

# PTC diversification plans seen positive

Would help the company stay on the growth path

## IMPACT

Power trading major, PTC India's plans to float an overseas subsidiary to finance and own coal mining assets shows the serious intent behind its diversification plans.

### TWO PARTNERS

That the company is entering the coal intermediation business and looking for coal mining assets abroad has been known for sometime now.

What's new though is its plans to tie up with two other partners — one in the global finance sector and another with interests in the Indian power sector.



While the financial partner will help the joint venture to fund its acquisitions, the other partner will be a consumer of coal from the acquired assets.

PTC has, thus, neatly tied up critical parts of the chain and all it now needs is to identify potential assets for acquisition. The company has said that it hopes to finalise the

joint venture by the turn of the calendar year and hopefully the first deal will be done by the end of this fiscal.

PTC's plans for the coal intermediation business are important given the competition in the power trading business and regulatory pressures on pricing that have exerted pressure on margins.

### DIVERSIFIED BUSINESS

In the long term, the company will need the support of a diversified business to stay on the growth path.

The stock reacted to the news in today's trading touching a high of Rs 164 before retreating to close at Rs 156, a gain of Rs 7 or 4.4 per cent for the day.