



PTC INDIA FINANCIAL SERVICES LIMITED

7TH ANNUAL REPORT 2012 - 2013



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"

SEVENTH ANNUAL GENERAL MEETING

To be held on Monday, 19.08.2013 at 11:30 A.M.
at FICCI, 1 Federation House, Tansen Marg,
New Delhi - 110001

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.

CONTENTS

	Page No.
Notice of the 7 th Annual General Meeting	05
Directors' Profile	12
Directors' Report	14
Report on Corporate Governance	16
Certificate on Corporate Governance	24
Management Discussion and Analysis Report	26
Auditors' Report	28
Balance Sheet	30
Profit and Loss Account	31
Cash Flow Statement	32
Schedules forming part of Balance Sheet and Profit & Loss Account	34



11

Reference Information

Registered Office	:	PTC India Financial Services Limited, 2nd Floor, NBCC Tower, 15 Bhikaji Cama Place, New Delhi- 110066
Company Secretary	:	Mr. Vishal Goyal
Internal Auditors	:	Raj Har Gopal & Co.
Statutory Auditors	:	Deloitte Haskins and Sells
Shares are listed on	:	NSE & BSE
Depository	:	NSDL & CDSL
Registrar and Transfer Agent		
• Equity & Infra Bonds	:	Karvy Computershare Private Limited
• NCDs	:	MCS Limited
Bankers	:	Punjab National Bank Corporation Bank Union Bank of India Canara Bank Oriental Bank of Commerce HDFC Bank United Bank of India Yes Bank
Trustee for NCD / Bonds	:	IDBI Trusteeship Services Limited
Website	:	www.ptcfinancial.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of PTC India Financial Services Ltd. will be held on Monday the 19th day of August, 2013 at 11:30 a.m. at FICCI, 1 Federation House, Tansen Marg, New Delhi - 110001 to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013, Profit and Loss Account (including all the documents attached to it) for the year ended on that date and the Report of the Board of Directors and Auditors thereon.

2. To consider declaration of dividend for the Financial Year 2012-13

To consider and if thought fit, to pass with or without modification(s), the following resolution for dividend for the Financial Year 2012-2013 as an ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 205 and other applicable provisions of the Companies Act, 1956, dividend at the rate of 4% (Re.0.40 per equity share of Rs.10 each) be and is hereby declared for the financial year 2012-13, out of the profits of the Company on 562,08,3335 equity shares of Rs. 10/- each fully paid up to be paid as per the ownership as on closing hours of 10th August, 2013."

3. To re-appoint Mr. M.K. Goel, who retires by rotation and is eligible for re-appointment.

"RESOLVED THAT Mr. M.K. Goel who retires by rotation and who is eligible for re-appointment be and is hereby re-appointed as Director"

4. To re-appoint Mr. S.S. Kohli, who retires by rotation and is eligible for re-appointment.

"RESOLVED THAT Mr. S.S. Kohli who retires by rotation and who is eligible for re-appointment be and is hereby re-appointed as Director"

5. To consider and if thought fit, to pass with or without modification(s), the following resolution for appointment and fixation of remuneration of Statutory Auditor for the financial year 2013-14 as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration no. 015125N), be and is hereby re-appointed as the Statutory Auditor of the Company for the financial year 2013-14, to hold the office from the conclusion of 7th Annual General Meeting of the Company until the conclusion of 8th Annual General Meeting of the Company on the terms and conditions as decided by the Board and/or Audit Committee.

FURTHER RESOLVED THAT the Board and/or Audit committee be and is hereby authorized to take necessary action(s) in this regard."

SPECIAL BUSINESS:

6. To appoint Mr. S.K. Tuteja as Director, who was appointed as Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office upto ensuing AGM, in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 257 of the Companies Act, 1956, Mr. S.K. Tuteja, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation.

FURTHER RESOLVED THAT any Director or Company Secretary of the Company be and is hereby authorised to do all such acts including filing of necessary intimation with ROC or any other authority for the above purpose and take further action(s) as may be necessary in this regard."

7. To appoint Mr. R.T. Agarwal as Director, who was appointed as Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office upto ensuing AGM, in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under section 257 of the Companies Act, 1956.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of section 257 of the Companies Act, 1956, Mr. R.T. Agarwal, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation.

FURTHER RESOLVED THAT any Director or Company Secretary of the Company be and is hereby authorised to do all such acts including filing of necessary intimation with ROC or any other authority for the above purpose and take further action(s) as may be necessary in this regard."

8. To appoint Mr. Deepak Amitabh as Non-rotational Director, who was appointed as Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under section 257 of the Companies Act, 1956.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to section 257 of the Companies Act, 1956, Mr. Deepak Amitabh be and is hereby appointed as Non-Rotational Director on non executive basis to be designated as "Chairman" of the Company as a nominee of PTC India Ltd. (holding company)."

9. To appoint Mr. S.N. Goel as Managing Director & Chief Executive Officer in accordance with section 269 and Schedule XIII of the Companies Act, 1956.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. S.N. Goel be and is hereby appointed as Managing Director of the Company to be designated as 'Managing Director & Chief Executive Officer' of the Company for a period of 3 months from June 27, 2013 and his appointment made shall be in accordance with section 269, Schedule XIII and other relevant provisions, if any, of the Companies Act, 1956 and his powers, responsibilities and terms of appointment as Managing Director & Chief Executive Officer shall be decided by the Board or a Committee duly constituted by the Board from time to time. Further, the Board of Directors be and are hereby authorized to take necessary action(s) in this regard including settling of any question regarding his appointment."

10. Increase in borrowing power of the Board of Directors of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT in supression of the resolution passed by the shareholders in their 6th AGM held on 21st September, 2012, the consent of the Company be and is hereby accorded in terms of provisions of section 293(1) (d) and other applicable provisions, if any, of the Companies Act, 1956, to authorise the Board of Directors or any



Committee of the Directors to borrow monies in excess of aggregate of the paid-up capital and free reserves provided that the total borrowing shall not exceed Rs. 75000 million.

FURTHER RESOLVED THAT in suppression of the resolution passed by the shareholders in their 6th AGM held on 21st September, 2012, the consent of the Company be and is hereby accorded in terms of section 293(1)(a) and other provisions, if any, of the Companies Act, 1956, to authorise the Board of Directors or any Committee of Directors to mortgage and/or create charge on any or all of the movable, immovable and other assets of the Company whatsoever present or future, to take loan, line of credit, cash credit limit, issue of debentures, bonds, commercial papers, banks guarantee or any other fund based or non-fund based borrowing from the banks, financial institutions and any other lenders including external commercial borrowing as may deem fit and proper in the best interest of the Company by the Board of Directors and any Committee of Directors which shall not exceed Rs. 75000 Millions for the purpose of business of the Company.

FURTHER RESOLVED THAT the Board of Directors or any Committee of Directors be and is hereby authorised to take all necessary action(s) as may be required in this regard from time to time."

By Order of the Board of Directors,
For PTC India Financial Services Limited

Sd/-
(Vishal Goyal)
Company Secretary

Place: New Delhi
Date: 8th July, 2013

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (The 'MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE 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. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business set out in the notice is enclosed.
4. Brief resume and other relevant details of the Directors seeking appointment and re- appointment as prescribed under clause 49 of the Listing Agreement is annexed hereto and forms part of the notice.
5. None of the Directors of the Company is in anyways related to each other.
6. The Company has notified the closure of Register of Members and Share Transfer Books from 12th August to 19th August, 2013 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the Meeting. The final dividend on equity shares as recommended by the Board of Director, subject to provisions of section 206A of the Companies Act, 1956, if approved by the member at the forthcoming AGM of the Company, shall be paid to those share holders whose name appear in the Register of Member or in the list of beneficial holders provided by NSDL/CDSL on the closing hours of 10th August, 2013.
7. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and /or change in address and bank account to Company's Registrar.
8. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or Registrar & Transfer Agent along with relevant share certificates.
9. Members desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956, are requested to write to Karvy Computershare Private Ltd, Registrar & Transfer Agent of the Company in the prescribed form. In case held in dematerialised form, the nomination has to be lodged with the respective depository participant.
10. Members who hold shares in physical form are requested to notify immediately any change in their addresses to the Registrar and Transfer Agent and to their respective depository participants, in case of shares held in electronic mode.
11. Annual Listing fee for the year 2013-2014 has been paid to Stock Exchanges where the Equity Shares and debt securities of Company are listed.
12. For Electronic Clearing System facility for crediting dividend directly to your designated bank accounts, shareholders are requested to give their mandate to Karvy Computershare Private Ltd, Registrar & Transfer Agent of the Company in the enclosed form.
13. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Company Secretary of the Company at the registered office atleast 10 days prior to the date of the meeting, so that the information required can be made readily available at the Meeting.
14. All documents referred to in the accompanying notice and statutory registers are open for inspection at the registered office of the company on all working days (barring Saturday and Sunday) between 11 a.m. to 1 p.m. prior to the date of Annual General Meeting.
15. The Annual Report is also available at the Company's website www.ptcfinancial.com.
16. Members are requested to bring their attendance slip along with their copy of annual report to the meeting.
17. In case of joint holders attending Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
18. The Company is not providing Video conferencing facility for this meeting.
19. As per the circular no. 18/2011 on Green Initiative, The company will send Annual Report along with other documents through e-mail to all members, who have registered their e-mail address with depository and physical hard copies will be despatched to others. In case any member desires to get hardcopy of annual report, they can write to company at registered office address or e-mail at complianceofficer@ptcfinancial.com

Important Communication to Members

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including annual report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their respective Depository Participants. Members who hold shares in physical form are requested to provide details of e-mail addresses to Registrar and Transfer Agent of the Company.

PTC

Annexure to the Notice

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

Item no. 6

Mr. S.K. Tuteja was appointed as Director of our Company on 10th January, 2013. He is M. Com, Member of the Institute of Company Secretaries of India and Ex-IAS officer. He retired as Secretary, Food and Public Distribution, Government of India.

Mr. S.K. Tuteja does not have any shareholding in the Company.

No other Director is interested in appointment of Mr. S.K. Tuteja excepting him. The Board recommends the resolution for approval of the shareholders.

Item no. 7

Mr. R. T. Agarwal, aged about 56 years, was appointed as Director of our Company on 27th June, 2013. He is Director (Finance) of Power Grid Corporation of India Limited.

A Chartered Accountant by profession, Mr. Agarwal has more than 31 years of experience in multifarious Finance & Accounts functions like finalization of Accounts, coordination with Auditors, Taxation, Treasury Functions, Internal Audit, Budgeting, Pay Roll, Concurrence, MIS & Commercial aspects etc both at the Corporate Centre and at Regional Headquarters of POWERGRID.

Mr. R. T. Agarwal does not have any shareholding in the company.

No other Director is interested in appointment of Mr. R. T. Agarwal excepting him. The Board recommends the resolution for approval of the shareholders.

Item no. 8

Mr. Deepak Amitabh, alumni of St. Stephen's College, Delhi, is a Master of Science (Physics) and belongs to the 1984 batch of Indian Revenue Service. He is also the Chairman and Managing Director of PTC India Limited.

He was Director (Finance) & CFO of the Company from 25th April, 2007 to 22nd September, 2010. The Board in its meeting held on 25th September, 2012, appointed Mr. Deepak Amitabh as Chairman & Managing Director of the Company for a period of three months from the date of his joining to the Company. Thereafter, he joined the Company as Chairman & Managing Director on 16th October, 2012. The Board in its meeting held on 10th January, 2013 had extended his term as Chairman & Managing Director upto 31st December, 2013. He has resigned from the post Managing Director of the Company on 27th June, 2013, the Board of Directors in its meeting held on 27th June, 2013 has appointed him as Non-Rotational Director with the designation of "Chairman" as nominee of PTC India Limited.

Mr. Deepak Amitabh holds 3,500 shares in the Company.

No other Director is interested in appointment of Mr. Deepak Amitabh excepting him. The Board recommends the resolution for approval of the shareholders.

Item no. 9

Mr. S.N. Goel was appointed as MD & CFO of the Company by the Board in its meeting held on 27th June, 2013. He is Director (Marketing & Operations) of PTC India Limited (PTC) since 27th September, 2012.

Prior to joining PTC, he was working as Executive Director in NIPCO. He is an Electrical Engineer with MBA in Finance and has 35 years of experience in power sector.

Mr. S.N. Goel does not have any shareholding in the Company.

No other Director is interested in appointment of Mr. S.N. Goel excepting him. The Board recommends the resolution for approval of the shareholders.

Item No. 10

The Company is in the business of providing the financial assistance to the companies in the power sector and related areas across the entire energy value chain. The Company has sanctioned approximately Rs. 99,990 million financial assistance upto 31st March, 2013 and to tie-up the funds, the Company is in process to approach various banks/financial institutions/investors as back-to-back arrangement.

The shareholders had already approved a limit of Rs. 50,000 million in the 6th AGM held on 21st September, 2012. Since then the operations of the Company have increased multifold and considering the future growth fund requirement of the Company, it is proposed to enhance the borrowing limit of the Company from present Rs. 50,000 million to Rs.75,000 million.

It is further proposed to authorise the Board of Directors and/or any Committee of the Directors to borrow funds upto Rs. 75,000 million in a manner as may be decided by the Board of Directors and/or any Committee thereof from time to time.

None of the Directors of the Company are interested in this resolution. The Board recommends the resolution for approval of the shareholders.

By Order of the Board of Directors,
For PTC India Financial Services Limited

5d/-
(Vishal Goyal)
Company Secretary

Place: New Delhi
Date : 8th July, 2013

Brief Profile of Directors seeking Appointment/Re-appointment at 7th Annual General Meeting

Name	Date of Birth	Qualifications	Expertise	Directorship in other Companies	Membership/Chairmanship of committees other than PFS
Mr. M.K. Goel	17/09/1956	Bachelor's degree in Technology specializing in Electrical Engineering from Kanpur University	Mr. Goel holds a Bachelor's degree in Technology Specializing in Electrical Engineering from Kanpur University. He is presently Director (Commercial) in Power Finance Corporation Ltd. (PFC). He is also nominee Director of PFC on the Board of PTC India Ltd. Mr. Goel has Power sector experience of over three decades. He has been involved in inducting reforms in State Power Utilities, steering Restructured Accelerated Power Development & Reform Programme of GOI and oversees human resource functioning, information technology and legal activities.	1. PTC India Ltd. 2. Orissa Integrated Power Ltd. 3. Sakthigopal Integrated Power Co. Ltd. 4. Ghogarpalli Integrated Power Co. Ltd. 5. Tatiya Andhra Mega Power Ltd. 6. PFC Consulting Ltd 7. Power Finance Corporation Ltd. 8. PFC Green Energy Ltd. 9. PFC Capital Advisory Services Ltd	Memberships Audit committee: 1. PFC Green Energy Ltd. Memberships Shareholders'/ Investors' Grievance committee: 2. Power Finance Corporation Ltd.
Mr. S.S. Kohli	10/04/1945	Bachelors degree in Science (Mechanical Engineering) from Benaras Hindu University and a diploma in Industrial Finance from Indian Institute of Bankers	Mr. Kohli, is an Independent Director of our Company and has been on the Board of our Company since December 13, 2010. Mr. Kohli has a wide experience as a banker, spanning 40 years having held position of Chairman and Managing Director of Punjab and Sind Bank and the Punjab National Bank. He has also served as the Chairman and Managing Director of India Infrastructure Finance Company (UK) Limited (IIFCL) and has also held the Chairmanship of the Indian Banks' Association and has chaired several committees associated with financial sector policy.	1. SME Rating Agency of India Limited 2. SV Creditline Pvt. Ltd. 3. ACB (India) Ltd. 4. Trimax IT Infrastructure & Services Ltd. 5. Aria Hotels and Consultancy Services Pvt. Ltd. 6. IL&FS Financial Services Ltd. 7. Reliance Infrastructure Ltd. 8. IDFC Limited 9. Essar Steel India Limited 10. Sicom Limited 11. BSES Rajdhani Power Limited 12. BSES Yamuna Power Limited	Chairmanships Audit committee: 1. SME Rating Agency of India Limited IFSL 2. ACB (India) Ltd. 3. Reliance Infrastructure Ltd. 4. IL & FS Financial Services Ltd. 5. BSES Yamuna Power Ltd. Memberships Audit committee: 1. Aria Hotels and Consultancy Services Pvt. Ltd. 2. BSES Rajdhani Power Limited 3. Essar Steel Limited Memberships Shareholders'/ Investors' Grievance committee: 1. Trimax IT Infrastructure & Services Ltd. 2. Reliance Infrastructure Limited

Mr. S.K. Tuteja	15/06/1945	M. Com, Member of the Institute of Company Secretaries of India and EX-IAS Officer	<p>Mr. S.K. Tuteja belonged to the Indian Administrative Service and retired as Secretary, Food and Public Distribution, Government of India.</p> <p>During his service career spanning over 38 years, he has held several key positions with the State and Central Government. He has over the years, acquired vast experience in finance, commerce, industry, management and company affairs</p>	<ol style="list-style-type: none"> 1. SML Isuzu Limited 2. Tiger Warehousing Cold Chain Private Limited 3. Adani Logistics Limited 4. A2Z Maintenance & Engineering Services Limited 5. Havells India Limited 6. Intas Pharmaceuticals Limited 7. Daawat Foods Limited 8. Shree Renuka Energy Limited 9. Adani Enterprises Limited 10. Trident Corporation Limited 11. Gujarat Foils Limited 12. LT Foods Limited 13. Axis Pvt. Equity Limited 14. Shree Renuka Sugars Ltd. 15. Pegasus Assets Reconstruction (P) Ltd. 16. Topworth Energy (P) Ltd. 17. Devenio Optimus Advisorys (P) Ltd. 18. Altaris Credit Rating Agency (P) Ltd. 19. Norwest Estares (P) Limited. 	<p>Chairmanships Audit committee:</p> <ol style="list-style-type: none"> 1. SML Isuzu Limited 2. A2Z Maintenance & Engineering Services Limited 3. Gujarat Foils Limited 4. Adani Enterprises Limited Intas Pharmaceuticals Limited <p>Memberships Audit committee:</p> <ol style="list-style-type: none"> 1. Trident Corporation Limited 2. Axis Pvt. Equity Limited. <p>Memberships Shareholders' / Investors' Grievance committee:</p> <ol style="list-style-type: none"> 1. SML Isuzu Limited 2. Adani Enterprises Limited 3. Shree Renuka Sugars Limited
Mr. R.T. Agarwal	12/08/1956	B.Com., Chartered Accountant	<p>Mr. R. T. Agarwal was appointed as Director of our Company on 27th June, 2013. He is Director (Finance) of Power Grid Corporation of India Limited.</p> <p>A chartered accountant by profession, Mr. Agarwal has more than 31 years of experience in multifarious Finance & Accounts functions like finalization of Accounts, coordination with Auditors, Taxation, Treasury Functions, Internal Audit, Budgeting, Pay Roll, Concurrence, MIS & Commercial aspects etc both at the Corporate Centre and at Regional Headquarters of POWERGRID.</p> <p>As ED (Finance), he had played a pivotal role in the successful Follow-on Public Offer of POWERGRID in 2010. Before joining POWERGRID in 1991, he had worked in power major NTPC Ltd. project sites for around 10 years.</p>	<ol style="list-style-type: none"> 1. Power Grid Corporation of India Ltd. 2. Power System Operation Corporation Limited 3. Powerlinks Transmission Ltd. 4. Parbati Koldam Transmission Company Ltd. 5. Powergrid NM Transmission Ltd. 6. Powergrid Vemagiri Transmission Ltd. 	<p>Chairmanships in Audit committee:</p> <ol style="list-style-type: none"> 1. Parbati Koldam Transmission Company Ltd. <p>Memberships Audit committee:</p> <ol style="list-style-type: none"> 1. Powerlinks Transmission Ltd 2. Power System Operation Corporation Limited.