

10 MW biomass based thermal power plant at Seoni, Madhya Pradesh

- Sanctioned Loan - Rs. 167.9 million
- Expected Fin Closure - March 2011
- Expected COD - December 2012

2*660 MW Coal based power plant at Nellore, Andhra Pradesh

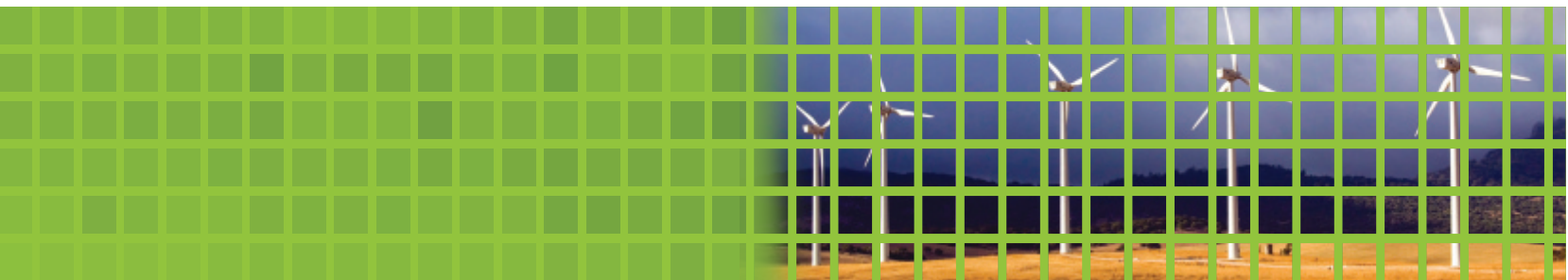
- Sanctioned Loan - Rs. 1200 million
- Disbursed - Rs. 1000 million
- Expected COD - June 13

2*210 MW Coal based power plant at Raichur, Karnataka

- Sanctioned Loan - Rs. 1200 million
- Disbursed - Rs. 800 million
- Expected COD - November 2013

15 MW Coal based power plant at Mul, Maharashtra

- Sanctioned Loan - Rs. 250 million
- Expected COD - April 2012



30 MW Bagasse based power plant at Bijora, Maharashtra

- Expected Fin Closure - June 2011
- Expected COD - June 2016

Carbon Finance

20 MW Small Hydro power plant at Samal, Orissa

- Sanctioned Loan - Rs. 61.10 million
- Disbursed - Rs. 61.10 million

88 MW (cumulative capacity) Biomass/Hydro power project in Karnataka, Andhra Pradesh and Chhattisgarh

- Sanctioned Loan - Rs. 245 million



- Sanctioned Loan - Rs. 478.5 million
- Expected Fin Closure - Mar 2011
- Expected COD - December 2012

2*600 MW Coal based power plant at Anuppur, Madhya Pradesh

- Sanctioned Loan - Rs. 1200 million
- Disbursed - Rs. 1200 million
- Expected COD - July 2014

9.9 MW Biomass based power plant at Ahmadabad, Gujarat

- Sanctioned Loan - Rs. 170 million

450 MW Coal based power plant at Uttar Pradesh

- Sanctioned Loan - Rs. 750 million
- Expected COD - December 2012

67.5 MW Coal based power plant at Jajpur, Orissa

- Sanctioned Loan - Rs. 1250 million
- Expected Fin Closure March 2011
- Expected COD - March 2013

300 MW Hydro power project at North Sikkim, Sikkim

- Sanctioned Loan - Rs. 1200 million

20.8 MW Wind power plant at Jamnagar, Gujarat

- Sanctioned Loan - Rs. 500 million
- Expected Fin Closure December 2010
- Expected COD - March 2011

20 MW Wind power plant at Jamnagar, Gujarat

- Sanctioned Loan - Rs. 500 million
- Expected Fin Closure January 2011
- Expected COD - January 2011



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

Whole time Director & CFO

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. Earlier, he was also associated with Power Finance Corporation Limited, looking after state power utilities reform and restructuring and financing of power sector projects.

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. Dr. Ashok Haldia did his doctorate on 'Privatization of Public Enterprises in India'

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.

Sudhir Kumar

Shri Sudhir Kumar has joined PFS Board in March, 2010. He is joint Secretary, Ministry of Power, and Government of India. As Officer on Special Duty to the Minister for Railways, he assisted the Minister in transforming the financial health of railways from a state of terminal debt trap to one of the biggest money spinners in the country. He was conferred Public Service Excellence Award for the year 2008 by All India Management Association

M. K. Goel

Shri M.K Goel, Director PFC has been appointed as Director in PFS w.e.f. January 2010. He has a career spanning over 30 years. Currently he has been in-charge of Commercial Development and Administration in Power Finance Corporation (PFC). Before joining PFC, he was working with NHPC. He has been involved in inducting reforms in State Power Utilities, steering Restructured