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PRESS RELEASE

1. PTC, which has been trading power since the year 2000 had till 31st March 2011 sold and recovered almost 100% of its power dues of around Rs. 40,000 Cores.

2. The case of TNEB and UPPCL, are exceptional cases wherein the payments have been delayed. PTC's management is in constant touch with the officials of TNEB and UPPCL to pursue the matter of delay in payment. The event has to be seen from the perspective of delay in payments only and not as a default. Though payments have been delayed, they will come with surcharge (15% per annum) which will compensate the interest out flow on account of loan taken. This is a temporary mismatch only as PTC follows a conservative accounting policy and accounting for surcharge is on receipt basis only rather than on accrual basis. The average collection period in HIFY12 stood at about 87 days, whereas the average payment period stood at 35 days, thus implying a net debtor days of about 52 days. If one excludes TNEB and UPPCL, the net debtor days come down to about 7 days indicating that almost all other payments are coming on time.

3. Compared to earlier quarters when payment billing and receipt cycle was weekly, over the past few months the trend of payment from utilities has changed. The payments are now being received on the 30th day. The payment cycle works in such a way that in case the utility pays within the first 7 days they can avail a rebate. However, in case they do not want to avail the rebate they can pay upto 30th day beyond which they will be levied with surcharge.

4. The first tolling project of PTC (Simhapuri 200 MW) is expected to be commissioned in December 2011 and the power from the same has already been tied up for sale for a period of 5 months starting January, 2012 at margins better than those available in short term markets. Further, the cost of generation of around Rs 4 per unit also includes the margin on coal trading which PTC Energy Limited (100% subsidiary of PTC) would be earning for providing its services to PTC. Another tolling project of PTC i.e. Meenakshi Energy (150 MW tolling project) is also expected to be commissioned in first quarter of FY 13.

5. Margin per unit on sale of electricity without rebate and surcharge during Q2FY12 got reduced to 4.2 paise/unit (4.6 paise/ unit for Q2FY11) and to 4.5 paise/unit for H1FY12 (4.8 piase/unit for H1FY11). This was primarily on account of 10% of sale in the current quarter being done through power exchanges where margins are comparatively less.

6. PTC has fixed deposits and fixed maturity plans available of over Rs 200 Crores at average yield of around 11% per annum. Had PTC broken these fixed deposits / fixed maturity plans, it would have paid penalties for pre mature withdrawals. The average cost of borrowing as on date on current debt of around Rs 336 Crores is about 10.25%. So, effectively taking loan is no different than using own resources in terms of financial

impact. Also, since PTC is expected to realize surcharge on delayed payments, the interest cost is a temporary mismatch only which would be more than compensated on receipt of surcharge from the state utilities.

7. PTC has entered into more than 15,000 MW of PPAs including 1,416 MW of cross border projects out of which PTC already has PSAs for about 5,400 MW on long term basis. Projects under PPA are progressing at expected pace and PTC does not foresee any problem on operationalization of the same except for some delays in respect of some projects. PTC expects nearly 1,500 MW getting commissioned in FY 13 and nearly 4500 MW getting commissioned in FY 14.

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