

PTC INDIA LIMITED

SCHEDULE-O

CONSOLIDATED NOTES TO THE ACCOUNTS

1. As per PPAs entered into with the off takers of Chukha and Kurichhu power projects (Bhutan), the interest earned on the Term Deposits made with commercial banks for the payments received on behalf of these projects is passed back to them. Accordingly interest income as well as expense is accounted for in the books of account.
2. Deferred Tax Liability/Assets have been determined on the basis of Accounting Standard 22 (AS-22) "Accounting for Taxes on Income" and the details thereof are as follow:

(Rs. in million)

Particulars	As at <u>31.03.09</u>	As at <u>31.03.08</u>
Deferred Tax Liability on account of timing differences in:		
Depreciation	99.82	59.08
Sub-Total (a)	99.82	59.08
Deferred Tax Assets arising on account of timing differences in:		
Retirement benefits	4.70	2.75
Provision for Contingencies	-	3.56
Provision for LTC	0.59	2.20
Preliminary Expenses	3.67	4.80
Sub-Total (b)	8.96	13.31
Net Deferred Tax Liability/ (Assets) (a-b)	90.86	45.77

3. Krishna Godavari Power Utilities Limited (Associate), Teesta Urja Limited (Associate), Ind Barath Power Gen Com Limited (Associate) and PTC Bermaco Green Systems Limited (Associate) have not commenced their commercial operations during the year ended March 31, 2009 and no Profit & Loss Account has been prepared by them. Consequently the investments in these associates have been stated in consolidated balance sheet at their cost.
4. The group is primarily in the business of trading of power and investments. Generation of power and consultancy income has not been reported separately as the same being insignificant.
5. Loan Financing

During the year, the Group has, in terms of a Rupee Term Loan Agreement granted a rupee term loan of upto Rs 50 crores for part financing of 54 MW coal based thermal power plant and 200 TPH Coal Beneficiation Plant.

The Group is in the process of creating security in respect of the said loan as at the year end.
6. Current liabilities, Sundry debtors and certain balances of Loans and Advances are subject to confirmation.
7. Compulsorily and Fully Convertible Debentures
During the year, the Group has, in terms of a Debenture Subscription Agreement subscribed to compulsorily and Fully Convertible Debentures for an aggregate amount of upto Rs 120 crores being the financial assistance for a 1320 MW coal based thermal power plant.

8. In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
9. Amounts paid as Advance Against Equity and pending allotment as at March 31, 2009 to PTC-Bermaco Green Energy Systems Limited and Varam Bio Energy Private Limited have been included as Investments under Schedule F.
10. Based on the information available with the Group, there are no dues as at March 31, 2009 payable to enterprises covered under “Micro, Small and Medium Enterprises Development Act, 2006”. No interest is paid / payable by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.
11. Book Debts of PTC India Limited are hypothecated to the banks for availing the non fund based working capital facilities.
12. Rates, Fees & Taxes includes Rs. 22.27 millions paid by the PTC Energy Ltd (one of group’s companies) on account of fee & stamping charges on increase of its authorized capital from Rs. 20mn to Rs.5000 mn.
13. The consolidated accounts have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except certain policies followed by an associate such as no liability towards gratuity is provided as the initial period of 5 years have not been completed for the applicability of the Act and all preoperative and preliminary expenses are written off over a period of 5 years from the year of commencement of commercial production. However these different accounting policies have no impact on the consolidated financial statements of the group since the gratuity expense if charged would have been debited to Pre-Operative Expense instead of Profit and Loss Account and preliminary expense would be written off in the year of commencement of business and the associate has not commenced the business at the end of year.
14. The group has two Employee Stock Option Plans, the details of which are given as under:-
 - a) The PTC India Ltd has given to its employees, “Employees Stock Options” of 45,48,380 nos. of shares on 21-08-2008 .The details of the ESOP scheme is given as under:-

a) Particulars of Scheme

Date of grant	21-Aug-08
Date of Board Approval	21-Aug-08
Date of Shareholder’s approval	06-Aug-08
Number of options granted	4,548,380
Method of Settlement	Equity
Vesting Period	1 to 4 Years
Exercise Period	5 years from the date of first vesting
Vesting Conditions	Employee’s continued employment during vesting period (as per clause 10 of the Plan) with the company or group.

b) Details of vesting:

Vesting period from the grant date	Vesting Schedule
On completion of 1 st year	15%
On completion of 2 nd Year	15%
On completion of 3 rd year	30%
On completion of 4 th Year	40%

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

	Number of Shares	Weighted Average Exercise Price(Rs.)
Outstanding at the beginning of the year	-	-
Granted during the year	4,548,380	22.41
Forfeited during the year	40,000	30.91
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	4,508,380	22.33
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years)	5.39	-
Weighted average fair value of options granted during the year	4,548,380	66.18

d) The details of exercise price for stock options outstanding at the end of the year are:

Range of Exercise Prices (Rs.)	10 to 42.88
Number of Options Outstanding	4,508,380
Weighted average remaining contractual life of options (in years)	5.39
Weighted average exercise price (Rs.)	22.33

e) Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

	(Rs. in million)
Employee Compensation Cost pertaining to share-based payment plans during the year	74.23
Liability for employee stock options outstanding as at year end	285.92
Deferred Compensation Cost	211.69

f) Significant assumptions used during the year to estimate the fair values of the options

The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions (weighted values)

Risk free interest rate	9.10%
Expected Life	6 years
Expected volatility	67.53%
Expected dividend	1.23%
The price of the underlying shares in market at the time of option grant	Rs. 81.35

b) Employee Stock Option Plan – ESOP 2008

The PTC Financial Services Ltd (subsidiary company) instituted the Employee Stock Option Plan – ESOP 2008 to grant equity based incentives to all its eligible employees and the eligible employees of the Holding Company. The ESOP 2008, finally approved by the shareholders on October 27, 2008 provides for grant of 10,075,000 options. The Company has granted two types of options i.e. Growth options granted to the employees and exercisable at Fair Market Value as on the date of grant as certified by an independent valuer and Founder Member Options exercisable at face value of shares i.e. Rs 10 per share, representing one share for each option upon exercise. The maximum tenure of these options granted is 4 years from the date of grant. The balance options available for grant as at March 31, 2009 are 10,075,000.

The details of options granted to employees under the ESOP 2008 are set out below:

Movement in Stock Options	Year ended 31.03.2009	
	Growth Options	Founder Member Options
Outstanding at the beginning of the year	-	-
Add: Granted during the year	8,865,000	1,210,000
Less: Forfeited during the year	-	-
Less: Exercised during the year	-	-
Less: Expired during the year	-	-
Options outstanding as at the end of the year	8,865,000	1,210,000

Accordingly, the Company under the intrinsic value method has recognized the excess of the grant price over the exercise price of the options amounting to Rs.997,504 as an expense during the year. Further, the liability outstanding as at the March 31, 2009 in respect of Employee Stock Options outstanding is Rs. 7,260,000. The balance deferred compensation expense Rs. 6,262,496 will be amortized over the remaining vesting period of the options.

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

	Year ended 31.03.2009	
	Growth Options	Founder Member Options
Price Per Option (Rs.)	16	10
Volatility	73.60%	73.60%
Risk Free Rate of Interest	7.00%	7.00%
Option Life (years)	5	5
Fair Value Per Option	11.36	12.76

There is no history of dividend declaration by the company, hence the dividend yield has been assumed as Nil.

c) The impact on reported profit and earnings per share of the above two ESOP schemes has been as under:-

(Rs. in millions)

Profit as reported for the year	940.88
Add: Employee stock compensation under intrinsic value method	75.23
Less: Employee stock compensation under fair value method	93.43
Pro forma profit	922.68

Earning per share (Rs.)

-As reported	4.14
- As Pro forma	4.06

15. The group is organized into following reportable segments referred to in Accounting Standard (AS-17) "Segment Reporting":

Segment-wise Revenue, Results and Capital Employed

(Rs. in million)

Particulars	Year Ended 31.03.09	Year Ended 31.03.08
Segment Revenue		
Power Trading	65,278.77	39,064.07
Investment	112.59	31.09
Unallocated	986.41	429.02
Net Revenue from operations	66,377.77	39,524.18

	Year Ended 31.03.09	Year Ended 31.03.08
<u>Segment Profit/(Loss) before tax</u>		
Power Trading	284.10	214.85
Investment	94.48	(26.41)
Unallocated	840.13	371.60
Total Profit Before Tax	1,218.71	560.04
Less: Tax Expenses (Including wealth tax & FBT)	227.55	98.11
Profit After Tax	991.16	461.93
Add: Adjustment of Taxes relating to earlier year	-	0.88
Add: Adjustment on consolidation for pre-acquisition profit	(13.37)	16.84
Add: Profit of Associates	(18.31)	1.37
Less: Minority Interest	18.60	(1.74)
Net Profit after Tax	940.88	482.76

<u>Segment Assets</u>	As at 31.03.09	As at 31.03.08
Power Trading	3,905.71	2,197.70
Investment	2,209.70	1,100.73
Unallocated	14,145.41	14,317.12
Total Assets	20,260.82	17615.55

<u>Segment Liabilities</u>	As at 31.03.09	As at 31.03.08
Power Trading	2,584.08	1,641.47
Investment	206.17	1.36
Unallocated	511.76	616.48
Total Liabilities	3,302.01	2259.31

<u>Other Information's</u>		
Capital Expenditure during the Year		
Power Trading	2.86	10.86
Investment	0.43	0.49
Unallocated	3.53	358.02
Total Capital Expenditure	6.82	369.37

<u>Depreciation & Amortization during the Year</u>	Year Ended 31.03.09	Year Ended 31.03.08
Power Trading	10.18	11.32
Investment	0.24	0.08
Unallocated	51.98	4.13
Total Depreciation & Amortization during the Year	62.40	15.53

<u>Non Cash Expenses during the year</u>	Year Ended 31.03.09	Year Ended 31.03.08
Power Trading	69.20	16.90
Investment	1.00	17.67
Unallocated	5.05	0.12
Total Non Cash Expenses during the Year	75.25	34.69

16. The disclosures as required by AS-15 (Revised) on Employees Benefits are as under:

a) The amounts recognized in the balance sheet are as follows:

(Rs. In Million)

Particulars	Leave Encashment (Unfunded) 31.03.09	Leave Encashment (Unfunded) 31.03.08	Post-employment medical benefits (Unfunded) 31.03.09	Post-employment medical benefits (Unfunded) 31.03.08	Gratuity (Funded) 31.03.09	Gratuity (Funded) 31.03.08
Present value of obligation	13.24	8.59	2.35	1.90	3.70	2.55
Fair value of plan assets	--	--	--	--	2.15	2.40
Net assets / (liability) recognized in balance sheet as provision	(13.24)	(8.59)	(2.35)	(1.90)	(1.55)	(0.15)

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

(Rs. In Million)

Particulars	Leave Encashment (Unfunded) 31.03.09	Leave Encashment (Unfunded) 31.03.08	Post-employment medical benefits (Unfunded) 31.03.09	Post-employment medical benefits (Unfunded) 31.03.08	Gratuity (Funded) 31.03.09	Gratuity (Funded) 31.03.08
Present value of obligation as at the beginning of the year	8.59	5.87	1.90	1.62	2.55	1.37
Interest cost	0.60	0.47	0.13	0.13	0.18	0.11
Past service cost	--	--	--	--	--	--
Current service cost	3.27	2.94	0.12	0.10	0.89	0.73
Curtailment cost/(Credit)	--	--	--	--	--	--
Settlement cost/(Credit)	--	--	--	--	--	--
Benefits paid	(1.28)	(0.97)	(0.40)	(0.53)	(0.44)	(0.34)
Actuarial (gain)/loss on obligation	2.06	0.28	0.60	0.58	0.52	0.68
Present value of obligation as at the end of year	13.24	8.59	2.35	1.90	3.70	2.55

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

(Rs. in millions)

Particulars	Gratuity (Funded) 31.03.09	Gratuity (Funded) 31.03.08
Fair value of plan assets as at the beginning of the year	2.40	1.07
Expected return on plan assets	0.21	0.11
Actuarial gain/(loss) on obligation	(0.02)	0.12
Contributions	--	1.44
Benefits paid	(0.44)	(0.34)
Fair value of plan assets as at the end of the year	2.15	2.40

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

Particulars	Gratuity (Funded) 31.03.09	Gratuity (Funded) 31.03.08
Administered by ICICI Prudential Life Insurance	100%	100%

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

(Rs. In Million)

Particulars	Leave Encashment (Unfunded) 31.03.09	Leave Encashment (Unfunded) 31.03.08	Post-employment medical benefits (Unfunded) 31.03.09	Post-employment medical benefits (Unfunded) 31.03.08	Gratuity (Funded) 31.03.09	Gratuity (Funded) 31.03.08
Current service cost	3.27	2.94	0.12	0.10	0.89	0.73
Past service cost	--	--	--	--	--	--
Interest cost	0.60	0.47	0.13	0.13	0.18	0.11
Expected return on plan assets	--	--	--	--	(0.21)	(0.11)
Curtailment cost/(Credit)	--	--	--	--	--	--
Settlement cost/(Credit)	--	--	--	-	--	--
Net actuarial (gain)/ loss recognized in the year	2.06	0.28	0.59	0.58	0.54	0.56
Expenses recognized in the statement of profit & losses	5.93	3.69	0.84	0.81	1.40	1.29

The group expects to contribute Rs.0.72 millions to gratuity and Rs.1.89 millions to leave encashment in 2009-10.

Note- The estimates of future salary increases, considered in Actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.

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

(Rs. in Million)		
Defined Contribution Plans	31.03.2009	31.03.2008
Provident Fund	3.00	3.01

18. Estimated amount of capital commitments:

(Rs. in million)	
<u>As at 31.03.2009</u>	<u>As at 31.03.2008</u>
10,681.58	32.60

19. Details of Contingent liabilities:

a. Claims against the group not acknowledge as debt:

(Rs. in million)			
<u>Particulars</u>	<u>As at 31.03.2009</u>	<u>As at 31.03.2008</u>	<u>Remarks</u>
Claims of suppliers	852.87	852.87	Out of total claims, Rs. 849.50 Million pertains to claim of Himachal Pradesh State Electricity Board. Arbitrator concluded the arbitration in favour of PTC on 30.10.2008, however HPSEB has contested the award in the High Court of Himachal Pradesh.
Income Tax Demands	7.71	0.36	Case is pending with the ITAT/ Commissioner (Appeal)
Others	2.23	2.23	-
Total	862.81	855.46	

b. In case of one of associates named Tessta Urja Ltd, Escalation claims, if any, is not readily ascertainable at this stage.

c. Bank Guarantees :

(Rs. In Million)	
<u>As at 31.03.2009</u>	<u>As at 31.03.2008</u>
735.00	475.80

Note: Bank guarantees include a *guarantee of Rs. 330.00 million issued in favour of Gujarat Urja Vikas Nigam Limited (GUVNL) based on back to back *Corporate guarantee of Corporate Ispat Alloys Limited (Guarantor) on behalf of Corporate Power Limited of Rs.330.00 million and *personal Guarantee of Mr. Manoj Jayaswal amounting to Rs.330.00 million, in lieu of the Bank Guarantee.

*since returned

d. Letter of Credit:

(Rs. In Millions)

<u>As at</u> <u>31.03.2009</u>	<u>As at</u> <u>31.03.2008</u>
1474.60*	NIL

*against energy banking

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

(Rs. in million)

Particulars	<u>Year ended</u> <u>31.03.09</u>	<u>Year ended</u> <u>31.03.08</u>
Salary, Allowances & Benefits	15.97	11.66
Leave Salary Contribution	0.27	0.08
Contribution to Pension Fund	0.52	0.03
Contribution to Gratuity Fund	-	0.02
Directors' Sitting Fees	0.92	0.67
Total	17.68	12.46

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

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

21. The group has entered into the following related party transactions. Such parties and transactions have been identified as per Accounting Standard 18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India.

(Rs. in million)

Name of Related Party	Influence	Nature of Transaction	For the year ending 31.03.2009	For the year ending 31.03.2008
The Tata Power Company Ltd.	Significant Influence	Director sitting fees to nominee directors	0.00	0.02
National Thermal Power Corporation Ltd.	Significant Influence	Director sitting fees to nominee directors	0.04	0.05
		Sitting Fee Payable	0.02	Nil
Power Grid Corporation of India Ltd.	Significant Influence	Director sitting fees to nominee directors	0.08	0.06
		Salary, Allowance and other related payments	0.00	1.75
		Services Received (Wheeling Charges)	1.94	2.02
		Balance Payable	0.09	0.05

Power Finance Corporation Ltd.	Significant Influence	Director sitting fees to nominee directors	0.05	0.06
		Sitting fee payable	0.03	Nil
National Hydro Power Corporation Ltd.	Significant Influence	Director sitting fees to nominee directors	0.12	0.05
		Sitting Fee Payable	0.07	Nil
Barak Power Private Limited	Joint Venture	Payment of expenses on behalf of the company	0.80	NIL
		Balance Recoverable	0.77	NIL
Krishna Godavari Power Utilities Limited	Significant Influence	Equity Contribution	42.53	152.50
		Investment outstanding at year end	195.03	152.50
Athena Energy Ventures Private Limited	Significant Influence	Equity Contribution	Nil	298.00
		Investment outstanding at year end	292.09	301.14
Teesta Urja Limited	Significant Influence	Investment outstanding at year end	1257.14	701.75
RS Global Energy Private Limited	Significant Influence	Equity Contribution	216.00	Nil
		Investment outstanding at year end	216.09	Nil
Ind Barath Powergencom Limited	Significant Influence	Equity Contribution	556.30	Nil
		Investment outstanding at year end	556.30	Nil
Indian Energy Exchange Limited	Significant Influence	Equity Contribution	4.39	65.00
		Investment outstanding at year end	60.52	65.23
Meenakshi Energy Private Limited	Significant Influence	Equity Contribution	150.00	Nil
		Investment outstanding at year end	150.19	Nil
PTC Bermaco Green Energy Systems Limited	Significant Influence	Equity Contribution	4.91	Nil
		Investment outstanding at year end	4.91	Nil
		Advance for investment	0.01	Nil
RS India Wind Energy Private Limited	Significant Influence	Equity Contribution	353.11	220.00
		Investment	576.85	220.00

		outstanding at year end		
Varam Bio Energy Private Limited	Significant Influence	Equity Contribution	16.41	24.71
		Investment outstanding at year end	36.94	24.71
		Advance for investment	2.78	Nil
Key Management Personnel				
Mr. T.N.Thakur	Chairman & Managing Director	Directors remuneration	6.83	8.11
Mr. S.K. Dube*	Director	Directors remuneration	-	2.56
Mr. Shashi Shekhar**	Director	Directors remuneration	3.83	0.55
Mr. Deepak Amitabh**	Director	Directors remuneration	4.21	0.57
Mr. Ashok Haldia***	Director	Directors remuneration	1.89	-

* Mr.S.K Dube ceases to be director w.e.f 06.08.07.

** Mr. Shashi Shekhar & Mr. Deepak Amitabh has become director w.e.f 25.01.08

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

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

particulars	year ending 31.03.09	Year ending 31.03.08
Net Profit after Tax used as numerator (Rs. in million)	940.88	482.76
Weighted Average Number of equity shares used as denominator (Qty in Million)	227.42	166.29
Earning per Share (Amount in Rs.)	4.14	2.90
Face value per share (Amount in Rs.)	10	10

23. The detail of provision for contingencies is as under:-

(Rs. in million)			
Opening Balance as on 01.04.2008	Additions	Unused amount reversed	Closing Balance as on 31.03.09
10.47	--	10.47	-

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

- a. Rs. 0.60 million has been debited to Profit & Loss Account. (Previous Year Rs. 0.05 million)

b. Details of future lease payment

(Rs. in million)

Particulars	31.03.2009	31.03.2008
Year up to 1 year	0.60	0.60
Year later than 1 year and not later than 5 years	2.55	3.15
Year later than 5 years	Nil	Nil

25. Figures of the previous year have been regrouped/reclassified wherever considered necessary to conform to current year classification.

26. Loans and advances due from directors-NIL

27. Schedules A to O and accounting policies form an integral part of accounts.

(Deepak Amitabh)
Director
DIN 01061535

(Tantra Narayan Thakur)
Chairman & Managing Director
DIN 00024322

(Rajiv Maheshwari)
Company Secretary

For T.R.Chadha & Co.,
Chartered Accountant

(Ajesh Tuli)
Partner
M.No.86424

Dated: July 30, 2009
Place: New Delhi