



PTC India

PTC INDIA LIMITED

15TH ANNUAL REPORT 2013-2014

Vision

“To be a frontrunner in power trading by developing a vibrant power market and striving to correct market distortions”

Mission

- Promote Power Trading to optimally utilize the existing resources.
- Develop power market for market based investments into the Indian Power Sector.
- Facilitate development of power projects particularly through private investment.
 - Promote exchange of power with neighbouring countries.

Values

- Transparency
- The Customer is always right
- Encouraging Individual initiative
- Continuous Learning
- Teamwork

FIFTEENTH ANNUAL GENERAL MEETING

To be held on Friday, 26th September, 2014 at 3.00 PM at Dr. S R KVS Auditorium (Dr. Sarvepalli Radhakrishnan Auditorium), Kendriya Vidyalaya No. 2, APS Colony, Gurgaon Road Delhi Cantt, New Delhi- 110010

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.
Board of Directors	02
Notice	03-08
Directors' Report/Certificates	09-25
Standalone Financial Statement of PTC India Ltd.	26-44
Consolidated Financial Statements of Group	45-67

BOARD OF DIRECTORS

1. Shri Deepak Amitabh, CMD, PTC
2. Smt. Jyoti Arora, Joint Secretary, MOP
3. Shri Anil Razdan, Director, PTC
4. Shri Dharendra Swarup, Director, PTC
5. Shri Dipak Chatterjee, Director, PTC
6. Shri D.P. Bhargava, Director, NHPC
7. Shri H.L. Bajaj, Director, PTC
8. Shri Hemant Bhargava, ED, LIC
9. Shri I. J. Kapoor, Director, NTPC
10. Shri M.K. Goel, CMD , PFC
11. Shri Ravi P. Singh, Director, POWERGRID
12. Shri S. Balachandran, Director, PTC
13. Shri Ved Kumar Jain, Director, PTC

Company Secretary

Shri Rajiv Maheshwari

Statutory Auditors

M/s. K. G. Somani & Co.

Internal Auditors (FY 2013-14)

M/s. Ravi Rajan & Co.

Registrar and Share Transfer Agents

M/s. MCS Limited

F-65, Okhla Industrial Area, Phase-I

New Delhi - 110 020

Phone: 41406149; Fax: 41709881

Principal Bankers

IDBI Bank Ltd.

Indian Overseas Bank

State Bank of Travancore

ICICI Bank

Indian Bank

Indusind Bank

Corporation Bank

Yes Bank

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Members of PTC India Ltd. (PTC) will be held on Friday, 26th September, 2014 at 3.00 p.m. at Dr. S R KVS Auditorium (Dr. Sarvepalli Radhakrishnan Auditorium), Kendriya Vidyalaya No. 2, APS Colony, Gurgaon Road Delhi Cantt, New Delhi-110010 to transact the following businesses:

ORDINARY BUSINESS

- To receive, consider and adopt the Balance Sheet as at 31st March 2014, Profit & Loss Account for the year ended on that date, the Auditors' report thereon and the Director's Report for the financial year 2013-14.
- To consider and if thought fit, to pass with or without modification (s), the following resolution for dividend for the Financial Year 2013-14 as Ordinary Resolution:

"Resolved that pursuant to provision of Section 123 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and rules framed there under and applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), dividend at the rate of 20% (₹ 2 per equity share of ₹10 each) be and is hereby declared for the FY 2013-14, out of the profits of the Company on the 296008321 equity shares of ₹ 10/- each fully paid up to be paid as per the ownership as on 19th September 2014 (closing hours)."

- To appoint a Director in place of Shri Mukesh Kumar Goel (DIN 00239813), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment in this regard to consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

"Resolved that Shri Mukesh Kumar Goel (DIN00239813) who retires by rotation and who is eligible for re-appointment be and is hereby re-appointed as Director."

- To appoint a Director in place of Shri Ravi Prakash Singh (DIN 05240974), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that Shri Ravi Prakash Singh (DIN 05240974) who retires by rotation and who is eligible for re-appointment be and is hereby re-appointed as Director."

- To appoint a Director in place of Shri Srinivasan Balachandran (DIN 01962996), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that Shri Srinivasan Balachandran (DIN 01962996) who retires by rotation and who is eligible for re-appointment be and is hereby appointed as Director."

- To consider and if thought fit, to pass with or without modification (s), the following resolution for appointment and fixation of the remuneration for the Statutory Auditors as Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 and rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s K.G Somani & Co. Chartered Accountants (ICAI Registration no.006591N), 3/15, Asif Ali Road, New Delhi-110002, be and is hereby appointed as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 17th Annual General Meeting on such remuneration as may be determined by the Board of Directors or the Audit Committee of

the Company.

Further resolved that Board of Directors/ Audit Committee of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS

- To appoint Smt. Jyoti Arora (DIN 00353071) as Non Executive Nominee Director and in this regard 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 152, 161 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Jyoti Arora (DIN 00353071), who was appointed as Nominee Director of Ministry of Power, Govt. of India by the Board of Directors w.e.f. 24th March 2014 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of the Director of the Company, be and is hereby appointed as a Non Executive Nominee 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 authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- To appoint Shri Dinesh Prasad Bhargava (DIN 01277269) as a Non Executive Nominee Director and in this regard 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 152, 161 and all other applicable provisions of the Companies Act, 2013 and any rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Dinesh Prasad Bhargava (DIN 01277269), who was appointed as Nominee Director of NHPC Ltd. by the Board of Directors w.e.f. 28th May 2014 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Non Executive Nominee 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 authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors,
For PTC INDIA LTD.



Place : New Delhi
Date : 28th August, 2014

(Rajiv Maheshwari)
Company Secretary

Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT

EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out in the notice is enclosed.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send the Company a certified copy of Board Resolutions authorizing their representative to attend and vote on their behalf at the meeting.
4. Relevant documents referred to in the accompanying Notice and the explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturdays, between 11:00 a.m and 1:00 p.m. up to the date of Annual General Meeting.
5. Brief resume of Directors seeking appointment and re-appointment as prescribed under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the notice.
6. The Register of Members and Share Transfer Books of the Company will be closed from 20th September 2014 to 26th September 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
7. If the Final Dividend on equity shares as recommended by the Board of Directors, if declared at the meeting, payment of such dividend will be made as under:
 - i) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) as of the close of business hours on 19th September 2014.
 - ii) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 19th September 2014.
8. The Shareholders/ Proxies are requested to produce at the Registration Counter(s) the attendance slip duly completed and signed, for admission to the meeting hall.
9. Members/proxies should bring their copy of the Annual Report for reference at the meeting.
10. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. Members desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to MCS Ltd, Registrar & Transfer Agent of the Company in the nomination form (i.e. Form No. SH. 13). In case, shares held in dematerialised form, the nomination has to be lodged with the respective depository participant. The nomination form can be downloaded from the Company's website www.ptcindia.com.
12. In respect of shareholders' holding shares in electronic form, members are requested to notify any change of address and change in bank details etc. to their Depositories Participants.
13. The communication address of our Registrar and Share Transfer Agent (RTA) is MCS Limited, F-65, Okhla Industrial Area -Phase I, New Delhi-110020.
14. Members are requested to notify immediately any change of address :
 - i) to their DP in respect of Shares held in dematerialized form
 - ii) to RTA i.e. M/s MCS Ltd. in respect of their physical shares, if any, quoting their folio number.

15. For Electronic Clearing System (ECS) facility for crediting dividend directly to your designated bank accounts, shareholders are requested to give their mandate in the form enclosed.

16. The Annual Report is also available at the Company's Website www.ptcindia.com.

17. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members facility to exercise their right to vote at the 15th Annual General Meeting (AGM) by electronic means and the businesses as contained in this notice may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> • Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field
	<ul style="list-style-type: none"> • Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on 22nd August 2014 in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant PTC India Ltd. on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The voting period begins on 09:00 a.m, 19th September 2014 and ends on 06:00 p.m, 21st September 2014. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August 2014 may cast their vote electronically. The

e-voting module shall be disabled by CDSL for voting thereafter.
(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

- (xvii) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (xviii) Mr. Ashish Kapoor, Company Secretary (Membership No. 20479) Prop. M/s. Ashish Kapoor & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
18. The Company is not providing Video Conferencing facility for this meeting.
19. Members who wish to claim Dividends, which remain unpaid, are requested to correspond with our Registrar and Share Transfer Agent (RTA) i.e. M/s MCS Ltd. Members are requested to note that dividend not en-cashed / claimed within seven years will be transferred to Investor Education and Protection Fund of Government of India. In view of this, members are requested to send all un-cashed dividend warrants pertaining to respective years to Company/ RTA for revalidation and en-cash them before due date.
20. The Company has implemented the “Green Initiative” in terms of Section 101 of the Companies Act, 2013 to enable electronic delivery of notices/ documents and annual reports to shareholders. The e-mail addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/ CDSL will be deemed to be your registered e-mail address for serving notices/ documents including those covered under Section 101 of the Companies Act, 2013. The Notice of AGM and the copies of audited financial statements, Directors’ Report, Auditors’ Report etc. will also be displayed on the website www.ptcindia.com of the Company. Members holding shares in electronic mode are, therefore, requested to ensure to keep their e-mail addresses updated with the Depository Participant. Members holding shares in physical mode are also requested to update their e-mail addresses by writing to the Company at Company’s e-mail address at cs@ptcindia.com quoting their folio number(s). In case any member desire to get hard copy of Annual Report, they can write to Company at registered office address or email at cs@ptcindia.com OR admin@mcsdel.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”)

Item no. 7

Smt. Jyoti Arora

Smt. Jyoti Arora, aged about 53 years is an IAS officer and holding the position of Joint Secretary, Ministry of Power, Govt. of India. Smt. Jyoti Arora was appointed as Additional Director on the Board of Company w.e.f. 24th March 2014 as Nominee of Ministry of Power and holds office up to the date of the ensuing Annual General Meeting.

The company has received a notice in writing as per Section 160 of the Companies Act, 2013, signifying intention to propose Smt. Jyoti Arora as Director on the Board of PTC.

The above appointment of Smt. Jyoti Arora, as Director being liable to retire by rotation in terms of Section 152 of Companies Act, 2013 requires approval of the Members in the General Meeting. Brief resume of Smt. Jyoti Arora is annexed.

Smt. Jyoti Arora has confirmed that she is not disqualified from being appointed as a Director under Section 164 of the said Act and given her consent to act as Director.

Smt. Jyoti Arora does not have any shareholding in the Company.

None of the Directors or Key Managerial Personnel and their relatives except Smt. Jyoti Arora is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7. The Board recommends the resolution set out at Item no. 7 of the notice for your approval.

Item no. 8

Shri Dinesh Prasad Bhargava

Shri Dinesh Prasad Bhargava aged about 58 years holds a bachelor's degree in electrical engineering from the University of Roorkee and has 35 years' experience in the hydro power sector. Shri Dinesh Prasad Bhargava was appointed as Additional Director on the Board of Company w.e.f. 28th May 2014 as Nominee of NHPC Ltd. and holds office up to the date of the ensuing Annual General Meeting.

The company has received a notice in writing as per Section 160 of the Companies Act, 2013, signifying intention to propose Shri Dinesh Prasad Bhargava as Director on the Board of PTC.

The above appointment of Shri Dinesh Prasad Bhargava, as Director being liable to retire by rotation in terms of Section 152 of Companies Act, 2013 requires approval of the Members in the General Meeting. Brief resume of Shri Dinesh Prasad Bhargava is annexed.

Shri Dinesh Prasad Bhargava has confirmed that he is not disqualified from being appointed as a Director under Section 164 of the said Act and given his consent to act as Director.

Shri Dinesh Prasad Bhargava does not have any shareholding in the Company.

None of the Directors or Key Managerial Personnel and their relatives except Shri Dinesh Prasad Bhargava is concerned or interested, financially or otherwise, in the resolution set out at Item no. 8. The Board recommends the resolution set out at Item no. 8 of the notice for your approval.

By Order of the Board of Directors,
For **PTC INDIA LTD.**



(Rajiv Maheshwari)
Company Secretar

Place : New Delhi
Date : 28th August, 2014

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AND DIRECTORS BEING APPOINTED AT THIS 15TH ANNUAL GENERAL MEETING

Name	Date of Birth	Qualifications	Expertise	Directorship in other Companies	Membership/ Chairmanship of Audit and Shareholders Grievance committees other than in PTC	Number of shares held	Relationship between Directors
Shri Mukesh Kumar Goel	17-09-1956	B.E. (Technology)	Shri Mukesh Kumar Goel, holds the post of Director (Commercial) and Additional Charge of CMD in PFC. Shri Goel has a career spanning over 32 years. He has been involved in inducing reforms in State Power Utilities, steering Restructured Accelerated Power Development & Reform Programme of Government of India.	<ol style="list-style-type: none"> 1. Power Finance Corporation (PFC) Ltd. 2. PFC Consulting Ltd. 3. PTC India Financial Services Limited 4. PFC Green Energy Ltd. 5. PFC Capital Advisory Service Ltd. 	NIL	NIL	NONE
Shri Ravi Prakash Singh	21-01-1960	B.E. (Mechanical) and Post- Graduate Diploma in HR	Shri Ravi P. Singh, aged about 52 years is a nominee Director of Powergrid Corporation of India Ltd. He has previously held the positions of Executive Director (Eastern Region-II) and Executive Director (Human Resource Management & Corporate Communication) in Powergrid. Shri Singh has over 30 years of work experience in the power sector, handling various multi-disciplinary functions like HR, Telecom, Contracts, Materials, Planning etc.	<ol style="list-style-type: none"> 1. Power Grid Corporation of India Ltd. 2. Powerlinks Transmission Ltd. 3. Powergrid NM Transmission Ltd. 4. Vizag Transmission Ltd. 5. Unchahar Transmission Ltd. 	Power Grid Corporation of India Ltd.- Shareholders' / Investors' Grievance Committee, Member Powerlinks Transmission Ltd.- Audit Committee, Member	NIL	NONE
Shri Srinivasan Balachandran	27-08-1946	Master in Science (Msc.)	Shri S. Balachandran is an Ex-Addl. member (Budget), Ministry of Railways & Ex Managing Director Indian Railways Finance Corporation. He has rich experience in Finance sector	<ol style="list-style-type: none"> 1. Dredging Corp. of India Ltd. (DCI) 2. ONGC Petro Additions Ltd. (OPAL) 3. PTC Energy Limited (PEL) 4. United Stock Exchange of India Ltd. 5. SKS Micro Finance Ltd. 	<ol style="list-style-type: none"> 1. PEL-Audit Committee, Chairman 2. DCI- Audit Committee, Chairman 3. OPAL- Audit Committee, Chairman 4. United Stock Exchange of India Ltd.- Audit Committee, Member 5. DCI- Shareholders'/ Investors' Grievance Committee, Member 	NIL	NONE
Smt. Jyoti Arora	15-10-1961	IAS	Smt. Jyoti Arora a first class post graduate in Economics from Punjab University, is an Indian Administrative Service officer of 1987 batch from Haryana Cadre. She is presently working as Joint Secretary, Ministry of Power, Govt. of India looking after Transmission, Operation & Monitoring, Reforms & Restructuring Divisions. Before joining the Ministry, she was Managing Director of electricity utilities in distribution, transmission and generation, for over a decade. During her tenure as Chief of Bureau of Energy Efficiency (BEE) in India, she was closely involved in setting up technical standards for the Perform Achieve Trade (PAT) scheme and the Super Efficient Equipment Programme. She has represented the country in United Nations Framework Convention on Climate Change (UNFCCC) negotiations.	<ol style="list-style-type: none"> 1. Power Grid Corporation of India Ltd. 2. Power System Operation Corporation Ltd. 	NIL	NIL	NONE

Name	Date of Birth	Qualifications	Expertise	Directorship in other Companies	Membership/ Chairmanship of Audit and Shareholders Grievance committees other than in PTC	Number of shares held	Relationship between Directors
Shri Dinesh Prasad Bhargava	01-04-1956	Bachelor in Electrical Engineering	Shri Dinesh Prasad Bhargava has 35 years of experience in the hydro power sector. He has worked with the Nathpa Jhakri Hydro Power Station of the Satluj Jal Vidyut Nigam Limited. He is in-charge of Design and Engineering of projects, Operation and Maintenance of power stations, Contract & Procurement, Rural Electrification Works, Survey & Investigation Works, Research & Development, Quality Assurance and Inspection and Corporate Social Responsibility (CSR). He has also worked at Nathpa Jhakri Hydro Power Station of SJVN Limited. Prior to joining NHPC Board, Shri Bhargava has served NHPC in various capacities including as the Executive Director (Projects). He was also the Chief Executive Director of NHDC Ltd., a subsidiary of NHPC Ltd.	<ol style="list-style-type: none"> 1. NHPC Limited 2. Chenab Valley Power Projects Pvt. Ltd. 	1) NHPC Ltd- Audit Committee- Member	NIL	NONE

DIRECTORS' REPORT - 2013-14

Dear Shareholders,

Your Directors have pleasure in presenting you the fifteenth Annual Report and Company's audited accounts for the financial year ended 31st March 2014.

Performance and Financial Highlights

Your Company has completed another successful year of its operations, wherein it has continued to maintain its leadership position in the industry. The trading volumes were higher by 22.85% this year at 35,130 MUs as against 28,597 MUs during the previous year. With a turnover of ₹ 11,565.05 crore (including other income) for the year 2013-14 as against ₹ 8,868.73 crore (including other income) in the Financial Year 2012-13, your Company has earned a Profit After Tax of ₹ 251.23 crore as against ₹ 128.74 crore in the previous year.

Your Company has two subsidiaries, namely PTC India Financial Services Limited (PFS) and PTC Energy Limited (PEL). The consolidated turnover of the group is ₹ 12,143.31 crore for the Financial Year 2013-14 as against ₹ 9,213.11 crore for the Financial Year 2012-13. The Consolidated Profit After Tax of the Group is ₹ 360.84 crore for the current Financial Year as against ₹ 198.28 crore for the Financial Year 2012-13.

The Financial Results of the Company for the FY 2013-14 vis-a-vis FY 2012-13 under broad heads are summarized as under:-

Financial results of the company for the FY 2013-14 vis -a-vis FY 2012-13

Particulars	For the Year ended 31.03.2014 (in ₹ Crores)	For the Year ended 31.03.2013 (in ₹ Crores)
Sales (including rebate on purchase of power, service charges and surcharge)	11,510.71	8,856.87
Other Income (including income from consultancy services)	54.34	11.86
Purchase (including rebate on sale of power)	11,060.49	8,215.74
Change in Inventories	18.31	-
Employee Cost	15.46	12.974
Other Expenses etc.	35.49	20.71
Fuel cost	-	272.31
Finance Cost	2.75	0.92
Operating expenses	68.02	165.13
Profit before amortization, depreciation, prior period items and exceptional items	364.53	180.95
Amortization and Depreciation	4.20	4.21
Exceptional items Expense/(Income)	(4.32)	(0.03)
Prior Period Expenses/(Income)	0.43	(1.69)
Profit Before Tax	364.22	178.46
Provision for Taxation (including deferred tax income)	112.99	49.72
Profit After Tax	251.23	128.74
Balance as per last accounts	206.93	172.22
Transferred to General Reserves	75.37	38.62
Dividend (incl. dividend tax)	66.97	55.41
Transfer to contingent reserves	-	-
Balance carried forward to Balance Sheet	315.82	206.93
Earnings Per Share in ₹	8.49	4.36

Appropriations

Dividend

Your Directors are pleased to recommend for your consideration and approval dividend @ 20% (which is higher by 4% from the last year) for the Financial Year 2013-14 i.e. Rs 2.00 per equity share of ₹ 10 each. The dividend, if approved, at ensuing Annual General Meeting will absorb ₹ 69.26 crore including Dividend Distribution Tax amounting to ₹ 10.06 crore (without netting off credit of ₹ 2.29 crore on dividend received from subsidiary company).

The dividend will be paid to the members whose name appears in the register of members as on a record date and in respect of shares held in dematerialized form whose name is furnished by the Depositories, as beneficial owners as on record date.

Reserves

Out of the profits of the Company, a sum of ₹ 75.37 crore has been transferred to General Reserves during the year and total reserves and surplus of the Company are ₹ 2,212.40 crore (including securities premium) as on 31st March 2014.

Public Deposits

The Company has not accepted any public deposits during the year and as such, no amount on account of principal or interest was outstanding as on the date of Balance Sheet.

Capital Structure

As on 31st March 2014, PTC has Authorized Share Capital of ₹ 750,00,00,000 and Paid-Up Capital of ₹ 296,00,83,210/- divided into 296008321 equity shares of ₹10 each. The equity shares of your Company are listed on the 'Bombay Stock Exchange Limited' (BSE) and 'The National Stock Exchange of India Ltd.' (NSE). The promoters i.e. NTPC Ltd. (NTPC), Power Grid Corporation of India Ltd. (POWERGRID), Power Finance Corporation Ltd. (PFC) and NHPC Ltd. (NHPC) individually hold 4.055% each or 16.22% collectively of the paid-up and subscribed equity share capital of your Company and the balance of 83.78% of the paid-up and subscribed equity share capital of your Company is held by power sector entities, Financial Institutions, Life Insurance Corporation of India and other Insurance Companies, Banking Institutions, Corporations, Investment Companies, Foreign Institutional Investors, Private Utilities and others including public at large.

The shareholding pattern of your Company as on 31.03.2014 is as follows:-

	Category	No. of shares held	Percentage of Shareholding
A	Promoters' holding		
1	Promoters		
	- Indian Promoters	48,000,000	16.216
	- Foreign Promoters	-	-
2	Persons acting in concert	-	-
	Sub-Total	48,000,000	16.216
B.	Non-Promoters' Holding		
1	Institutions		
	(a) Mutual Funds and UTI	45,030,912	15.213
	(b) Banks and Financial Institutions	27,665,044	9.346
	(c) Insurance Companies	56,286,009	19.015
	(d) FIIs	60,725,676	20.515
	Sub-Total B(1)	189,707,641	64.089
2	Non Institutions		
	(a) Bodies Corporate (incl. DVC)	21,369,833	7.219
	(b) (i) Individuals (Holding nominal share capital upto ₹ One lac)	28,279,416	9.554
	(b) (ii) Individuals (Holding nominal share capital in excess of ₹ One lac)	6,675,236	2.255
	(c) Others		
	-NRIs	1,905,619	0.644
	-OCBs	-	-
	-Trusts and Foundations	70576	0.024
	Sub-Total B (2)	58,300,680	19.696
	Total Public Shareholding (B1 +B2)	248,008,321	83.784
	GRAND TOTAL (A +B)	296,008,321	100

Net Worth and Earnings Per Share (EPS)

As on 31st March 2014, net worth of your Company aggregates to ₹ 2508.41 crore as compared to ₹ 2325.68 crore for the previous year thereby registering a growth of 7.86%.

EPS of the Company as on 31.03.2014 stands at ₹ 8.49 in comparison to ₹ 4.36 as on 31.03.2013.

MANAGEMENT DISCUSSION AND ANALYSIS

The world economy in 2013 experienced another year of subdued growth (2.1%). There are however signs of recovery from the protracted recession particularly for the Euro zone. Economic activity and global trade picked up in the second half of FY14 though some emerging economies faced new headwinds last year (e.g. depreciating currencies). Stock markets are doing reasonably well in emerging economies particularly India and Indonesia. The global economy in 2014 appears to be in much better shape than last couple of years.

Domestically also, there is renewed optimism and positive outlook among Indian companies especially in the power sector. In terms of generation capacity addition, the target was over-achieved third year in a row. The country added 17,825 MW against the target of 11,663 MW. Private sector again leads the pack and added more than double of its target. In the first two years of 12th plan, ~43% of the capacity addition target for the entire plan has already been achieved. For power transmission sector, the year 2014 started on a positive note as we achieved synchronization of SR grid with rest of the country (NEW grid). However, we may still have to wait for another couple of years to take full advantage of that.

The Financial Restructuring Package (FRP) offered by Central Govt. last year has started moving things in the distribution sector as the utilities have started clearing past dues. Apart from that, the utilities have also started buying power through various routes (long, medium, short-term tendering and power exchanges). There was some apprehension among the banks which agreed to FRP after downward tariff revision by few States ahead of elections. MoP has, though, pushed States to take subsidy, if any on their books rather than on discoms'. We see a positive impact of all these developments on our volumes.

On policy front, MoP has come out with Model Agreement for Medium-term and Peaking Power Procurement after circulating the draft and inviting comments. On the same lines, draft Model Agreement for Supply of Merchant (Short-term) Power and Request for Proposal have also been circulated by the Ministry. It is good to see that government is taking initiatives to rectify problems in the sector but a careful and holistic approach needs to be adopted so that equal opportunities may be provided to all market participants. In the long-term, medium-term and peaking power bidding documents, power traders are not allowed to participate independently. The Electricity Act 2003 and CERC Power Market Regulations stress on increasing competition but this provision may lead to less competition in competitive biddings. Your company has raised this issue at appropriate levels in the government and is hopeful of a positive reply.

The Electricity Act 2003 itself is being amended and the Government has proposed draft amendments for the same. One of the main thrust of the amendments is to separate the carriage and content business in distribution sector and have two licensees: Distribution Licensee who will own the lines and Supply Licensee who will be responsible for supply of electricity to the consumers. There are, however, certain amendments which needs a relook. Amendment in Section 62 rules out tariff determination by Appropriate Commission if National Electricity Policy or Tariff Policy specifies that procurement has to be through bidding route. Your company has submitted that the Act has envisaged both routes for a discom to procure power and hence both should be allowed. The expected benefits of attractive tariffs through bidding were short-lived as IPPs are finding it difficult to operate at quoted tariffs.

Similarly, draft amendments have been brought out in Tariff Policy as well. The amendments stress on independent formula for cross-subsidy surcharge (CSS) by each SERC, no Universal Supply Obligation (USO) by discoms for Open Access (OA) consumers, procuring renewable power through competitive bidding and fulfilling Renewable Purchase Obligations (RPOs). Your company has submitted that CSS may be linked to cost of power procurement and uniformly

accepted pan-India parameters. Renewable power purchase may continue through regulated tariff route to give thrust to development of this sector.

CERC has come out with new tariff regulations for the period 2014-19 through which it has tightened the performance parameters for power plants. Tariff/incentive will be paid on the basis of PLF rather than PAF (Availability). It is notable that All India PLF is hitting new lows due to fuel vows (coal, gas, LNG etc.). CERC's composite index for imported coal will now include Indonesian coal as well with 50% weightage. Australian and South African coal will be given 25% weightage each.

The Hon'ble Commission also introduced amendments in some other regulations like CERC Trading License Regulations, Ancillary Services, Deviation Settlement Mechanism etc. Your company has been submitting its comments on such draft regulations/papers to make them more conducive for power market growth.

Short-term (ST) market crossed the 100 BUs mark in FY14 reaching ~105 BUs, a growth of 6% YoY. Power Exchanges (PXs) remain the highest growing component of the market with a growth of ~30%. Direct Bilateral grew by ~20%. Bilateral (Traders + TAM) segment registered its first ever contraction of ~2.5%. This is because due to poor financial health, State utilities preferred to purchase low priced exchange power as and when required. The segment, however, picked up in last quarter of FY14 on account of buying by some States like Andhra Pradesh, Rajasthan, UP etc. It is still the largest component of ST market constituting 34% of the market at the end of FY14. UI contracted by ~13% and is reduced to ~20% of the ST market - result of tightening of UI regulations after grid disturbances of FY13.

Price in bilateral market remained slightly higher than PX for most part of the year indicating that buyers are ready to pay premium for certainty of power. Also bilateral prices were less volatile than PX prices. Average prices in bilateral market over the year remained in the range of ₹ 3.5-4.5 per unit while on exchanges, prices varied from ₹ 2-3.7 per unit. Overall, the price level was lower when compared to last year. Low prices on exchanges for most part of the year was another reason pulling utilities towards them for trading. However, we are already witnessing a reversal of this trend in the initial months of FY15 where PX prices are rising. Increased input costs (fuel etc.) are also expected to increase the delivered price of electricity. This will make bilateral segment more lucrative than exchanges as buyers will have certainty of getting power.

It has been another fruitful year in terms of the Agreements signed by your Company for the sale of power to the State Utilities through Competitive Bidding Processes. Your Company, having participated with a cumulative capacity of 4379 MW in bids invited by various State Utilities during last year, has finalized and executed Power Sale Agreements to the tune of 1611 MW capacity with State Utilities such as UP Discoms (751 MW), Rajasthan Discoms (660 MW), Tamil Nadu (100 MW) on long term basis & with KSEB (100 MW) on medium term basis during FY14. The power supply under the aforementioned agreements to KSEB and Tamil Nadu shall commence during FY15 and to UP & Rajasthan during FY17. No new Case-1 Biddings processes were initiated by the State Utilities during FY14.

As far as performance of your company is concerned, it traded ~35 BUs (23% increase YoY) of electricity with a market share of ~38% (including cross-border). Long-term segment saw the highest growth of 28.5% followed by PX (22%) and ST bilateral trades (~22%). Most of the power traded by us was on Round The Clock (RTC) basis - 96% which is three percentage points higher than last year - the remaining power being Peak and other. During the year, we revisited our Power Tolling business and considering risk-reward scenario, converted it into long-term PPAs.

Our top 5 suppliers of electricity in FY14 were Simhapuri Energy Pvt. Ltd., Government of Himachal Pradesh, West Bengal State Electricity Distribution Company Ltd., Chhatisgarh State Power Distribution Company Ltd. and State Development Power Corporation J&K. Our top buyers in FY14 were Andhra Pradesh, West Bengal, Madhya Pradesh, Punjab and Kerala.

Cross-border trade with Bhutan witnessed an increase of ~16% to 5579 MUs. Your company is also participating in a tender floated for sale of power by Druk Green Power Corporation Limited (DGPC) Bhutan from 118 MW Nikachhu

HEP on long-term basis. Trade with Nepal also increased to 97 MUs from 79 MUs last year. We have also started supplying 250 MW power to Bangladesh for a period of three years starting from December 2013 after winning in the tender floated by Bangladesh Power Development Board (BPDB). Volume for this transaction this year was 652 MUs. Cross-border transactions remain a vital part of our portfolio and we see an increase in volumes in this segment in the next year.

PTC Retail, our Strategic Business Unit (SBU) to cater to the requirement of industries and commercial units has also been doing very well. It has increased its client base to close to 350 and contributed ~3000 MUs in FY 14. The clients range from big PSUs like Indian Railways, NHPC, Hindustan Copper etc. to corporate like Coca-Cola, Apollo Tyres, L&T etc. With more favorable environment in the country for allowing Open Access to eligible consumers, we see a bright future for this SBU.

Your company is also playing an increasingly important role in the promotion of Renewable Energy in the country. We are facilitating sale of solar power between solar developers and solar power consumers through mutually beneficial trading arrangements and providing advisory solutions for development/marketing of solar projects. Your company is also facilitating various entities in meeting their Renewable Purchase Obligations (RPOs) through sale of Renewable Energy Certificates (RECs) and has traded more than 2,28,322 RECs in FY 14 which is ~8% more than RECs traded in FY12 (~2,12,000 RECs).

PFS recorded revenue of INR 5,462 million during FY 14 compared to revenue of INR 2,865 million during FY 13. The company earned profit of INR 822 million by way of divestment of its stake in one of the investee company. The profit before tax for FY14 stood at INR 2,849 million and profit after tax nearly doubled to INR 2,077 million respectively. Net interest income increased to INR 2,132 million, thereby recording a growth of 39% during FY 14. Earnings per share for the financial year stood at ₹ 3.70 per share.

During FY 2013-14, PEL imported and sold 0.43 million MT of coal as against 0.79 million MT in FY 2012-13. The year gone by had proved to be challenging. PEL, however, has been exploring avenues for adding new suppliers and buyers under its umbrella of fuel intermediation on competitive basis and other opportunities in energy sector.

Going forward, your company's focus would be on balanced development of trading business portfolio for sustained growth. Long-term trade is expected to constitute half of our total volumes by FY 17. As per the signals from the new government, the policy and regulatory environment in the sector is expected to change positively and your company is well positioned to benefit from such developments.

Domestic Trading

Your Company has completed another significant year of its operations. Financial year 2013-14 had been a challenging year for Power sector due to poor financial health of most of the state utilities, coal shortage and transmission constraints in various Inter Regional Links. Still the company has maintained and sustained its position in the industry. There has been rise in the domestic trades by maintaining the continuous interaction with customers, providing innovative solutions and managing the key portfolio of some states. Your Company remains the front runner in the power trading market.

PTC achieved highest trading volume ever of 35130 MUs during 2013-14 against the previous year's figure of 28597 MUs which is a significant jump of 22.85% over the previous year. PTC achieved best ever Short term volume figure of 13387 MUs during 2013-14. The Company also carried out a significant number of energy banking transactions during the year and has achieved best ever trading volumes in terms of Energy Banking.

PTC's volume on power exchanges during 2012-13 reached 6623 MUs against the previous year figure of 3595 MUs which has witnessed an increase of 84% over the previous year. Long term power from projects have started contributing to trading volumes and the total MU traded from projects under long term PPA has been 3771MUs.

As a responsible corporate, PTC is committed to promote renewable energy for a greener tomorrow. As a maiden feat, PTC supplied around 46 MUs of renewable

energy on bilateral basis to Punjab for fulfillment of their Renewable purchase obligation.

Your Company extended its existing agreements with Chhattisgarh, Government of Himachal Pradesh and various CPPs/IPPs for sale of their surplus power. Negotiations are in advance stage with some other surplus States/Utilities for signing agreements on similar lines. Your company has also been able to add many other utilities and CPP/IPPs as clients both through Bilateral and Power exchange routes. The remarkable additions to the list of clientele are Haryana Power Generation Corporation Limited, Nagaland, DB Power etc. During the year FY 2013-14 PTC revived bilateral transactions with Government of Sikkim for supply of power to one of India's largest Steel Industry. You will be pleased to know that PTC is the only Power trading company to supply power to Kerala under Medium Term Open Access (MTOA) during FY 2013-14.

Long Term Agreements for Purchase of power

(A) Commissioned Projects

i. Power Projects commissioned before FY 2013-14

- (a) Stage-I Baglihar HEP (450 MW) was commissioned in the April 2009. PTC has a contracted capacity of 225 MW, out of which 150 MW is being sold under long term contracts to West Bengal (100 MW) and Haryana (50 MW) and balance 75 MW is being sold through short term contracts.
- (b) Middle & Lower Kolab HEP (37 MW) was commissioned during FY 2009-10 with lower Kolab Project achieving COD in January 2009 and Middle Kolab Project achieving COD in February 2009. The Energy from the project aggregating to 37 MW is being supplied to Orissa through long term agreement.
- (c) Samal HEP in Orissa for 20 MW was commissioned in October, 2009. Entire capacity from the project is being supplied to Orissa through a long term agreement.
- (d) Pathadi Thermal Power Plant (Phase-I, 300 MW) set up by M/s. Lanco Amarkantak Power Ltd. was commissioned in June 2009. PTC is selling the entire 300 MW power from the project on long term basis to Madhya Pradesh.
- (e) SUGEN Gas Based Power Project developed by Torrent Group was commissioned in August, 2009. PTC is selling 100 MW power from the project to Madhya Pradesh.
- (f) Pathadi Thermal Power Plant (Phase-II, 300 MW) set up by M/s. Lanco Amarkantak Power Limited was commissioned in May 2011. PTC has signed Power Sale Agreement with Haryana and presently 65% power from the Project is being supplied to Haryana through PTC.
- (g) Simhapuri Energy Private Limited's Unit 1 and Unit 2 of 150 MW each located in Andhra Pradesh were commissioned during FY 2012-13 with Unit-1 achieving COD in May 2012 and Unit-2 achieving COD in July 2012. The aforementioned Power Tolling Agreement was converted into a Power Trading Agreement between the Parties during FY 2013-14. Presently, PTC is selling power from these projects on short term basis.
- (h) Malana - II HEP in Himachal Pradesh (100 MW) was commissioned in July 2012 and the entire power is being sold to Punjab through PTC.
- (i) Adhunik Power & Natural Resources Ltd's, Unit 1 of 270 MW of the project in Jharkhand was commissioned during January 2013. PTC has tied up 100 MW from this unit to West Bengal State Electricity Distribution Board.

ii. Power Projects commissioned during FY 2013-14

- a) Adhunik Power & Natural Resources Ltd's Unit-2 of the project in Jharkhand has been commissioned on 19th May, 2013. PTC

has tied-up 100 MW power from this project under the Tamil Nadu Long Term Case-1 bid and power flow is expected to commence during FY 2014-15.

- b) Meenakshi Energy Pvt. Ltd's project of 2x150 MW capacity in Andhra Pradesh has been commissioned on 30th April, 2013. The aforementioned Power Tolling Agreement was converted into a Power Trading Agreement between the Parties during FY 2013-14. Presently, PTC is selling power from these projects on short term basis.
- c) GMR Kamalanga Energy Ltd's project in Orissa has been commissioned on 30th April 2013. PTC has tied up 323 MW from project under Case-1 bidding route to Haryana Discoms. Power flow under the PSA to Haryana Discoms commenced w.e.f. 7th February 2014.

(iii) Projects Expected to be commissioned in FY 2014-15

- a) Simhapuri Energy Ltd's Phase-II Expansion Project: The 300 MW imported coal based expansion project is being set-up as Phase-II expansion at its existing 300 MW project in Andhra Pradesh. PTC has tolling agreement for 150 MW capacity from the expansion project. PTC will tie-up the power on short term basis.
- b) Andhra Pradesh Power Development Company Ltd's 1600 MW (2X800 MW) Project: PTC tied up 160 MW (10%) from this project and has initiated a Power Sale Agreement with Kerala State Electricity Board for sale of the same.
- c) DB Power Ltd's 1200 MW Project in Chhattisgarh: The Project is being developed in two phases having a capacity of 600 MW each. PTC has two Power Purchase Agreements for purchase of 260 MW from each Phase. PTC has tied-up 410 MW power of the total contracted capacity with Rajasthan Discoms. The power flow to Rajasthan Discoms shall commence from November 2016 and power would be sold on short term basis for the interim period.
- d) Maruti Clean Coal & Power Ltd's 300 MW Project in Chhattisgarh: PTC has tied up 250 MW power for sale to Rajasthan Discoms through Case-1 bidding process on long term basis. The power flow to Rajasthan Discoms shall commence from November 2016 and power would be sold on short term basis for the interim period.
- e) Torrent Energy Ltd.'s 1200 MW D-Gen Project in Gujarat: PTC has power purchase agreement for 150 MW power from the Project for onwards sale.
- f) Swastik Power and Mineral Resources Ltd.'s 50 MW (2x25 MW) Project in Chhattisgarh: PTC has executed Power Purchase Agreement for 30 MW power from the project. The contracted capacity is to be tied-up for onwards sale on short term basis by PTC. Phase-1 of 25 MW of the Project is expected to be commissioned during FY 2014-15.

(B) Power Purchase Agreements finalized in 2013-14

During the year, PTC entered into Power Purchase Agreements with M/s. Ideal Energy Private Limited for 240 MW power.

PTC has signed long term Power Purchase Agreements (PPAs) with the generators for a cumulative capacity of about 11,560 MW for further sale of power to Discoms which includes Cross-Border power trade. The projects are based on domestic coal, imported coal, gas and hydro resources.

(C) Memorandum of Understanding / Agreement finalized in 2013-14

In addition to the above projects, PTC has also signed MoUs/MoAs with number of Project developers during the FY 2013-14 for purchase of power

aggregating to approximately 1,332 MW. Cumulative MoUs/MoAs at the end of the year by PTC is around 11,329 MW based on domestic coal, imported coal, wind and hydro resources.

Agreements for Sale of Power

As per the Tariff Policy of Government of India, the long term power procurement by the SEBs/ DISCOMs has to be necessarily done through competitive bidding. As such, sale of power to the State Utilities has to be through participation in the bidding process. Till now, PTC has participated in competitive bids invited by State Utilities/Private Discoms like Rajasthan, UP, AP, MP, Kerala and Tamil Nadu (Long term and Medium term) and has bid for about 4,379 MW aggregate capacity.

I. Power Sale Agreements (PSAs) executed during FY 2013-14

- i). PTC has tied-up for purchase of 100 MW from M/s. Bharat Aluminium Company Ltd's thermal power plant in Chhattisgarh and sold the power to Kerala State Electricity Board through Medium Term Case-1 tender for 3 years. The Power supply is scheduled to commence from 1st March, 2014 as per the PSA subject to availability of Open Access.
- ii). PTC has signed PSAs with UP Discoms for sale of 390 MW power from TRN Energy Ltd's plant in Chhattisgarh and 361 MW power from MB Power Ltd's Plant in Madhya Pradesh for 25 years under Case 1 competitive bidding process. The Power flow under the PSAs is scheduled to commence from 30th October, 2016.
- iii). PTC has signed PSAs with Rajasthan Discoms for sale of 410 MW power from DB Power Ltd's plant in Chhattisgarh and 250 MW power from Maruti Clean Coal & Power Ltd's project in Chhattisgarh for 25 years under Case 1 competitive bidding process. The Power flow under the PSAs is scheduled to commence from 30th November, 2016.
- iv). PTC has signed PSA with Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) for 100 MW power from M/s. Adhunik Power & Natural Resources Ltd's project for 15 years under Case-1 Competitive Bidding Process. The Power flow as per the PSA is scheduled to commence from 1st June, 2014 subject to availability of Open Access.
- v). PTC has signed PSA with Bangladesh Power Development Board (BPDB) for supply of 250 MW power from the State Power Pool of West Bengal State Electricity Distribution Company Limited (WBSEDCL) on medium term basis (3 years) through International Competitive bidding process. The Power flow under the PSA has commenced from 3rd December, 2013.

Human Resource

Organizational development in your Company has the focus on fostering a successful system that maximizes human resources, as well as optimizes other resources as part of larger business strategies. This important aspect includes creation and maintenance of a change program which allows your company to respond to evolving external and internal influences.

The strategic Human Resource department is ideally positioned having access to all areas and processes of the business. Some of the key processes being successfully managed are manpower planning, recruitment and development, training and career management, performance management and compensation and benefits management, ESOP management and HRIS.

During the year, Internal Complaints Committee has been constituted to look into grievance/complaints of sexual harassment lodged by women employees as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Industrial relations

Your company has always maintained healthy, cordial, and harmonious industrial relations at all levels. Despite of competition, the enthusiasm efforts of the employees have enabled the Company to grow at a fast rate.

Corporate Social Responsibility

We, at PTC, since inception, have endeavored to address social concerns and work to the benefit of the local communities. We have been undertaking various socio-economic, educational and health initiatives which focus on the welfare of the economically and deprived sections of society. The Company facilitates programs and gives direct assistance to individuals, societies and other charitable organizations.

Employee Stock Option Scheme 2008

Shareholder approval of the scheme was obtained at the Annual General Meeting held on 6th August 2008 for introduction of Employee Stock Option Plan at PTC India Ltd. Two grants have been made under the ESOP 2008.

Disclosures stipulated under the SEBI Guidelines have been made.

Period of Vesting for PTC India Ltd.

As per PTC India Ltd. Employee Stock Option Plan 2008, there shall be a minimum period of 1 (one) year between the grant of options and vesting of options. Subject to participant's continued employment with the Company or the subsidiary and restrictions if any set out in case of terminal events, the Unvested Options shall vest with the Participants over a four year period as per the following schedule.

Vesting	No of years from the grant date	% of options vested	Cumulative % of options vested
1st	1	15%	15%
2nd	2	15%	30%
3rd	3	30%	60%
4th	4	40%	100%

Exercise Period for PTC India Ltd.

Subject to the conditions laid down for terminal events (death, permanent incapacitation of the employee etc.), the vested options shall be exercisable within a period of 5 (five) years from the first vesting date.

Period of vesting for PFS Ltd.

Options will vest over four years from the date of grant

End of year (from the date of grant)	% of Vest
1	15%
2	15%
3	30%
4	40%

Exercise Period for PFS

Maximum of 3 years from the date of vesting or listing of shares on a recognized stock exchange, whichever is later.

Conservation of Energy & Technology Absorption

As your Company is engaged in the activity of trading of power and other related activities, the particulars relating to conservation of energy and technology absorption respectively are not applicable to it.

Foreign exchange earnings & outgo etc.

Foreign Exchange earnings & outgo (on accrual basis) are as follows:

Expenditure in Foreign Currency	- ₹ 0.92 crore
CIF Value of Imports	- ₹ 92.72 crore
Income earned in foreign exchange	- ₹ 301.54 crore

Particulars of the employees u/s 217 (2A)

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended regarding employees is as under:

During the Financial Year ending 31st March, 2014, no employee was employed for full or part of the year, who was in receipt of remuneration, which in aggregate or as the case may be, at a rate which, in the aggregate was not less than ₹ 60 lakh per annum or ₹ 5 lakh per month except the following employees the details of whom are given below:-

Name	Shri Deepak Amitabh	Shri S. N. Goel (Resigned w.e.f. 20th January, 2014)
Designation	CMD	Director (Marketing & Operations)
Qualification	MSc.+ Ex- IRS	BE + M.B.A.
Nature of Employment Whether contractual or otherwise	CMD	Whole- Time Director
Nature of Duties of employees	Overall Managerial functions of company	Marketing & Operations functions of the Company
Last employment held	Government of India	NTPC Ltd.
Number of years of experience	30	35
Age	53	59
Date of commencement of employment (at Board Level)	25.01.2008	27.09.2012
Gross Remuneration (figures in ₹ Crore)	0.79	0.51
No. of Equity Shares held (of ₹ 10/- each)	79,557	NIL
Whether Relative of a Director or Manager	No	No
Other terms and conditions of Employment	-	-

Auditors

Statutory Auditors

M/s K.G. Somani & Co., Chartered Accountants, New Delhi were appointed as Statutory Auditors of your Company in the 14th Annual General Meeting of the Company and will cease to be Statutory Auditors of the Company at ensuing Annual General Meeting and are eligible for reappointment.

The Statutory Auditors have audited the Accounts of the Company for the Financial year ended 31st March 2014 and Audited Accounts together with the Auditors' Report thereon are annexed to this report. The observations of the Auditors in their Report on Accounts read with the relevant notes to accounts are self-explanatory and do not call for any further comments.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Companies Act, 2013 and that they are not disqualified for re-appointment and are eligible for appointment.

Internal Auditors

M/s. Ravi Rajan & Co. Chartered Accountants, New Delhi were appointed as Internal Auditors of the Company for the Financial Year 2013-14 and their reports for the year were submitted to the Audit Committee.

Cost Auditors

The cost audit is not required for the company.

Subsidiary Companies

PTC India Financial Services Ltd. (PFS)

PTC India Financial Services Limited (PFS) is a subsidiary of PTC India Limited wherein PTC holds 60% stake. PFS is listed on NSE and BSE and has been classified as Infrastructure Finance Company (IFC) by the Reserve Bank of India.

The operational performance was quiet robust and the interest income increased to ₹ 4,199.99 million during 2013-14 compared to ₹ 2,513.16 million during 2012-13, thereby recording an increase of 67%. In line with the same, the borrowings also increased leading to increase in the finance costs which increased to ₹ 2,209.55 million during 2013-14 compared to ₹ 1,066.17 million during 2012-13, thus recording an increasing of 107%. Finance costs include amortization of foreign currency translation which increased to ₹ 1,257.04 million in 2013-14 compared to ₹ 544.40 million during 2012-13, thus, recording an increase of 131%. The Company made a profit of ₹ 821.69 million during the year by divesting its stake in Meenakshi Energy Private Limited. The profit before tax (PBT) stood at ₹ 2,848.85 million during 2013-14 as compared to ₹ 1,552.89 million during 2012-13, thus recording a growth of 83% whereas profit after tax nearly doubled to ₹ 2,077.19 million during 2013-14 as compared to ₹ 1,041.57 million during 2012-13.

The disbursements were quite robust at ₹ 30,706 million during 2013-14 compared to ₹ 13,000.71 million during 2012-13 and the debt assistance sanctioned to various projects during 2013-14 aggregated to ₹ 25,202 million compared to ₹ 37,361 million in 2012-13. The loan book stood at ₹ 49,744 million as at 31st March 2014 whereas the equity investments stood at ₹ 3,054 million as on the said date. The cumulative aggregate debt assistance sanctioned as at 31st March 2014 stands at ₹ 103,030 million.

The Board of Directors of the Company has recommended a dividend @ 10% i.e. Re.1.00 per equity share of ₹10/- each for the financial year 2013-14.

The financial assistance sanctioned by PFS would help capacity creation of more than 30,000 MW. The Company continues to diversify its portfolio and as a result, the composition of renewable projects in the outstanding loan book stands at around 35%, thermal projects constitute about 33%. It is worthwhile to mention that renewable portfolio constitutes a maximum portion of PFS' loan book. The company has also forayed into financing infrastructure facilities like private railway sidings, and development & operation of coal mines and power transmission projects. The Company continues to regularly monitor the progress and operations of the assisted projects through its comprehensive project monitoring mechanism.

PTC Energy Limited (PEL)

PTC Energy Limited (PEL) was set up as a subsidiary of PTC India Ltd. to develop asset base taking in to its sphere the developmental activities, fuel intermediation etc.

The vision of PEL is to play a pivotal role in India's emerging Energy sector through asset base business and as a fuel aggregator.

On the backdrop of the huge demand for energy in India and the fact that domestic coal supplies are struggling to keep pace with an ever increasing demand, PEL has entered in to the business of fuel intermediation to seize the opportunities in the field of coal import. The FY 2013-14 has proved to be challenging for PEL affecting the performance of the Company. During FY 2013-14, PEL has imported and sold 0.43 million MT of coal as against 0.79 million MT in FY 2012-13. The coal revenues for the year are ₹ 135.94 crore compared to ₹ 247.02 crore during the previous year. The profit before tax during the current year is ₹ 2.89 crore as compared to ₹ 12.80 crore in FY 2012-13.

PEL had invested ₹ 23.40 crore constituting 48% equity in RS India Global Energy Limited with a view to undertake joint development of wind farm in Tamil Nadu.

PEL is pursuing opportunities for investment in energy sector with a focus on improving portfolio, increasing efficiency and expanding business.

Annual Accounts and information of the Subsidiary Companies under Section 212 of the Companies Act, 1956

The Ministry of Corporate Affairs, Government of India, vide its Circular dated 8th February, 2011 has granted exemption to all Companies from attaching the financial statements of its subsidiaries companies, pursuant to Section 212 (8) of the Companies Act, 1956, subject to compliance of certain conditions by the Companies as prescribed in this circular.

Accordingly, the Board of Directors in their meeting held on 24th May, 2014 has given their consent and passed the appropriate resolution for not attaching the copies of balance sheet, profit & loss accounts and reports of the Board of Directors and auditors of subsidiaries with the balance sheet of the Company. In terms of said circular, your Company has fulfilled the prescribed conditions and also made necessary disclosures in the Consolidated Balance Sheet and further undertakes that the Annual Accounts of the Subsidiary Companies and the related detailed information shall be made available to Shareholders of the Company interested in obtaining the same. As directed by the Central Government, the financial data of the subsidiaries has been furnished in the notes on consolidated financial statements, which forms part of the Annual Report of the Company. The Annual Accounts of Company including that of Subsidiaries will be kept for inspection during business hours at the registered office of the Company and of the respective Subsidiary Company. Further, pursuant to Accounting Standard-21 (AS-21), Consolidated Financial Statements presented by the Company include financial information about its subsidiaries.

Investment in other Companies (Amount Released up to 31st March, 2014)

1. Your Company has earlier executed Equity Subscription Agreement (ESA) for investment in Athena Energy Ventures Pvt. Ltd. (AEVPL). As of now, PTC has released ₹ 150 crore and the other investors of this Company are Athena Group and IDFC.
2. Your Company has earlier executed Equity Subscription Agreement (ESA) for investment in Krishna Godavari Power Utilities Limited upto ₹ 400 Million and as of now PTC has released ₹ 37.55 crore.
3. Teesta Urja Limited is developing 1200 MW Teesta-III Hydro Electric Project in the State of Sikkim. Your Company has acquired 11% subscribed equity in Teesta Urja Limited and has released ₹ 224.02 crore.
4. Your Company has 2% equity in M/s. Chenab Valley Power Projects Private Limited (CVPPPL) with NHPC and JKSPDC and as of now PTC has released ₹ 10 lakh.

Directors' Responsibility Statement

In pursuance of Section 217 (2AA) of the Companies Act 1956, the Directors make the following responsibility statement that:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed by PTC along with proper explanation relating to material departures;
2. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2014 and of the profit of the Company for that period;
3. Proper and sufficient care had been taken by the Directors for maintenance of adequate Accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities and
4. The Annual Accounts had been prepared on a going concern basis.

Report on Corporate Governance

As a listed Company and a good corporate entity, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability paving the way in building confidence among all its stakeholders for achieving sustainable long term growth and profitability.

Company's philosophy on the Code of Governance

Corporate Governance implies governance with highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business. Your Company's endeavor has been to inculcate good Corporate Governance practices in its organizational and business systems and processes with a clear goal to not merely adhere to the letter of law to comply with the statutory obligations, but also to center around following the spirit underlying the same.

The Corporate Governance practices followed by the Company include the corporate structure, its culture, policies and practices, personal belief, timely and accurate disclosure of information, commitment to enhancing the shareholders' value while protecting the interests of all the stakeholders.

Your Company is committed to and firmly believes in practicing good Corporate Governance practices as they are critical for meeting its obligations towards shareholders and stakeholders. The Company's governance framework is based on the following principles which adhere to sound Corporate Governance practices of transparency and accountability:

- Constitution of Board of Directors with an appropriate blend of Executive and Non-Executive Directors committed to discharge their responsibilities and duties.
- Strict Compliance with all governance codes, Listing Agreements, other applicable laws and regulations.
- Timely and balanced disclosure of all material information relating to the Company to all stakeholders.
- Adoption of 'Code of Conduct' for Directors and Senior Management, and 'Code of Ethics' and 'Policy on Prohibition of Insider Trading' and effective implementation thereof.
- Sound system of Risk Management and Internal Control.
- Regular update of PTC website www.ptcindia.com to keep stakeholders informed.

1. Board of Directors

(A) Composition of Board

The composition of Board of Directors is in conformity with the Clause 49 of Listing Agreement, as amended from time to time. The Board of Directors along with its Committee(s) provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the company. The Board of Directors of the Company comprises of distinguished personalities, who are well known in their respective fields. As on the end of Financial Year 2013-14, the Board comprises of 13 Directors out of which 1 is Whole-time (CMD) and 12 are Non-Executive Directors, more than 50% of total number of Directors are Independent Directors. The Company is headed by CMD.

The current composition of Board of Directors as on the date of this report of your company is as under:

Category	Name of Director	
Chairman & Managing Director	Shri Deepak Amitabh	
Non -Executive Directors	Smt. Jyoti Arora	Nominee, MoP, GoI
	Shri I.J. Kapoor	Nominee, NTPC
	Shri M.K. Goel	Nominee, PFC
	Shri Ravi P. Singh	Nominee, POWERGRID
	Shri D.P. Bhargava	Nominee, NHPC
	Shri Hemant Bhargava	Nominee, LIC of India
	Shri S. Balachandran	Independent Director
	Shri Ved Kumar Jain	Independent Director
	Shri Dipak Chatterjee	Independent Director
	Shri Anil Razdan	Independent Director
	Shri Dharendra Swarup	Independent Director
	Shri H.L. Bajaj	Independent Director

All Independent Directors of the Company qualify the conditions of their being independent.

(B) Non- executive Directors compensation and disclosures

The Company had not paid any remuneration to any of its Non-Executive Directors, except the Sitting fees for attending the meetings of Board/ Committees for those who accept the same.

Sr. No.	Meetings	*Sitting fee per Meeting (₹)
1.	Board Meetings	20,000
2.	Committees Meetings	20,000

*The Sitting Fee to nominee Directors of Promoter Companies/ LIC of India is directly paid to the respective Promoter Company/ LIC.

(C) Other provisions as to Board and Committees

(i) Details of Board Meetings held during the Financial Year 2013-14

During the financial year ended 31st March 2014, the Board met nine times as against the minimum requirement of four Board Meetings.

The details of the Board Meeting held during the financial year 2013-14 are as under:-

Sr. No.	Date	Board strength	Number of Directors present
1	4 nd April, 2013	14	12
2	9 th May 2013	14	13
3	23 rd May, 2013	14	11
4	24 th June, 2013	14	11
5	8 th July, 2013	14	11
6	3 rd August, 2013	14	14
7	31 st August, 2013	14	11
8	13 th November, 2013	14	09
9	17 th January, 2014	14	12

(ii) Directors' Attendance Record and Directorship in other companies as on 31st March, 2014

Sr. No	Name of the Director	Board Meetings in FY 2013-14		Attendance at Last AGM (held on 19/08/13)	No. of Directorships in other companies held as on 31st March, 2014	No. of Committee Chairmanship/ Membership as on 31st March, 2014*
		Held during the Tenure	Attended			
1	Shri Deepak Amitabh	9	9	Y	2	NIL
2	Shri I.J. Kapoor	9	9	N	7	3
3	Shri M.K. Goel	9	5	N	5	NIL
4	Shri Ravi P. Singh	9	8	N	5	2
5	Shri M. S. Babu	9	4	N	NIL	NIL
6	Smt. Jyoti Arora** (part of year)	-	-	NA	2	NIL
7	Shri S. Balachandran	9	6	Y	4	5
8	Shri Hemant Bhargava	9	5	N	1	1
9	Shri Ved Kumar Jain	9	8	N	5	3
10	Shri Dipak Chatterjee	9	9	Y	2	1
11	Shri Anil Razdan	9	9	N	2	1
12	Shri Dharendra Swarup	9	9	N	2	3
13	Shri H.L. Bajaj	9	9	N	NIL	NIL

(i) *In line with Clause 49 of listing Agreement, only the Directorship of Audit Committee and Shareholders'/Investors' Grievance Committee have been taken in to consideration in reckoning the membership/ chairmanship of committees.

(ii) **Appointed w.e.f. 24th March 2014

(iii) Y=Yes, N= No, N.A. = Not Applicable

In terms of Listing Agreement, none of the Director on the Company's Board is a member of more than ten (10) committees and Chairman of more than five (5) committees (Committees being, Audit Committee and Investor Grievance Committee) across all the companies in which they are Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than fifteen (15) public companies.

The Non-executive Directors do not have any shareholding in the Company. Further, Directors are not relatives of each other and none of the employees of the Company are relative of any of the Directors.

At the last AGM 27,723 members (including proxies) holding 7,28, 91,256 number of equity shares recorded presence during the meeting.

(iii) Changes in Directorship of the Company in FY 2013-14

During the Financial Year 2013-14, there are following changes in the composition of Board of Directors of the Company:

Sr. No.	Name of Director	Joining/ Cessation	Date of joining/ Cessation
1	Shri S.N. Goel	Cessation	20.01.2014
2	Smt. Rita Acharya	Cessation	28.02.2014
3	Smt. Jyoti Arora	Joining	24.03.2014

The Board places on record its deep appreciation for the valuable contributions made by Shri S.N. Goel and Smt. Rita Acharya during their respective tenures as Directors of the Company.

Recently, M/s. NHPC has also changed its nominee Director to Shri D.P. Bhargava in place of Shri M.S. Babu w.e.f. 28th May, 2014. Accordingly, Shri D.P. Bhargava has also been appointed as Director w.e.f. 28th May, 2014.

(D) Board Procedure

(i) Decision making process

The Board of Directors acts as trustees of stakeholders and is responsible for the overall functioning of the Company. With a view to professionalize all corporate affairs and setting up systems and procedures for advance planning of matters requiring discussion/decisions by the Board, the Company has defined appropriate guidelines for the meetings of the Board of Directors. These Guidelines facilitate the decision making process at the meetings of Board, in well informed and proficient manner.

(ii) Scheduling and selection of Agenda items for Board /Committee Meetings

- The meetings are being convened by giving appropriate notice after obtaining the approval of the Chairman of the Board/Committee. To address urgent needs, meetings are also being called at short notice. The Board is also authorized to pass Resolution by Circulation in case of business exigencies or urgency of matters.
- Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions at the meetings. The Company Secretary while preparing the Agenda ensures that all the applicable provisions of law, rules, guidelines etc. are adhered to. The Company ensures compliance of all the applicable provisions of the Companies Act, 1956, SEBI Guidelines, Listing Agreement, and various other statutory requirements.
- All the department heads are notified of the Board meeting in advance and are requested to provide the details about the matters concerning their department requiring discussion/approval/ decision at the Board

meetings. Based on the information received, the agenda papers are prepared and submitted to concerned Department Heads for obtaining approval of the Chairman. Duly approved agenda papers are circulated amongst the Board members by the Company Secretary.

- Where it is not practicable to attach any document or the agenda due to its confidential nature, the same is tabled before the meeting with the approval of the Chairman. In special and exceptional circumstances, additional or supplemental item(s) to the agenda are circulated. Sensitive subject matters are discussed at the meeting without written material being circulated.
- The meetings are usually held at the Company's Registered Office in New Delhi.
- In addition to detailed agenda being already circulated, presentations are also made at the Board/ Committee meetings covering Finance, Operations & Sales, Human Resources, Marketing and major business segments of the Company to facilitate efficient decision making.
- The members of the Board have complete access to all information of the Company. The Board is also free to recommend inclusion of any matter in agenda for discussion. Senior management officials are called to provide additional inputs to the items being discussed by the Board, as and when necessary.

(E) Recording minutes of proceedings at the Board Meeting

The minutes of the proceedings of each Board/Committee meeting are recorded and are duly entered in the minute book kept for the purpose. The minutes of each Board/ Committee meeting are circulated among the Board/ Committee members in the next Board Meeting for their confirmation.

(F) Follow-up mechanism

The guidelines laid down for the Board and Committee Meetings ensures that an effective post meeting follow-up & review has been done. The actions taken on the decisions are reported to the Board/ Committee in the form of Action Taken Report (ATR) tabled at the immediately succeeding meeting of the Board/ Committee for noting by the Board/ Committee.

2. Committees of the Board of Directors

The Board has constituted many functional Committees depending on the business needs and legal requirements. The Committees constituted by the Board on the date of the Report are as follows:

- Audit Committee
- Remuneration / Compensation (ESoP) Committee
- Stakeholders Relationship Committee*
- Nomination Committee
- Code of Ethics And Prohibition of Insider Trading Committee

*Investor Grievance Committee renamed as Stakeholders Relationship Committee and role and scope of this Committee shall be as per Companies Act, 2013 and Listing Agreement

2.1 Audit Committee

a) Composition

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and the provisions of Clause 49 of the listing Agreement, Audit Committee has been constituted by the Board of Directors.

The Audit Committee presently comprises of the following Non-Executive and Independent Directors:

1	Shri S. Balachandran	Chairman
2	Shri Hemant Bhargava	Member
3	Shri Ved Kumar Jain	Member
4	Shri Dipak Chatterjee	Member
5	Shri Dharendra Swarup	Member

The Company Secretary acts as the Secretary of the Committee.

b) Terms of Reference

The broad terms of reference of Audit Committee are as follows:

- Oversight of the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment or removal of the statutory auditor and the fixation of audit fees.
- Reviewing with management the periodical financial statements before submission to the Board for approval, with particular reference to (i) changes in accounting policies and practices, (ii) major accounting entries involving estimates based on exercise of judgment by management, (iii) qualifications in draft audit report (if any), (iv) significant adjustments made in financial statements arising out of the audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with listing and other legal requirements concerning financial statements, (viii) Disclosures of any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the company at large;
- Reviewing with the management performance of statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- Reviewing the adequacy of internal audit functions;
- Discussion with internal auditors any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Any other work as may be assigned by the Board of Director (s) of the Company from time to time.

The terms of reference stipulated by the Board to the Audit Committee are as per Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. The CFO, Representatives of Internal auditors and statutory auditors of the Company attend the meetings of Audit Committee. The minutes of the Committee were placed before the Board of Directors for information. PTC has not denied any personnel to access to the Audit Committee of the company in respect of any matter. There was no case of alleged misconduct.

c) Number of Committee Meetings and Attendance

Five meetings of Audit Committee were held during FY 2013-14. The details of Committee meeting and its members attendance during FY 2013-14 is mentioned below:-

Sr. No.	Name of Director	Audit Committee Meetings	
		Held during the Tenure	Attended
1.	Shri S. Balachandran	5	3
2.	Shri Hemant Bhargava	5	4
3.	Shri Ved Kumar Jain	5	5
4.	Shri Dipak Chatterjee	5	5
5.	Shri D. Swarup	5	4

2.2 Remuneration / Compensation (ESoP) Committee

a) Terms of Reference

The Remuneration Committee of the Company review, approves and recommends to the Board the matters connected with fixation and periodic revision of remuneration of Chairman & Managing Director and Whole time Directors, as also such other work relating to remuneration as may be assigned by the Board of Director (s) of the Company from time to time. The Compensation Committee looks after the work relating to ESoP as per the SEBI guidelines.

b) Composition

Presently this Committee comprise of following Directors:

1	Shri S. Balachandran	Chairman
2	Smt. Jyoti Arora	Member
3	Shri Dipak Chatterjee	Member
4	Shri H.L. Bajaj	Member
5	Shri D. Swarup	Member

c) Number of meetings and attendance

Sr. No.	Name of Director	Remuneration Committee Meetings	
		Held during the Tenure	Attended
1	Shri S. Balachandran	2	2
2	Smt. Jyoti Arora	NIL	-
3	Shri Dipak Chatterjee	2	2
4	Shri H.L. Bajaj	2	2
5	Shri D. Swarup	2	2

Shri Rajiv Maheshwari, Company Secretary acts as the Secretary to the Committee. The Committee is chaired by an Independent Director. The Committee meets as per the requirement.

(d) Detail of Remuneration to CMD and Whole-time Directors of the Company during FY 2013-14.

The remuneration paid to the CMD and Whole-time Directors during the FY 2013-14 is as under:

Sr. No.	Director	Designation	Remuneration (figures in ₹ crore)- FY 2013-14
1.	Shri Deepak Amitabh	CMD	0.79
2.	Shri S. N. Goel (Resigned w.e.f. 20.01.2014)	WTD	0.51

CMD has surrendered his Stock options of PTC and PFS. The CTC of CMD for FY 2013-14 is fixed component. Notice period of CMD is 3 months.

- e) Detail of payment made towards sitting fee to the Non- Executive Directors for Board/ Committee Meeting during the year 2013-14 is as under:

Sr. No.	Name of the Director	Designation	Remuneration (figures in ₹ Lacs)
1	Shri I.J. Kapoor*	Non-Executive	2.4
2	Shri M.K. Goel*	Non-Executive	1.0
3	Shri M S Babu*	Non-Executive	0.8
4	Shri S. Balachandran	Non-Executive	2.6
5	Shri Hemant Bhargava*	Non-Executive	1.8
6	Shri Ved Kumar Jain	Non-Executive	2.6
7	Shri Dipak Chatterjee	Non-Executive	3.8
8	Shri Anil Razdan	Non-Executive	2.4
9	Shri Dharendra Swarup	Non-Executive	3.6
10	Shri H.L. Bajaj	Non-Executive	2.2
11	Shri R.P. Singh*	Non-Executive	1.6

* Sitting Fee paid to the respective Promoter Company/LIC of India.

2.3 Stakeholders Relationship Committee

a) Composition

The Committee comprises of following Non-Executive Directors:

1	Shri Dipak Chatterjee	Chairman
2	Shri Ved Kumar Jain	Member
3	Shri I.J. Kapoor	Member

The Committee is chaired by an Independent Director and meets as per the requirement.

b) Name & Designation of Compliance Officer

Shri Rajiv Maheshwari, Company Secretary of the Company acts as the Compliance Officer of the Company.

c) Terms of Reference

The Committee looks into redressing of investors complaint like delay in transfer of shares, Demat, Remat, non-receipt of declared dividends, non-receipt of Annual Reports etc. and such other related work as may be assigned by the Board from time to time. The Committee oversees the performance of Registrar and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

d) Investors Complaints received and resolved during the year

During the FY 2013-14, 235 complaints were received and resolved.

Given below is a table showing investor complaints of last three years:

Sr. No.	Year	Number of Complaints Received
1	2013-14	235
2	2012-13	216
3	2011-12	104

2.4 Nomination Committee

a) Composition

The Committee presently comprises of following Directors:-

Shri Anil Razdan	Chairman
Shri Deepak Amitabh	Member
Shri Dharendra Swarup	Member
Smt. Jyoti Arora	Member
Shri I. J. Kapoor	Member
Shri S. Balachandran	Member
Shri Dipak Chatterjee	Member

b) Compliance Officer and Meeting

Shri Rajiv Maheshwari, Company Secretary acts as the Secretary to the Committee and committee meets as per the requirement.

c) Terms of Reference

Assessing and selecting/nominating or recommending to the Board for selection/nominations of strong and capable Chairman & Managing Director, Whole-time Directors and Independent Directors to serve on the Board and making recommendations on such matters as may be desired by the Board.

2.5 Code of Ethics & Prohibition of Insider Trading Committee

Composition

Presently this committee comprises of following Directors:-

1	Shri Dipak Chatterjee	Chairman
2	Shri Ved Kumar Jain	Member
3	Shri I.J. Kapoor	Member

The Committee is chaired by an Independent Director.

Shri Rajiv Maheshwari, Company Secretary of the Company acts as the Compliance officer under the 'Code of Conduct for prevention of Insider Trading and Code of Corporate Disclosure Practices' of PTC. The Committee meets as per the requirements.

2.6 Procedure at Committee Meetings

The Company's guidelines relating to Board meetings are generally applicable to Committee meetings as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its work. Minutes of the proceedings of the Committee meetings are placed before the Board meetings.

3. Disclosures

There are no material significant transactions with related parties except those mentioned in the Annual Accounts for the FY 2013-14 conflicting with the Company's interest. There was also no instance of non-compliance on any matter related to the Capital Markets during the last years. The information related to the Company is also available at Company's web-site www.ptcindia.com. The proceeds of the public issue have been used for the purpose(s) for which it was raised.

4. Code of conduct for Directors and Senior Management

The Company has framed a Code of Conduct for Directors and senior officers of the Company, which has been complied with by the Board members and senior officers of the Company.

5. Code for prevention of Insider Trading

In terms of Securities and Exchange Board of India (Insider Trading) Regulations, 1999, the Company has formulated a comprehensive policy for prohibition of Insider Trading in PTC Equity Shares to preserve the confidentiality and to prevent misuse of unpublished price sensitive information.

In line with the requirement of the said code, the trading window was closed from time to time, whenever some price sensitive information was submitted to the Board. Notice of the closure of trading window was issued to all employees well in advance.

Declaration required under clause 49 of the Listing Agreement

All the members covered under the “Code of Business Conduct and Ethics for Board Members and Senior Management” have affirmed with the said code for FY 2013-14.

Sd/-
Deepak Amitabh
Chairman & Managing Director

6. Subsidiary Monitoring Framework

Both subsidiary companies of the Company are Board managed with their Board's having their rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of subsidiary companies, inter alia, by the following means:

- Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed by the Audit Committee of the Company.
- All minutes of Board meetings of unlisted subsidiary companies are placed before the Company's Board on regular basis.

7. General Body Meetings

Annual General Meeting (AGM)

Details of last three Annual General Meetings are as under:

Financial Year	Date of the Meeting	Time of the Meeting	Venue of the Meeting	Special resolutions passed
2012-13	August 19, 2013	3.00 p.m.	FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi- 110001	Yes, u/s 314(1) of Companies Act, 1956
2011-2012	September 21, 2012	04:30 p.m	FICCI 1, Foundation House, Tansen Marg, New Delhi- 110001	1
2010-2011	September 28, 2011	04:00 p.m.	Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No.-2, Delhi Cant. New Delhi-110010	1

8. Special Resolution and Postal Ballot

No resolution has been passed through postal ballot during the Financial Year 2013-14. None of the business proposed to be transacted in the ensuing AGM requires passing a special resolution through Postal Ballot. No Extra ordinary General Meeting was held during the year.

9. Disclosure on materially significant related party transactions i.e. transactions of the company of material nature, with its Promoters, the Directors and the management, their relatives or subsidiaries, etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company. Transactions with the related parties are set out in Notes on Accounts, forming part of the Annual Report.

All related party transactions are negotiated on arm's length basis and are intended to further the interests of the Company.

10. Means of communication & website

- Quarterly/Annual financial Results: Quarterly/ Annual Financial Results of the Company are generally published in One English and One Hindi News Paper and are displayed on the Company's website www.ptcindia.com.
- Website: The Company's website contains a separate dedicated section for Investors where shareholders information is available.
- Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and other's entitled thereto and is displayed on the Company's website www.ptcindia.com
- Presentations made to institutional investors or to the analysts- Presentations are made to institutional investors and analysts on the Company's audited annual financial results

11. CFO/CEO Certification

As required by clause 49 of the Listing Agreement, a Certificate duly signed by Shri Deepak Amitabh, Chairman & Managing Director and Shri Arun Kumar, Chief Financial Officer of the Company was placed before the Board of Directors in its meeting dated 24th May, 2014 while consideration of Annual Accounts for the period ended 31st March, 2014.

12. General Shareholders Information

a) Annual General Meeting(AGM)

Meeting No.	15th
Date	26th September, 2014
Time	3.00 P.M.
Venue	Dr. SR KVS Auditorium (Dr. Sarvepalli Radhakrishnan Auditorium), Kendriya Vidyalaya No. 2, APS Colony, Gurgaon Road Delhi Cantt, New Delhi-110010

b) Tentative Financial Calendar for year ended 31st March, 2015

Particulars	Date
1. Financial Year	1st April, 2014 to 31st March, 2015
2. Un-audited Financial Results for first three Quarters	Announcement will be in compliance with the Listing Agreement
3. Annual Financial Results	Will be announced and published within 60 days from the end of financial year

d) Appointment/ Re-appointment of Directors

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Shri M. K. Goel, Shri Ravi P. Singh and Shri S. Balachandran shall retire by rotation at the ensuing Annual General Meeting of your Company, and being eligible, offer themselves for re-appointment.

Smt. Jyoti Arora and Shri Dinesh Prasad Bhargava, presently Additional Directors, are proposed to be appointed as a Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting.

Your Directors have recommended the re-appointment/ appointment of the above said Directors at the ensuing Annual General Meeting.

The brief resume of Directors retiring by rotation and Additional Directors seeking appointment is appended with the notice calling Annual General Meeting of the Company

e) Payment of Dividend

→ Final Dividend details for financial year 2013-14

The Board of Directors in its meeting held on 24th May, 2014 has recommended a dividend @ 20% i.e. ₹ 2.00 per Equity Share (on the face value of ₹ 10/- each) for the Financial Year 2013-14, subject to approval of shareholders in the forthcoming Annual General Meeting of Company.

→ Dividend History for the last five years

Sr. No.	Financial Year	Total Paid up Capital in ₹	Rate of Dividend (%)
1	2012-13	296,00,83,210	16
2	2011-12	294,97,35,710	15
3	2010-11	294,97,35,710	15
4	2009-10	294,54,74,010	12
5	2008-09	227,41,90,000	12

f) Book Closure

The book closures dates of the Company are from 20th September, 2014 to 26th September, 2014 (both days inclusive) for the purpose of payment of dividend for the FY 2013-14.

g) Pay- out Date for Payment of Final Dividend

The final dividend on equity shares, as recommended by the Board of Directors, if approved by the members at the forthcoming Annual General Meeting of the Company, shall be paid to those shareholders whose name appear in the Register of Members or in the list of beneficial holders provided by NSDL/ CDSL as on the date of book closure.

h) Unclaimed Dividend

Section 205 of the Companies Act, 1956, mandates that Companies to transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to Investor Education and Protection Fund (IEPF) of Central Government. As on the 31st March 2014, in accordance with following schedule, the dividend for the years mentioned as follows, if unclaimed with in stipulated time will be transferred to IEPF.

Year	Type	Dividend Per Share (₹)	Date of Declaration	Amount (₹)
2006-07	Final	1.0	28th September,2007	5,36,611
2007-08	Final	1.0	06th August, 2008	9,14,337
2008-09	Final	1.2	23rd September,2009	11,52,146
2009-10	Final	1.2	23rd September,2010	6,94,628
2010-11	Final	1.5	28th September,2011	11,91,182
2011-12	Final	1.5	21st September, 2012	15,03,555
2012-13	Final	1.6	19th August, 2013	14,55,792

i) Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Pursuant to provisions of Section 205(A)(5) of Companies Act, 1956, the declared dividend for FY 2005-06 amounting to ₹ 4,73,001/- and which remain unclaimed/unpaid for the period of seven years has been transferred by the Company to Investor Education and Protection Fund (IEPF), established by Central Government.

j) Listing on Stock Exchanges and stock codes

The Company's Shares are listed on following Stock Exchanges

Name of the Stock Exchange	Address	Stock Code	ISIN No.
National Stock Exchange of India Limited	Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 40051.	PTC EQ	INE877F01012
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532524	

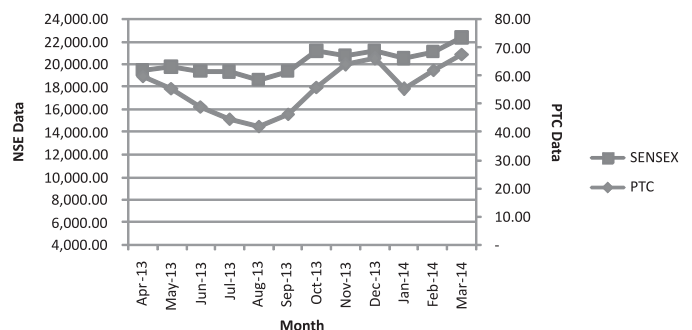
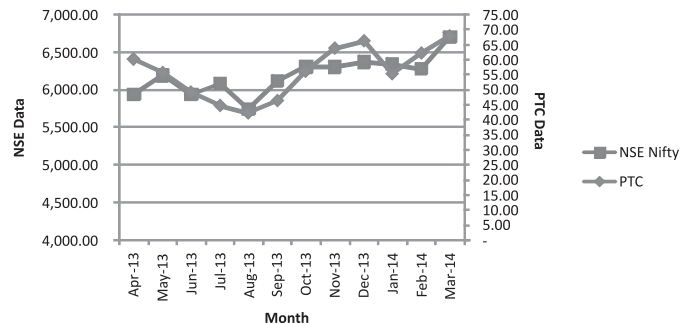
k) Listing Fees

Annual Listing Fee for FY 2014-15 (as applicable) has been paid by the Company to both the Stock Exchanges.

l) Market Price Data

The High/Low of the market price of the Company's equity shares traded on Bombay Stock Exchange and National Stock Exchange, during the financial year ended 31st March 2014 were as follows:

Month	BSE		NSE	
	High	Low	High	Low
April- 13	63.45	56.75	63.25	56.65
May -13	64.30	55.10	64.40	55.35
June -13	58.40	45.00	58.50	44.70
July -13	51.35	43.55	51.35	43.55
August -13	46.70	34.70	46.80	33.15
September -13	48.50	42.00	48.60	42.00
October -13	59.50	45.65	59.40	45.60
November -13	65.00	54.30	65.10	52.50
December -13	67.95	60.05	67.95	60.00
January -14	66.50	54.55	66.70	54.55
February -14	62.30	52.05	62.50	52.05
March -14	68.35	58.60	68.70	58.55



m) **Registrar & Share Transfer agent**

M/s. MCS Limited,
F-65, Okhla Industrial Area, Phase-I,
New Delhi-110020.

n) **Share Transfer System**

The shares under physical segment are transferred through M/s MCS Ltd., Registrar and Share Transfer Agent (RTA).

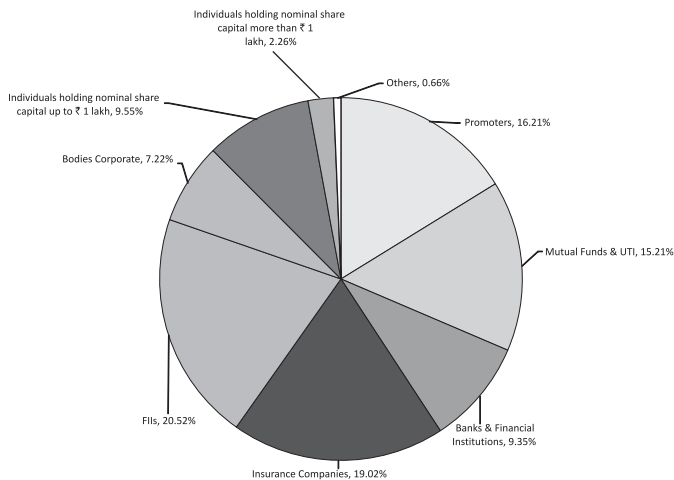
Further pursuant to clause 47(c) of the Listing Agreement with the stock Exchanges, Certificate on half yearly basis confirming the due compliance of share transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchanges within stipulated time.

o) **Distribution of shareholding as on 31st March, 2014**

Distribution by Category

Description	No. of Cases	Total Shares	% of Equity
Promoters	4	4,80,00,000	16.216
Mutual Funds/ UTI	36	4,50,30,912	15.213
Financial Institutions/ Banks	31	2,76,65,044	9.346
Insurance Companies	10	5,62,86,009	19.015
FII's	99	6,07,25,676	20.515
Bodies Corporates	1636	2,13,69,833	7.219
Individuals :-			
(1) Individuals holding nominal Share Capital upto ₹1 Lakh	144318	2,82,79,416	9.554
(2) Individuals holding nominal Share Capital more than ₹1 Lakh	192	66,75,236	2.255
Others:-			
(1) Trust & Foundations	12	70,576	0.024
(2) NRIs	1412	19,05,619	0.644
Total	147750	29,60,08,321	100

Graphical Representation of Shareholding Pattern of the company on the basis of distribution by category as on 31st March, 2014



→ **Distribution by size**

Range of Equity Shares held	Folios	% of Shareholders	Total No. of Shares	%of Shares
1 - 500	136552	92.4210	1,47,26,464	4.9750
501 - 1000	6322	4.2788	51,45,032	1.7381
1001 - 2000	2598	1.7584	39,46,155	1.3331
2001 - 3000	773	0.5232	19,90,455	.6724
3001 - 4000	337	0.2281	12,20,714	.4124
4001 - 5000	274	0.1854	12,98,493	.4387
5001 - 10000	411	0.2782	30,57,237	1.0328
10001 - 50000	300	0.2030	64,01,881	2.1627
50001 - 100000	47	0.0318	32,76,904	1.1070
100001-Above	136	0.0920	25,49,44,986	86.1276
Total	147750	100	29,60,08,321	100

Nominal Value of each Share is ₹10/-

p) **Dematerialization of shares**

Company's Shares are available for dematerialization in both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Reconciliation of Share Capital Audit Report for the Quarter ended 31st March, 2014, confirming that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL as on 31st March, 2014, was obtained from Practicing Company Secretary and submitted to the Stock Exchanges with in stipulated time.

Number of Shares held in Dematerialized and physical mode as on 31st March, 2014:

Category	No. of Holders	No. of Shares	% of total Shares Issued
Physical	21,354	1,00,28,041	3.39
NSDL	90,620	26,43,15,105	89.29
CDSL	35,776	2,16,65,175	7.32
Total	1,47,750	29,60,08,321	100

q) **Shares Liquidity**

The trading volumes at the Stock Exchanges, during the financial year 2013-14, are given below:

Months	National Stock Exchange of India Limited	Bombay Stock Exchange Limited
	Number of Shares Traded	Number of Shares Traded
April, 2013	1,38,05,972	24,16,072
May, 2013	2,26,49,155	45,55,111
June, 2013	1,49,54,153	26,55,162
July, 2013	1,48,06,255	28,53,540
August, 2013	1,72,90,974	24,79,758
September, 2013	1,57,53,680	22,13,551
October, 2013	2,55,21,249	45,78,481
November, 2013	2,43,54,119	43,19,133
December, 2013	2,37,98,431	45,32,146
January, 2014	3,85,89,201	59,62,778
February, 2014	2,60,31,064	29,12,043
March, 2014	2,77,76,726	34,45,703

r) **Outstanding ADRs/GDRs/ Warrants/ or any Convertible instruments, conversion date and likely impact on equity**

Neither ADRs/GDRs/ Warrants/ nor any Convertible instruments has been issued by the Company.

s) **Investor Correspondence**

- Registered office Address :-
PTC India Limited.
2nd Floor, NBCC Towers, 15 Bhikaji Cama Place,
New Delhi-110066
- Company Secretary & Compliance Officer:-
Rajiv Maheshwari
PTC India Limited
2nd Floor, NBCC Towers, 15 Bhikaji Cama Place,
New Delhi-110066
E-mail :- rajivmaheshwari@ptcindia.com

t) **Compliance Certificate from the Practicing Company Secretary**

Certificate from the Practicing Company Secretary M/s Ashish Kapoor & Associates, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed hereinafter.

u) **Corporate Identity Number**

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L40105DL1999PLC099328.

v) **Adoption of Non- Mandatory requirements of clause 49**

The status/ extent for non-mandatory requirements of clause 49 of Listing Agreement is as under:

Sr. No.	Non- Mandatory Provisions	Status/ Extent
1	(a) Maintenance of Non-Executive Chairman's Office (b) Independent Director's tenure not to exceed nine years in aggregate.	Not Applicable as Chairman is Executive and also the Managing Director of the Company. None of Independent Director has been appointed for a period exceeding 9 years.

Sr. No.	Non- Mandatory Provisions	Status/ Extent
2	Remuneration Committee	Already Constituted. Details given elsewhere in this report
3	Half-yearly financial performance and summary of significant events may be sent to shareholders	This information is available on Company's website.
4	Audit Qualifications	Auditors have given unqualified report for FY ended 31st March, 2014.
5	Training of Board Members	Company arranges meetings/ programmes in this regard from time to time.
6	Mechanism for evaluating Non-Executive Board Members	All Non- Executive Board Members of the Company are experts and have vast experience in their respective fields.
7	Whistle Blower Policy	Adopted

Acknowledgments

The Board of Directors acknowledge with deep appreciation the co-operation received from the Government of India, particularly the Ministry of Power and the Ministry of External Affairs, State Electricity Utilities, State Governments, Regional Power Committees, Central Electricity Authority, Central Electricity Regulatory Commission, State Electricity Regulatory Commissions, Promoters viz. Power Grid Corporation of India Ltd., NTPC Ltd., Power Finance Corporation Ltd., NHPC Ltd., Life Insurance Corporation of India and other valuable investors of the Company and look forward to their continued support in future.

The Board wishes to place on record its appreciation for efforts and contribution made by the employees at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board of Directors
(Deepak Amitabh)
Chairman & Managing Director
DIN: 01061535

Place: New Delhi
Date: 11th August 2014

Details in respect of the PTC India Limited Employees Stock Option Scheme pursuant to Clause 12 of SEBI (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999 as on 31.03.2014.

S r . No.	Description	Particulars of Employee Stock Option Scheme -2008 :-1st tranche		Particulars of Employee Stock Option Scheme -2008 :-2nd tranche
A.	Options granted	4,548,380 Options were granted to the employees and Directors of Company on August 21, 2008		17,05,643 options were granted to the employees and Directors of the Company on July 22nd, 2009
B	Pricing formula	Category of Participants	Exercise Price	75% of the market price on date of grant
		Category I (who joined the Company or the Group on or before March 31, 2003)	₹ 10.00 being higher of the following: ₹ 8.58, being 10% of Market Price, or ₹ 10.00	
		Category II (who joined the Company or the Group between April 01, 2003 to March 31, 2006)	₹ 25.73, being higher of the following: ₹ 25.73, being 30% of Market Price, or ₹ 10.00	
		Category III (who joined the Company or the Group on or after April 01, 2006 onwards)	₹ 42.88, being higher of the following: ₹ 42.88, being 50% of Market Price, or ₹ 10.00	
C	Options vested	1850507		153,685
D	Options exercised	1829507		94214
E	The Total number of Shares arising as a result of exercise of Options	1829507		94214
F	Options lapsed	2697873		1551958
G	Variation of terms of Options	Nil		Nil
H	Money realized by exercise of Options	Rs 3.36 crore		₹ 0.61 crore
I	Total number of Options in force	21,000		59,471
J	Details of options granted to :			
	i) Senior Managerial Personnel :	Senior Management Personnel Directors have surrendered all their unexercised options.		Senior Management Personnel Directors have surrendered all their unexercised options.
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	NA		-
	iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issue capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil		
K	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share.	₹ 8.49 per share		
L	i) Method of calculation of employee compensation cost.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost for the financial year 2013-14.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost for the financial year 2013-14.	

S r . No.	Description	Particulars of Employee Stock Option Scheme –2008 :-1st tranche	Particulars of Employee Stock Option Scheme –2008 :-2nd tranche	
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options.	Employee compensation cost lower by ₹ 1.53 crore		
	iii) The impact of this difference on Profits and on EPS of the Company.	The effect of adopting the fair value method on the net income and earnings per share is presented below:		
			₹ in crore	
		Net Income as reported	₹ 251.23	
		Add: Intrinsic value Compensation cost	₹ (1.53)	
		Less: Fair value compensation cost (as per Black Scholes) On the basis of Fair Valuation Method	₹ (3.06)	
		Adjusted Net Income	₹ 252.76	
		Earning Per Share (₹)	Basic Diluted	
		As reported	8.49 8.49	
		As adjusted	8.49 8.49	
M.	Weighted average exercise price and weighted average fair value of Options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	- Weighted average exercise price of options outstanding : ₹ 54.16 - Weighted average fair value of first tranche : ₹ 66.18	- Weighted average fair value of second tranche : ₹ 46.45	
N.	A description of the method and significant assumptions used during the year to estimate the fair values of options	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions (weighted values)		
		(i) 9.10%	Risk free interest rate 6.80%	
		(ii) 6 years	Expected life 6 years	
		(iii) 67.53%	Expected volatility 52.04%	
		(iv) 1.23%	Expected dividend 1.47%	
	(v)	(iv) ₹ 81.36	The price of the underlying shares in market at the time of option grant Rs 81.90	

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of
PTC India Limited
2nd Floor, NBCC Tower,
15 Bhikaji Cama Place
New Delhi-110066

We have examined the compliance of conditions of Corporate Governance by PTC India Limited, for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the Compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ashish Kapoor & Associates
Company Secretaries
Ashish Kapoor
Proprietor
Membership No. 7504
Place : New Delhi
Date : 11.08.2014

CEO & CFO CERTIFICATE

- a. We have reviewed financial statements and the cash flow statement for the year ended March, 2014 and that to the best of our knowledge and belief:-
 - (i.) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii.) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that there were no instance of;
 - i) Significant changes in internal control during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

sd/-
CFO

sd/-
CEO

Dated : 24th May, 2014
Place : New Delhi

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PTC INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PTC India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent applicable; and
- (e) on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For K.G. Somani & Co.
Chartered Accountants
Firm Registration No: 006591N

(Bhuvnesh Maheshwari)
Partner

Place: New Delhi
Date: 24th May 2014

Membership No.- 088155

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date on the Accounts of PTC India Limited for the year ended on 31st March 2014)

- i.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the explanations given to us, all the fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the Company and the nature of its assets and no material discrepancy was noticed on such verification as compared to book records.
 - (c) The Company has not disposed off substantial part of the fixed assets during the year.
- ii. The Company is in the business of power. Accordingly it does not hold any physical inventories. Thus, paragraph 4(ii) of the order is not applicable.
- iii.
 - (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses 4(iii) (a), (b), (c) and (d) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
 - (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses 4(iii) (e), (f) and (g) of the Companies (Auditors' Report), 2003 (as amended) are not applicable to the Company.

- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- v. According to the information and explanations given to us, the company has not entered into any contract or arrangement with the Companies or Entities covered u/s 301 of the Companies Act, 1956. Accordingly, the provisions of clauses 4(v) (a) and (b) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. Accordingly, the provisions of clause 4(vi) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the records maintained by the Company for generation of power pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether these are accurate and complete.
- ix. (a) The Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of a dispute and the forum where the dispute is pending are as follows:

Statute	Nature of Dues	Period to which the amount relates	Amount involved (₹ in Crores)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	AY 2008-09	0.95	ITAT Delhi
Income Tax Act, 1961	Income Tax	AY 2009-10	1.46	ITAT Delhi
Income Tax Act, 1961	Income Tax	AY 2009-10	1.47	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	AY 2010-11	1.48	ITAT Delhi
Income Tax Act, 1961	Income Tax	AY 2011-12	14.34	Commissioner of Income Tax Appeals
Customs Act, 1962	Custom Duty	FY 2012-13	17.16	Office of the Deputy Commissioner of Customs, Nellore

- x. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. The Company does not have any loan from any financial institution and has not issued any debentures.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi or mutual benefit fund or society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company did not have any term loans outstanding during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- xviii. According to the information and explanations given to us, during the year the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- xix. The Company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- xx. The Company has not raised any money through a public issue during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- xxi. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For K.G. Somani & Co.
Chartered Accountants
Firm Registration No: 006591N

(Bhuvnesh Maheshwari)
(Partner)
Memberships No.: 088155

Place: New Delhi
Date: 24th May 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in crore)

S.No.	Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I.	EQUITY AND LIABILITIES			
(1)	Shareholders' funds			
	(a) Share capital	2	296.01	296.01
	(b) Reserves and surplus	3	2,212.40	2,029.67
			2,508.41	2,325.68
(2)	Non-current liabilities			
	(a) Long-term provisions	5	2.48	1.85
			2.48	1.85
(3)	Current liabilities			
	(a) Trade payables	6	1,085.67	1,100.95
	(b) Other current liabilities	7	48.67	37.15
	(c) Short-term provisions	8	69.61	55.73
			1,203.95	1,193.83
	Total		3,714.84	3,521.36
II.	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	29.19	32.23
	(ii) Intangible assets	10	0.78	0.47
	(iii) Capital work-in-progress		0.08	—
	(b) Non-current investments	11	912.98	912.98
	(c) Deferred tax assets (net)	4	6.31	4.24
	(d) Long-term loans and advances	12	12.92	8.43
			962.26	958.35
(2)	Current assets			
	(a) Current investments	13	46.87	11.51
	(b) Inventories	14	—	18.31
	(c) Trade receivables	15	2,085.69	2,142.11
	(d) Cash and bank balances	16	544.66	353.45
	(e) Short-term loans and advances	17	69.70	37.31
	(f) Other current assets	18	5.66	0.32
			2,752.58	2,563.01
	Total		3,714.84	3,521.36

Summary of significant accounting policies

1

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For K G Somani & Co.
Chartered Accountants
Firm Regn. No. 006591N

(Bhuvnesh Maheshwari)
Partner
M.No.088155

For and on behalf of the Board of Directors

(Dipak Chatterjee)
Director
DIN 03048625

(Arun Kumar)
Executive Director & CFO

(Deepak Amitabh)
Chairman & Managing Director
DIN 01061535

(Rajiv Maheshwari)
Company Secretary

Date: May 24, 2014
Place: New Delhi

Date : May 24, 2014
Place : Srinagar

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in crore)

S.No.	Particulars	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
I.	Revenue from operations	19	11,510.71	8,856.87
II.	Other income	20	54.34	11.86
III.	Total Revenue (I + II)		11,565.05	8,868.73
IV.	Expenses:			
	Purchases	21	10,964.00	8,136.61
	Change in inventories		18.31	—
	Rebate on sale of power		96.49	79.13
	Fuel cost	22	—	272.31
	Operating Expenses [Refer Note No. 29 (l)]		68.02	165.13
	Employee benefits expense	23	15.46	12.97
	Finance costs	24	2.75	0.92
	Depreciation and amortization expense	9 & 10	4.20	4.21
	Other expenses	25	35.49	20.71
	Total expenses		11,204.72	8,691.99
V.	Profit before exceptional, prior period items and tax (III-IV)		360.33	176.74
VI.	Exceptional items	26	4.32	0.03
VII.	Profit before prior period items and tax (V + VI)		364.65	176.77
VIII.	Prior period items	27	0.43	(1.69)
IX.	Profit before tax (VII-VIII)		364.22	178.46
X.	Tax expense:			
	– Current tax		115.06	60.23
	– Deferred tax (net)		(2.07)	(10.51)
XI.	Profit for the year after tax (IX-X)		251.23	128.74
XII.	Earnings per equity share	28		
	(1) Basic (₹)		8.49	4.36
	(2) Diluted (₹)		8.49	4.36

Summary of significant accounting policies

1

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For K G Somani & Co.
Chartered Accountants
Firm Regn. No. 006591N

(Bhuvnesh Maheshwari)
Partner
M.No.088155

For and on behalf of the Board of Directors

(Dipak Chatterjee)
Director
DIN 03048625

(Arun Kumar)
Executive Director & CFO

(Deepak Amitabh)
Chairman & Managing Director
DIN 01061535

(Rajiv Maheshwari)
Company Secretary

Date: May 24, 2014
Place: New Delhi

Date : May 24, 2014
Place : Srinagar

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in crore)

Particulars	For the Year ended 31.03.2014	For the Year ended 31.03.2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	364.22	178.46
Adjustment for:		
Depreciation and amortization	4.20	4.21
ESOP expenses	(1.53)	0.38
Provision for investment	0.50	–
Loss on sale of fixed assets	0.03	0.12
Investment in Joint Ventures written off	0.01	–
Excess provision written back	(4.35)	(0.15)
Foreign exchange fluctuation loss/(gain)	6.39	(1.19)
Provision for doubtful debts/advances	4.90	–
Finance cost	2.75	0.92
Dividend Income	(30.01)	(7.28)
Interest Income	(22.06)	(1.65)
Rental Income	(0.61)	(1.32)
Profit on sale of investment	(1.43)	(0.11)
Operating profit before working capital changes	323.01	172.39
Adjustment for:		
Inventories	18.31	23.14
Trade receivables	53.55	438.90
Loans and advances	(34.40)	41.82
Current liabilities	(5.89)	(154.90)
Provisions	0.66	(0.81)
Cash generated/(used) from operating activities	355.24	520.54
Direct taxes paid (net)	(121.25)	(68.66)
Net cash generated/(used) from operating activities (A)	233.99	451.88
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	16.70	1.34
Dividend received	30.01	7.28
Rent received	0.61	1.32
Purchase of fixed assets	(1.67)	(2.99)
Sale of fixed assets	0.09	0.08
Sale/(Purchase) of investments in associates	–	(18.05)
Sale/(Purchase) of investments (net)	(34.44)	(82.78)
Decrease/(Increase) in term deposits	(345.02)	–
Net cash generated/(used) in investing activities (B)	(333.72)	(93.80)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issued of additional Shares (including share premium net of expense)	–	1.85
Finance cost paid	(1.05)	(0.92)
Dividend paid (including dividend tax)	(53.12)	(51.42)
Cash flow generated/(used) from financing activities (C)	(54.17)	(50.49)
Net increase/(use) in cash and cash equivalents (A+B+C)	(153.90)	307.59
Cash and cash equivalents (opening balance)	352.80	45.21
Cash and cash equivalents (closing balance)	198.90	352.80

Notes:

1. Cash and cash equivalents include

Cash on hand (including foreign currency)	–	0.01
Current accounts	23.20	80.49
Term deposits (original maturity period upto 3 months)	175.70	272.30
Cash and cash equivalents at the year end (a)	198.90	352.80
Other bank balances		
– Term deposits (original maturity period more than 3 months)	345.02	–
– Dividend accounts	0.74	0.65
Other bank balances at the year end (b)	345.76	0.65
Cash and bank balances at the year end (a) + (b)	544.66	353.45

2. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Companies (Accounting Standards) Rules, 2006.

3. Figures in bracket indicate cash outflow.

4. Previous year's figures have been rearranged/regrouped/reclassified wherever necessary.

As per our report of even date attached

For K G Somani & Co.
Chartered Accountants
Firm Regn. No. 006591N

(Bhuvnesh Maheshwari)
Partner
M.No.088155

For and on behalf of the Board of Directors

(Dipak Chatterjee)
Director
DIN 03048625

(Arun Kumar)
Executive Director & CFO

(Deepak Amitabh)
Chairman & Managing Director
DIN 01061535

(Rajiv Maheshwari)
Company Secretary

Date: May 24,2014
Place: New Delhi

Date : May 24,2014
Place : Srinagar

NOTES TO THE FINANCIAL STATEMENTS

Note No. 1 Summary of significant accounting policies

1. Basis of preparation of Accounts

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards in India. The financial statements adhere to the relevant presentational requirements of the Companies Act, 1956.

2. Fixed Assets

- i. Fixed Assets are stated at original cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses related to acquisition, installation and commissioning. Expenses incurred on tangible/intangible assets are carried forward as capital work in progress at cost till the same are ready for use.
- ii. Depreciation is provided on Written Down Value method as per the rates and in the manner prescribed in the Schedule XIV to the Companies Act, 1956. Assets costing upto ₹ 5,000/- are fully depreciated in the year of capitalization.
- iii. Computer software recognized as intangible asset is amortised on straight line method on pro-rata basis over a period of three years.
- iv. Capital expenditure on assets not owned by the Company is reflected as distinct item in Capital work-in-progress till the period of completion and thereafter in the Fixed Assets and is amortised over a period of three years.
- v. No amortization is provided for in case of leasehold land on perpetual lease. Other Leasehold land are amortised over the lease period.

3. Inventories

Inventories are valued at lower of the cost or net realizable value. The cost of the inventories is determined on first in first out (FIFO) basis.

4. Revenue

- i. Revenue from sale of power is accounted for, based on rates agreed with the beneficiaries, excluding service charges wherever separately indicated in the agreement.
- ii. Service charges include transaction fee charged under the contracts of purchase and supply of power.
- iii. Revenue in the form of Management and/or Success Fee for services rendered in relation to development work of Potential Power Projects is recognised when such fee is assured and determinable under the terms of the respective contract.
- iv. The surcharge on late/non-payment of dues by sundry debtors for sale of energy is not treated as accrued due to uncertainty of its realization and is, therefore, accounted for on receipt basis.
- v. Consultancy income is recognized proportionately with the degree of completion of services.
- vi. Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- vii. Dividend is accounted when the right to receive is established.

5. Prepaid and prior-period items

Prepaid and prior-period items up to ₹ 5,000/- are accounted to natural heads of accounts.

6. Employee Benefits

i. Short Term Benefits

Employee benefits (other than post employment benefits) which fall due wholly within twelve months after the end of the year in which the employees render the related service are recognized at the amount expected to be paid for it.

ii. Post Employment Benefits

Defined contribution plans

Liability in respect of defined contribution plans are accounted for to the extent of contributions paid/payable to the separate entity/trust/fund.

Defined Benefit plan

(a) Liability in respect of defined benefit plans is accounted for on actuarial valuation basis at the period/year end.

(b) Actuarial gains and losses are recognized in the statement of profit and loss in the year of its occurrence.

- iii. Liability in respect of gratuity, leave encashment and provident fund of employees on deputation with the Company are accounted for on the basis of terms and conditions of deputation of the parent organizations.

7. Foreign Exchange

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Liability / receivables on account of foreign currency are converted at the exchange rates prevailing as at the end of the year and gains / losses thereon are taken to the statement of profit and loss.

8. Employee Stock option based compensation

The excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of the options given to employees under the employee stock option plan is recognized as deferred stock compensation cost and amortized over the vesting period, on a straight line basis.

9. Investments

- i. Long term investments are carried at cost less provision, if any, for permanent diminution in the value of such investments. Short term investments are carried at lower of cost or fair value.
- ii. Equity stock futures are recognized at the end of the period/year in the books to the extent of initial/Mark to Market margin paid/received. Equity stock futures are carried at cost where they are used as an instrument for hedging and independent open positions of equity stock future are being carried at lower of cost or fair value.
- iii. Equity index/stock options are recognized at the end of the period/year in the books to the extent of premium paid. Equity index/stock options are carried at cost where they are used as an instrument for hedging and independent open positions of equity index/stock options are being carried at lower of cost or fair value.

10. Earnings per Share

In determining basic earnings per share, the Company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period/year. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period/year are adjusted for the effect of all dilutive potential equity shares.

11. Provisions and Contingencies

A provision is recognized when the Company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

12. Income Tax

Provision for current tax is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

13. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

14. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Note No. 2 – SHARE CAPITAL
(a) Share Capital

Particulars	As at 31.03.2014 ₹ in crore	As at 31.03.2013 ₹ in crore
Authorised 750,000,000 (previous year 750,000,000) equity shares of ₹ 10/- each	750.00	750.00
Shares issued, subscribed and fully paid up 296,008,321 (previous year 296,008,321) equity shares of ₹ 10/- each	296.01	296.01

(b) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year is as under:

Particulars	Shares (Nos.)	
	For the year ended 31.03.2014	For the year ended 31.03.2013
Equity shares outstanding at the beginning of the year	296,008,321	294,973,571
Equity shares issued during the year	–	1,034,750
Equity shares outstanding at the end of the year	296,008,321	296,008,321

(c) During the year, NIL (Previous year 1,034,750) equity shares of ₹ 10/- each were issued under the Company's Employee Stock Option Scheme.

(d) The Company has only one class of equity shares having a face value of ₹ 10 each. Each shareholder of equity share is entitled to one vote per share.

(e) Shareholders holding more than 5% shares of the Company*

Name of the shareholders	As at 31.03.2014		As at 31.03.2013	
	No. of shares	%	No. of shares	%
Life Insurance Corporation of India Limited	51,995,439	17.57%	52,819,312	17.84%
HDFC Standard Life Insurance Company Limited	19,708,562	6.66%	19,799,291	6.69%
Reliance Capital Trustee Company Limited	–	–	15,071,917	5.09%

*inclusive of shares held by shareholders through various schemes/its various folios

(f) Shares reserved for issue

Particulars	As at 31.03.2014	As at 31.03.2013
Equity shares for Employee stock options (ESOP)* (Nos.)	80,471	732,805

*for terms of ESOP, refer note no. 23

Note No. 3 – RESERVES AND SURPLUS

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
(i) Securities premium account		
Opening balance	1,590.40	1,582.56
Add: Transferred from ESOP	–	7.02
Outstanding A/c on exercise of ESOP	–	–
Add: Received on exercise of ESOP	–	0.82
Sub total (i)	1,590.40	1,590.40
(ii) Share option outstanding account		
Opening balance	1.95	9.18
Deductions during the year	(1.57)	(7.23)
Closing balance	0.38	1.95
Less: Deferred employee compensation	–	(0.04)
Sub total (ii)	0.38	1.91

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
(iii) General reserve		
Opening balance	229.38	190.76
Additions during the year	75.37	38.62
Sub total (iii)	304.75	229.38
(iv) Contingency reserve		
Opening balance	1.05	1.05
Sub total (iv)	1.05	1.05
(v) Surplus being balance in statement of profit & loss		
Opening balance	206.93	172.22
Add: Profit for the year	251.23	128.74
Deductions during the year:		
(a) Proposed dividend	(59.20)	(47.36)
(b) Dividend tax on proposed dividend	(7.77)	(8.05)
(c) Transfer to general reserve	(75.37)	(38.62)
Sub total (v)	315.82	206.93
Grand Total (i)+(ii)+(iii)+(iv)+(v)	2,212.40	2,029.67

The Board of Directors in their meeting held on 24 May, 2014 has proposed a dividend of ₹ 2 per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Note No. 4 – DEFERRED TAX LIABILITIES/ASSETS (NET)

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
(a) Deferred tax liability on account of timing differences in:		
Depreciation	2.33	2.36
Sub-total (a)	2.33	2.36
(b) Deferred tax asset arising on account of timing differences in:		
Employee benefits	0.89	0.69
Expenses not allowable for income tax in the current year	5.91	5.91
Provision for doubtful debts/advances/ Investment	1.84	–
Sub-total (b)	8.64	6.60
Net deferred tax (liabilities)/Assets (b-a)	6.31	4.24

Note No. 5 – LONG TERM PROVISIONS

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits	2.48	1.85
Total	2.48	1.85

Note No. 6 – TRADE PAYABLES
(a) Trade payables

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Trade payables-micro & small enterprises	–	–
Trade payables-others	1,085.67	1,100.95
Total	1,085.67	1,100.95

(b) Based on the information available with the Company, there are no dues as at March 31, 2014 payable to enterprises covered under "Micro Small and Medium Enterprises Development Act, 2006". As such, no interest is paid/payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

Note No. 7 - OTHER CURRENT LIABILITIES

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Advances from customers	38.19	26.91
Security deposits received	7.22	6.47
Unpaid/unclaimed dividend	0.74	0.65
Statutory liabilities	0.80	2.37
Interest accrued but not due	—	0.01
Other payables-employees	1.72	0.74
Total	48.67	37.15

Note No. 8 - SHORT TERM PROVISIONS

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Proposed dividend-equity shares	59.20	47.36
Dividend distribution tax on proposed dividend	10.06	8.05
Provision for employee benefits	0.35	0.32
Total	69.61	55.73

Note No. 9 - FIXED ASSETS-TANGIBLE ASSETS

(₹ in crore)

Description	Gross block				Depreciation/Amortisation				Net block	
	As at 01.04.2013	Additions	Sales/ Adjustments	As at 31.03.2014	As at 01.04.2013	For the year	Adjustments	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS										
Land										
– Leasehold land-perpetual Lease	3.44	—	—	3.44	—	—	—	—	3.44	3.44
– Leasehold land-others	0.13	—	—	0.13	0.03	0.01	—	0.04	0.09	0.10
Buildings	14.92	—	—	14.92	6.50	0.42	—	6.92	8.00	8.42
Furniture and fixtures	2.66	0.06	—	2.72	1.58	0.21	—	1.79	0.93	1.08
Vehicle	0.59	0.46	(0.20)	0.85	0.35	0.11	(0.16)	0.30	0.55	0.24
Plant and machinery	35.48	—	—	35.48	18.71	2.33	—	21.04	14.44	16.77
Office equipments	4.62	0.35	(0.59)	4.38	2.44	0.71	(0.51)	2.64	1.74	2.18
Capital expenditures not represented by capital asset	0.55	—	—	0.55	0.55	—	—	0.55	—	—
Total	62.39	0.87	(0.79)	62.47	30.16	3.79	(0.67)	33.28	29.19	32.23
Previous year	60.27	2.71	(0.59)	62.39	26.78	3.77	(0.39)	30.16	32.23	

Note No. 10 - FIXED ASSETS-INTANGIBLE ASSETS

(₹ in crore)

Description	Gross block				Depreciation/Amortisation				Net block	
	As at 01.04.2013	Additions	Sales/ Adjustments	As at 31.03.2014	As at 01.04.2013	For the year	Adjustments	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Computer software	2.06	0.72	—	2.78	1.59	0.41	—	2.00	0.78	0.47
Membership fee to power exchanges	0.30	—	—	0.30	0.30	—	—	0.30	—	—
Total	2.36	0.72	—	3.08	1.89	0.41	—	2.30	0.78	0.47
Previous year	2.08	0.28	—	2.36	1.45	0.44	—	1.89	0.47	

The management is of the opinion that no case of impairment of assets exists under the provision of Accounting Standard (AS)-28 on Impairment.

Note No. 11 - NON CURRENT INVESTMENTS

(a) Non current investment

(₹ in crore)

Particulars	Face value ₹	Quantity as at 31.03.2014	Quantity as at 31.03.2013	Amount as at 31.03.2014	Amount as at 31.03.2013
Long term trade investments-Quoted (At cost)					
Equity shares-fully paid up					
Subsidiary company					
– PTC India Financial Services Limited	10	337,250,001	337,250,001	446.00	446.00
Long term trade investments-Unquoted (At cost)					
Equity shares-fully paid up					
Subsidiary company					
– PTC Energy Limited (Wholly Owned)	10	55,000,000	55,000,000	55.00	55.00
Associate companies					
– Krishna Godavari Power Utilities Limited**	10	37,548,700	37,548,700	37.55	37.55
– Athena Energy Ventures Private Limited	10	150,000,000	150,000,000	150.00	150.00
Joint venture companies					
– Ashmore PTC India Energy Infrastructure Advisors Private Limited*	10	–	4,680	–	0.01
– Ashmore PTC India Energy Infrastructure Trustee Private Limited*	10	–	4,733	–	–
Other companies					
– Teestha Urja Limited	10	224,015,000	224,015,000	224.33	224.33
– Chenab Valley Power Projects Private Limited	10	100,000	100,000	0.10	0.10
				912.98	912.99
Less: Provision for diminution in value of Investments				–	0.01
Total				912.98	912.98
Aggregate market value of quoted non current investments				477.21	472.15
Aggregate cost of quoted non current investments				446.00	446.00
Aggregate cost of unquoted non current investments				466.98	466.98

*High Court passed the liquidation orders for Ashmore PTC India Infrastructure Advisors Private Limited and Ashmore PTC India Energy Infrastructure Trustee Private Limited on 03.02.2014 and 05.02.2014 respectively

- (b) The Company has pledged, in favour of Power Finance Corporation Limited (PFC), 77,77,500 Equity Shares of ₹ 10 each at par held by it in M/s. Krishna Godavari Power Utilities Limited (KGPUL) along with the promoter of KGPUL to comply with the lending requirements of PFC for loan taken by KGPUL.
- (c) As per Accounting Standard 27 'Financial reporting of interest in Joint Ventures' notified under Companies (Accounting Standards) Rules 2006, the Company's share of ownership interest, assets, liabilities, income, expenses, contingent liabilities and capital commitments in the joint venture companies, incorporated in India, are given below:

Particulars	As at 31.03.2014		As at 31.03.2013	
	Ashmore PTC India Energy Infrastructure Advisors Private Limited*	Ashmore PTC India Energy Infrastructure Trustee Private Limited*	Ashmore PTC India Energy Infrastructure Advisors Private Limited	Ashmore PTC India Energy Infrastructure Trustee Private Limited
Company's ownership interest	Nil	Nil	40%	40%
Assets (₹ in crore)	Nil	Nil	0.005	0.005
Liabilities (₹ in crore)	Nil	Nil	0.002	0.002
Income (₹ in crore)	Nil	Nil	NIL	NIL
Expenses (₹ in crore)	Nil	Nil	0.001	0.001
Contingent liabilities (₹ in crore)	Nil	Nil	NIL	NIL
Capital commitments (₹ in crore)	Nil	NIL	NIL	NIL

*High Court passed the liquidation orders for Ashmore PTC India Infrastructure Advisors Private Limited and Ashmore PTC India Energy Infrastructure Trustee Private Limited on 03.02.2014 and 05.02.2014 respectively

- (d) **Project commissioning has been delayed and now targeted for 2014-15 i.e., Oct 2014.

Note No. 12 – LONG TERM LOANS AND ADVANCES

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Loans and advances to employees	0.85	1.00
Interest accrued but not due	0.41	0.39
Capital advances	0.14	–
Security deposits	1.20	1.20
Advance income tax (net of provision for income tax ₹ 385.94 crore, previous year ₹ 269.18 crore)	10.23	5.74
Advance fringe benefit tax (net of provision for fringe benefit tax ₹ 0.76 crore, previous year ₹ 0.76 crore)	0.06	0.06
Prepaid expenses	0.03	0.04
Total	12.92	8.43

Note No. 13 – CURRENT INVESTMENTS

Particulars	Face Value ₹	(₹ in crore)			
		Quantity as at 31.03.2014	Quantity as at 31.03.2013	Amount as at 31.03.2014	Amount as at 31.03.2013
Current maturities of long term non trade investments - Quoted (At cost)					
Mutual funds					
– ‘Religare FMP Series XIV 378 Days Growth	10	–	5,500,000	–	5.50
– ‘Kotak FMP Series 84 Growth	10	–	6,000,000	–	6.00
– ‘UTI–Fixed Interval Fund Annual Interval Plan III-Direct Growth Fund	10	3,036,394	–	5.00	–
– ‘HDFC FMP 372D October 2013 (1) Series 28–Direct-Growth	10	10,000,000	–	10.00	–
– ‘Reliance Interval Fund II Series 3 Direct Growth Fund	10	20,000,000	–	20.00	–
Short term investment non-trade (Quoted) (At cost or fair value whichever is lower)					
Mutual funds					
– ‘Birla Sun Life Fixed Term Plan Series CW Growth	10	4,447,308	–	5.19	–
– ‘ING Active Debt Multi Manager FOF Scheme Direct Plan Dividend	10	4,472,237	–	4.82	–
Short term investment- non trade (Unquoted) (At cost)					
Mutual funds					
– Franklin Templeton Money Plus Account	10	1,854,446	11,980	1.86	0.01
Total				46.87	11.51
Aggregate market value of quoted current investments				46.48	12.64
Aggregate cost of quoted current investments				45.01	11.50
Aggregate cost of unquoted current investments				1.86	0.01

Note No. 14 – INVENTORIES

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Raw material-Coal*	–	17.59
Raw material-Coal in transit*	–	0.72
Total	–	18.31

*Valued at lower of cost or net realizable value

Note No. 15 – TRADE RECEIVABLES
(a) Trade receivables

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Trade receivables outstanding for a period exceeding six months from the date they become payable		
– Secured, considered good	–	–
– Unsecured, considered good	510.31	1,424.39
– Unsecured, doubtful	2.87	–
Other Trade receivables		
– Secured, considered good	–	–
– Unsecured, considered good	1,575.38	717.72
Gross debtors	2,088.56	2,142.11
Less: Provision for doubtful debts	2.87	–
Total debtors	2,085.69	2,142.11

(b) Trade receivables are hypothecated to the banks for availing the non- fund based working capital facilities.

(c) Trade receivables include an amount of ₹ 16.23 Crore due from Tamil Nadu Electricity Board (TNEB) towards compensation claim. The Company considers the said amount as good and recoverable even though TNEB has not accepted the claim of the Company. The matter was referred to the Madras High Court which has appointed a sole arbitrator, which gave the order not in favour of the company. The company has filed the appeal against the said order at Madras High Court.

Note No. 16 – CASH AND BANK BALANCES

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Cash and cash equivalents:		
Cash on hand (including foreign currency)	–	0.01
Balance with banks:		
– Current accounts	23.20	80.49
– Term deposits (original maturity period upto 3 months)	175.70	272.30
Sub total (i)	198.90	352.80
Other bank balances:		
– Term deposits (original maturity more than 3 months)	345.02	–
– Dividend accounts	0.74	0.65
Sub total (ii)	345.76	0.65
Grand Total (i)+(ii)	544.66	353.45

Note No. 17 – SHORT TERM LOANS AND ADVANCES
(a) Short term loans and advances

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Loan and advances to related parties:		
(i) Subsidiary company		
–PTC India Financial Services Limited	–	0.23
Employees loans and advances	0.36	0.35
Security deposit	8.58	15.43
Prepaid expenses	0.38	0.35
Open access advances	35.61	15.12
Service tax credit	–	0.29
Advance to trade payables	4.02	5.28
Other advances *	20.75	0.26
Unsecured, considered doubtful		
Advance to trade payables	2.03	–
Gross total	71.73	37.31
Less: Provision for doubtful advances to trade payable	2.03	–
Total	69.70	37.31

*includes ₹ 20.48 crore deposited with GUVNL. (refer Note No. 29 (c)(i))

(b) Loans and advances due from directors>NIL.

Note No. 18 – OTHER CURRENT ASSETS

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Interest accrued but not due	5.66	0.32
Total	5.66	0.32

Note No. 19 – REVENUE FROM OPERATIONS

(₹ in crore)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Sale of electricity	11,038.31	8,741.76
Sale of Coal	118.91	–
Sale of services (Consultancy)	0.14	0.63
Rebate on purchase of power	132.46	88.00
Service charges	14.46	13.95
Surcharge on sale of power	206.43	12.53
Total	11,510.71	8,856.87

Note No. 20 – OTHER INCOME
(a) Other income

(₹ in crore)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Interest income	22.06	1.65
Dividend	30.01	7.28
Profit from sale of investment		
– on current investments-non trade (net)	0.25	0.11
– on long term investments-non trade (net)	1.18	–
Rental Income	0.61	1.32
Foreign currency fluctuation (net)	–	1.19
Miscellaneous income	0.23	0.31
Total	54.34	11.86

(b) Dividend received from subsidiary company ₹ 13.49 crore (Previous year NIL).

Note No. 21 – PURCHASE

(₹ in crore)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Purchases of electricity	10,866.17	8,136.61
Purchase of coal	97.83	–
Total	10,964.00	8,136.61

Note No. 22 – FUEL COST

(₹ in crore)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Opening stock	–	41.45
Purchases of Coal	–	240.48
Fuel Oil Charges	–	2.60
Less: Consumed by project developer with whom power tolling agreement made.	–	(14.33)
Add: Stock replaced by project developer with whom power tolling agreement made.	–	20.42
Less: Closing stock	–	(18.31)
Total	–	272.31

The closing stock has been sold by the company during the year on conversion of power tolling into PPA. Hence shown as Change in Inventories.

Note No. 23 – EMPLOYEE BENEFITS EXPENSE

a) Employee benefit expenses

(₹ in crore)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Salaries and wages	14.81	10.75
Contribution to provident fund	0.61	0.48
Gratuity	0.25	0.22
Staff welfare expenses	1.32	1.14
Employee compensation expense (ESOP)	(1.53)	0.38
Total	15.46	12.97

(b) The Details of the Employee Stock Options Scheme (ESOP) is given as under:

(i) Particulars of scheme:

Date of grant	21 Aug., 2008, 22 July, 2009
Date of board approval	21 Aug., 2008
Date of shareholders' approval	6 Aug., 2008
Number of options granted	6,254,023
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.

(ii) Details of vesting:

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

(iii) The details of activity under the plan have been summarized below:

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of shares (Nos)	Weighted average exercise price (₹)	Number of shares (Nos)	Weighted average exercise price (₹)
Outstanding at the beginning of the year	732,805	58.93	1,867,505	36.49
Forfeited/surrendered during the year	652,334	61.47	99,950	64.20
Exercised during the year	—	—	1,034,750	17.93
Outstanding at the end of the year	80,471	54.16	732,805	58.93
Exercisable at the end of the year	80,471	54.16	470,131	55.99
Weighted average remaining contractual life (in years)	0.39	—	2.12	—

(iv) The details of exercise price for stock options outstanding at the end of the year are as given:

Particulars	As at 31.03.2014	As at 31.03.2013
Range of exercise prices (₹)	10 to 42.88	10 to 64.20
Number of options outstanding	80,471	732,805
Weighted average remaining contractual life of options (in years)	0.39	2.12
Weighted average exercise price (₹)	54.16	58.93

(v) **Effect of ESOP scheme on profit & loss and financial position:**

(a) Effect on profit & loss:

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Employee compensation cost pertaining to ESOP Plan during the year	(1.53)	0.38

(b) Effect on financial position:

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Liability for employee stock options outstanding as at the year end	0.38	1.95
Deferred compensation cost outstanding as at the year end	—	0.04

(vi) Impact on reported profit and earnings per share, if the employee compensation cost would have been computed using the fair value method:

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Profit as reported for the year	251.23	128.74
Add: Employee stock compensation under intrinsic value method	(1.53)	0.38
Less: Employee stock compensation under fair value method	(3.06)	0.39
Pro forma profit	252.76	128.73

(vii) **Earnings per share (₹)**

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Basic		
– As reported	8.49	4.36
– As pro forma	8.54	4.36
Diluted		
– As reported	8.49	4.36
– As pro forma	8.54	4.36

(viii) The fair value of each stock option issued in the year 2009–10 and 2008–09 has been estimated using Black Scholes Options Pricing model after applying the following key assumptions (weighted value):

Particulars	Options granted in the year 2009–10	Options granted in the year 2008–09
Volatility	52.04%	67.53%
Expected dividend	1.47%	1.23%
Risk free rate of interest	6.80%	9.10%
Option life (years)	6	6
The price of underlying share in the market	81.90	81.36
Fair value per option	46.45	66.18

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

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

(₹ in crore)

Particulars	Leave encashment (Unfunded)		Post-employment medical benefits (Unfunded)		Gratuity (Funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Present value of obligation	2.09	1.77	0.34	0.26	1.12	0.91
Fair value of plan assets	—	—	—	—	0.72	0.76
Net asset/(liability) recognized in Balance Sheet	(2.09)	(1.77)	(0.34)	(0.26)	(0.40)	(0.15)

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

(₹ in crore)

Particulars	Leave encashment (Unfunded)		Post-employment medical benefits (Unfunded)		Gratuity (Funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Present value of obligation as at the beginning of the year	1.77	2.20	0.26	0.07	0.91	0.97
Interest cost	0.14	0.18	0.02	0.01	0.07	0.08
Current service cost	0.30	0.23	0.03	0.02	0.16	0.13
Benefits paid	(0.22)	(0.74)	(0.01)	(0.01)	(0.10)	(0.35)
Actuarial (gain)/loss on obligation	0.10	(0.10)	0.04	0.17	0.08	0.08
Present value of obligation as at the end of year	2.09	1.77	0.34	0.26	1.12	0.91

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

(₹ in crore)

Particulars	Gratuity (Funded) As at 31.03.2014	Gratuity (Funded) As at 31.03.2013
Fair value of plan assets as at the beginning of the year	0.76	0.26
Expected return on plan assets	0.06	0.02
Actuarial gain/(loss) on obligation	—	0.02
Contributions	—	0.81
Benefits paid	(0.10)	(0.35)
Fair value of plan assets as at the end of the year	0.72	0.76

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

Particulars	Gratuity (Funded) As at 31.03.2014	Gratuity (Funded) As at 31.03.2013
Administered by ICICI Prudential Life Insurance	98.61%	85.97%
Bank balance	1.39%	14.03%

(v) The amounts recognized in the statement of profit and loss for the year are as follows:

(₹ in crore)

Particulars	Leave encashment (Unfunded)		Post-employment medical benefits (Unfunded)		Gratuity (Funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Current service cost	0.30	0.23	0.03	0.02	0.16	0.13
Interest cost	0.14	0.18	0.02	0.01	0.07	0.08
Expected return on plan assets	—	—	—	—	(0.06)	(0.02)
Net actuarial (gain)/loss recognized in the year	0.10	(0.10)	0.04	0.17	0.08	0.06
Expenses recognized in the statement of profit and loss*	0.54	0.31	0.09	0.20	0.25	0.25

*includes amount recoverable from group companies

The Company expects to contribute ₹ 0.25 crore to gratuity, ₹ 0.07 crore to Post-employment medical benefit and ₹ 0.38 crore to leave encashment in 2014–15.

(vi) Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post retirement medical benefits scheme.

(₹ in crore)

Sr. No.	Particulars	One percent point increase in medical inflation rate	One percent point decrease in medical inflation rate
I	Increase/(decrease) on aggregate service and interest cost of post retirement medical benefits	0.02	0.01
II	Increase/(decrease) on present value of defined benefit obligations as at 31 March, 2014	0.08	0.06

(vii) Economic Assumption:

The principal assumptions are the discount rate and salary increase. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of the liabilities and the salary increase takes.

Particulars	Leave encashment (Unfunded)		Post-employment medical benefits (Unfunded)		Gratuity (Funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Discounting rate	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%
Future salary increase	6.00%	5.50%	6.00%	5.50%	6.00%	5.50%
Expected Rate of return on plan assets	N.A.	N.A.	N.A.	N.A.	8.00%	8.00%
Expected average remaining working lives of employees in number of years	23.73	24.01	23.73	24.01	23.73	24.01

(viii) Experience on actuarial gain/ (loss) for benefit obligations and plan assets:

(₹ in crore)

Particulars	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Experience adjustments on present value of gratuity obligation	(0.090)	(0.079)	(0.071)	(0.338)
Experience adjustments on plan assets of gratuity	0.001	0.020	(0.004)	(0.005)
Experience adjustments on present value of leave encashment obligation	(0.100)	0.108	0.233	(0.484)

(ix) Demographic assumptions:

Particulars	Leave encashment (Unfunded)		Post-employment medical benefits (Unfunded)		Gratuity (Funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Retirement age	60 years	60 years	60 years	60 years	60 years	60 years
Mortality table	IALM (2006-08) duly modified	IALM (1994-96) duly modified	IALM (2006-08) duly modified	IALM (1994-96) duly modified	IALM (2006-08) duly modified	IALM (1994-96) duly modified
Ages	Withdrawal rates					
upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
from 31 to 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

(x) Details of expenses incurred for defined contribution plans during the year:

(₹ in crore)

Defined contribution plans	Year ended 31.03.2014	Year ended 31.03.2013
Provident fund	0.61	0.48

Note No. 24 – FINANCE COSTS

(a) Finance cost

(₹ in crore)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Interest expense	1.05	0.92
Interest on payment of income tax	1.70	–
Total	2.75	0.92

(b) As per Power purchase agreements 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.

Note No. 25 – OTHER EXPENSES

(a) Other expenses

(₹ in crore)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Rent	0.08	0.07
Repairs to building	1.12	0.37
Repairs to machinery - Wind mill	0.82	0.78
Insurance	0.07	0.07
Rates and taxes	0.68	0.67
Foreign exchange fluctuation (Net)	6.39	–
Auditors' remuneration	0.10	0.06
Provision for diminution in value of investments	0.50	–
Legal & professional charges	3.38	4.47
Consultancy expenses	2.90	2.12
Advertisement	0.16	0.36
Communication	0.57	0.54
Business development	0.89	1.14
Travelling and conveyance expenses	3.55	2.37
Printing & stationery	0.31	0.29
Fees & expenses to directors	0.28	0.26
Repair & Maintenance - Others	0.36	0.36
Bank charges	4.57	0.58
EDP expenses	0.15	0.13
Books & periodicals	0.02	0.01
Water & electricity expenses	0.59	0.48
Provision for doubtful debts/advances	4.90	–
Investment in Joint Ventures written off	0.01	–
Security expenses	0.21	0.16
Property tax	0.08	0.06
Other general expenses	2.77	5.28
Charity & donation	0.03	0.08
Total	35.49	20.71

(b) Details of Auditors' Remuneration:

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Statutory audit fees	0.06	0.05
Tax audit fees	0.01	0.01
Other matters	0.02	–
Out of pocket expenses	0.01	–
Total	0.10*	0.06

* inclusive of service tax of ₹ 0.01 crore

(c) The Company has taken warehouse and branch office on operating lease. The disclosures as per AS-19 are given as under:

- (i) ₹ 0.08 crore has been debited to the statement of profit and loss (Previous year ₹ 0.07 crore).
(ii) Details of future lease payments

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Year up to 1 year	0.08	0.07
Years later than 1 year and not later than 5 years	NIL	NIL
Years later than 5 years	NIL	NIL

Note No. 26 – EXCEPTIONAL ITEMS

(₹ in crore)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Profit/(Loss) on sale of fixed assets (net)	(0.03)	(0.12)
Excess provision written back	4.35	0.15
Total	4.32	0.03

Note No. 27 – PRIOR PERIOD ITEMS

(₹ in crore)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Legal & professional charges	0.03	0.02
Service Charges	0.72	–
Application fee/Misc Income	(0.32)	(1.70)
Others	–	(0.01)
Total	0.43	(1.69)

Note No. 28 – EARNINGS PER EQUITY SHARE

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Opening equity shares (Nos. in crore)	29.60	29.50
Equity shares issued during the year (Nos. in crore)	–	0.10
Closing equity shares (Nos. in crore)	29.60	29.60
Weighted average number of equity shares used as denominator for basic earnings (Nos. in crore)	29.60	29.54
Weighted average number of equity shares used as denominator for diluted earnings (Nos. in crore)	29.60	29.55
Net profit after tax used as numerator (Amount in ₹ crore)	251.23	128.74
Basic earnings per share (Amount in ₹)	8.49	4.36
Diluted earnings per share (Amount in ₹)	8.49	4.36
Face value per share (Amount in ₹)	10.00	10.00

Note No. 29 – OTHER INFORMATION

(a) The company is in the business of power. Consultancy income and sale/purchase of coal have not been reported separately as the same being insignificant. As such, there are no separate reportable segments as per Accounting Standard-17 on Segment Reporting as notified by the Companies (Accounting Standards) Rules 2006.

(b) Estimated amount of capital commitments:

(₹ in crore)

As at 31.03.2014	As at 31.03.2013
0.32	0.69

(c) Details of contingent liabilities:

(i) Claims against the Company not acknowledged as debt:

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013	Remarks
Claims of suppliers	132.38	128.56	Claims of suppliers include (a) ₹ 84.95 Crore pertaining to claim of Himachal Pradesh State Electricity Board. The arbitrator concluded the arbitration in favour of PTC on 31.10.2008, however HPSEB has contested the award in the High Court of Himachal Pradesh. (b) ₹ 43.28 Crore pertaining to compensation bills raised by Gujarat Urja Vikas Nigam Limited (GUVNL). GUVNL filed a petition before GERC for direction of payment. GERC passed order against PTC. PTC filed an appeal before APTEL which had directed PTC to deposit 50% of the amount (₹ 20.48 crore) determined GERC. Presently, arguments have been concluded and order has been reserved by APTEL.
Income tax demands	19.69	6.79	
Custom Duty	17.16	10.61	
Total	169.23	145.96	

(ii) Bank guarantees:

(₹ in crore)

As at 31.03.2014	As at 31.03.2013
993.13	278.13

(d) Expenditure in foreign currency (on accrual basis):

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Travelling	0.29	0.14
Consultancy	0.52	0.04
Business promotion	0.05	–
Staff welfare-training exp	0.05	–
Others	0.01	0.04
Total	0.92	0.22

(e) CIF value of coal import

(₹ in crore)

Year ended 31.03.2014	Year ended 31.03.2013
92.72	194.33

(f) Income earned in foreign exchange:

(₹ in crore)

Year ended 31.03.2014	Year ended 31.03.2013
301.54	NIL

(g) The Company has entered into the following related party transactions. Such parties and transactions have been identified as per Accounting Standard 18 Related Party Disclosures' notified under Companies (Accounting Standards) Rules, 2006.

(₹ in crore)

Name of Related Party	Influence	Nature of Transaction	Year ended 31.03.2014	Year ended 31.03.2013
NTPC Limited.	Significant Influence	Director sitting fees to nominee directors	0.03	0.03
		Conference Fee	0.004	0.002
Power Grid Corporation of India Limited.	Significant Influence	Director sitting fees to nominee directors	0.02	0.01
		Club membership fee	0.002	—
		Services received (wheeling charges)	0.15	0.14
Power Finance Corporation Limited	Significant Influence	Director sitting fees to nominee directors	0.01	0.01
		Pledging of shares (Refer note no.11 b)		
NHPC Limited	Significant Influence	Director sitting fees to nominee directors	0.01	0.02
		Electricity traded through IEX	10.42	324.30
		Services charges (IEX) (excluding service tax of ₹ 0.02 crore, Previous year ₹ 0.55 crore)	0.17	4.43
PTC India Financial Services Limited	Subsidiary	Payment of expenses on behalf of the subsidiary	0.23	4.44
		Payment of expenses by the subsidiary on behalf of the Company	0.17	0.12
		Dividend received from subsidiary company	13.49	—
		Rental income (including service tax)	0.41	1.21
PTC Energy Limited	Subsidiary	Payment of expenses etc on behalf of the subsidiary	1.49	1.29
		Transfer of Fixed assets to subsidiary	0.004	0.002
		Transfer of Fixed assets by subsidiary	0.002	0.002
		Payment of expenses etc by the subsidiary on behalf of the Company	—	0.01
		Purchase of coal by the Company from the subsidiary (excluding loss on foreign exchange of ₹ 5.11 crore, previous year gain on foreign exchange of ₹ 0.97 crore)	93.72	190.78
		Rental income (including service tax)	0.27	0.27
Ashmore PTC India Energy Infrastructure Advisors Private Limited@	Joint Venture	Investment written off	0.002	—
Ashmore PTC India Energy Infrastructure Trustee Private Limited@	Joint Venture	Investment written off	0.002	—
Krishna Godavari Power Utilities Limited	Associate	Equity contribution	—	18.05
Athena Energy Ventures Private Limited	Associate	Director sitting fees for nominee directors	0.01	0.01
		Payment of expenses by associate on behalf of the Company	—	0.002

Key Management Personnel

(₹ in crore)

Name of Key Management Personnel	Position	Nature of Transaction	Year ended 31.03.2014	Year ended 31.03.2013
Mr. T.N.Thakur*	Chairman & Managing Director	Directors remuneration	—	1.02
		Amount received from sale of asset.	—	0.004
Mr. Deepak Amitabh**	Chairman & Managing Director	Directors remuneration	0.79	0.66
Mr. S. N. Goel***	Director	Directors remuneration	0.51	0.27

*ceased to be director on 11 October, 2012

**acted as director till 15 October, 2012 and appointed as CMD w.e.f. 16 October, 2012

***ceased to be director on 20 January, 2014

Investment Outstanding

(₹ in crore)

Name of the company	Relationship	As at 31.03.2014	As at 31.03.2013
PTC Energy Limited	Subsidiary	55.00	55.00
PTC India Financial Services Limited	Subsidiary	446.00	446.00
Athena Energy Ventures Private Limited	Associate	150.00	150.00
Krishna Godavari Power Utilities Limited	Associate	37.55	37.55
Ashmore PTC India Energy Infrastructure Advisors Private Limited@	Joint Venture	—	0.005
Ashmore PTC India Energy Infrastructure Trustee Private Limited@	Joint Venture	—	0.005

Provision for diminution in the value of investment

(₹ in crore)

Name of the company	Relationship	As at 31.03.2014	As at 31.03.2013
Ashmore PTC India Energy Infrastructure Advisors Private Limited@	Joint venture	—	0.005
Ashmore PTC India Energy Infrastructure Trustee Private Limited@	Joint venture	—	0.005

Balance Outstanding

(₹ in crore)

Name of the company	Relationship	Nature	As at 31.03.2014	As at 31.03.2013
NHPC Limited	Significant Influence	Balance payable	0.25	3.07
NTPC Limited	Significant Influence	Balance payable	0.004	—
Athena Energy Ventures Private Limited	Associate	Balance recoverable	0.002	0.001
PTC India Financial Services Limited	Subsidiary	Balance recoverable	—	0.23
		Maximum recoverable balance	0.38	1.30

As per our report of even date attached

For K G Somani & Co.

Chartered Accountants

Firm Regn. No. 006591N

(Bhuvnesh Maheshwari)

Partner

M.No.088155

For and on behalf of the Board of Directors

(Dipak Chatterjee)

Director

DIN 03048625

(Arun Kumar)

Executive Director & CFO

(Deepak Amitabh)

Chairman & Managing Director

DIN 01061535

(Rajiv Maheshwari)

Company Secretary

Date: May 24, 2014

Place: New Delhi

Date : May 24, 2014

Place : Srinagar

(₹ in crore)

Name of the company	Relationship	Nature	As at 31.03.2014	As at 31.03.2013
PTC Energy Limited	Subsidiary	Balance Payable	0.00	36.89
		Maximum recoverable balance	0.24	0.18

@High Court passed the liquidation orders for Ashmore PTC India Infrastructure Advisors Private Limited and Ashmore PTC India Energy Infrastructure Trustee Private Limited on 03.02.2014 and 05.02.2014 respectively

- (h) Certain balances of trade payables, trade receivables and advances are subject to confirmation.
- (i) 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.
- (j) Dividend paid to non-resident shareholders (in foreign currency):

Number of shareholders	1,515	1,668
Number of shares held	2,396,222	2,064,505
Dividend remitted (₹ in crore)	0.38	0.31
Year to which it relates	2012-13	2011-12

- (k) In accordance with the accounting policy, the surcharge recoverable on late/non-payment of dues by sundry debtors is accounted for on receipt basis. Correspondingly surcharge liabilities on late/non-payments to the suppliers, in view of the matching concept, is not being recognized in the accounts. The estimated liability in this regard, however is lower than the company's claims from its sundry debtors.
- (l) During the year, the company has received surcharge of ₹ 206.43 crore (previous year, ₹ 12.53 crore) from sundry debtors on amounts overdue on sale of power which has been included in "Revenue from operations". Correspondingly surcharge expense of ₹ 68.02 crore (previous year, ₹ 1.15 crore) paid/payable to sundry creditors has been included in "other operating expenses".

- (m) Foreign exchange unhedged as at March 31, 2014:

Particulars	USD (in crore)	Amount (in crore)
Sundry debtors	2.48	149.20

- (n) The previous year figures have been reclassified/regrouped/rearranged to conform to this year classification, wherever necessary.

Statement/Information in respect of each Subsidiary Company of PTC India Limited

(Pursuant to Section 212(8) of the Companies Act, 1956)

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries as at 31.03.2014 has been given as under:-

(₹ in Crore)

Sl.No.	Particulars	PTC India Financial Services Limited	PTC Energy Limited
(a)	Capital	562.08	55.00
(b)	Reserves	786.81	12.61
(c)	Total Assets	5,413.76	67.99
(d)	Total Liabilities	5,413.76	67.99
(e)	Details of investments (except in case of investment in subsidiaries)	401.02	20.40
(f)	Turnover	546.14	135.95
(g)	Profit before taxation	284.89	2.89
(h)	Provision for taxation	77.17	1.91
(i)	Profit after taxation	207.72	0.98
(j)	Proposed dividend	56.21	-

Note:-

PTC India Limited undertakes that annual accounts of subsidiary companies and the related detailed information shall be made available to the shareholders of holding and subsidiary companies seeking such information at any point of time and annual accounts of Subsidiaries companies also be kept for inspection by any shareholders in the head office of the holding company and of the subsidiaries companies concerned.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of PTC India Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of PTC India Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at 31 March, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. We did not audit the consolidated financial statements of subsidiaries, whose consolidated financial statements reflect total assets of ₹ 5,467.49 crores (previous year ₹ 2,992.71 crores) as at 31 March, 2014 the total consolidated revenue of ₹ 686.37 crores (previous year ₹ 536.57 crores) and consolidated net decrease in cash flows amounting to ₹ 35.47 crores (previous year ₹ 118.41 crores) for the year. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on such reports.

5. We did not audit the financial statements of associate company Athena

Energy Venture Private Limited for the year ended 31 March, 2014, whose financial statements reflect net accumulated losses of ₹ 7.74 crores (previous year ₹ 7.82 crores), the Group's share of net profit of ₹ 0.01 crores (previous year net loss of ₹ 0.02 crores) for the year then ended as considered in consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Company's management, and our opinion, in so far as it relates to the amounts included in respect of this associate is based solely on the reports of the other auditor.

6. *The consolidated Financial Statements include the Group's share of net profit/loss of ₹ Nil for the year ended 31 March, 2014, in respect of associates Krishna Godavari Power Utilities Limited and Varam Bio Energy Private Limited, whose financial statements have not been audited by their auditors and in so far as it relates to the amounts and disclosures included in respect of this, is based solely on the basis of unaudited financial statements prepared by the management of associate companies for the preparation of the Consolidated Financial Statements of the Company.*

7. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS)21, Consolidated Financial Statements, Accounting Standards (AS)23, Accounting for Investments in Associates in Consolidated Financial Statements and (AS)27 Financial Reporting of Interest in Joint Ventures prescribed by the Companies (Accounting Standards) Rules 2006.

8. Emphasis of Matter

We draw attention to Note No. 13 (c) of the notes to accounts to the financial statements regarding adhoc provision of ₹ 3 crores made against investment in an associate company.

Our opinion is not qualified in this respect.

9. Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the unaudited financial statements of associates referred to above in the paragraph no. 6, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For K.G. Somani & Co.
Chartered Accountants
Firm Registration No: 006591N

(Bhuvnesh Maheshwari)
(Partner)

Membership No.: 088155

Place: New Delhi
Date: 24th May 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in crore)

S.No.	Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES				
(1)	Shareholders' funds			
	(a) Share capital	2	296.01	296.01
	(b) Reserves and surplus	3	2,612.94	2,338.29
			2,908.95	2,634.30
(2)	Minority interest		534.04	487.02
(3)	Non-current liabilities			
	(a) Long-term borrowings	4	2,352.30	945.66
	(b) Deferred tax liabilities (net)	5	18.51	10.00
	(c) Long-term provisions	6	31.37	13.88
			2,402.18	969.54
(4)	Current liabilities			
	(a) Short-term borrowings	7	1,417.30	586.80
	(b) Trade payables	8	1,089.04	1,102.79
	(c) Other current liabilities	9	221.44	122.14
	(d) Short-term provisions	10	101.67	68.58
			2,829.45	1,880.31
	Total		8,674.62	5,971.17
II. ASSETS				
(1)	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	11	53.11	54.10
	(ii) Intangible assets	12	0.93	0.51
	(iii) Capital work-in-progress		1.37	0.78
	(b) Non-current investments	13	818.79	955.56
	(c) Long-term loans and advances	14	4,544.56	2,081.34
	(d) Other non-current assets	15	39.23	32.59
			5,457.99	3,124.88
(2)	Current assets			
	(a) Current investments	16	46.87	26.51
	(b) Inventories	17	—	17.73
	(c) Trade receivables	18	2,092.25	2,143.74
	(d) Cash and bank balances	19	616.78	461.06
	(e) Short-term loans and advances	20	236.01	79.68
	(f) Other current assets	21	224.72	117.57
			3,216.63	2,846.29
	Total		8,674.62	5,971.17

Summary of significant accounting policies

1

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For K G Somani & Co.

Chartered Accountants

Firm Regn. No. 006591N

(Bhuvnesh Maheshwari)

Partner

M.No.088155

For and on behalf of the Board of Directors

(Dipak Chatterjee)

Director

DIN 03048625

(Arun Kumar)

Executive Director & CFO

(Deepak Amitabh)

Chairman & Managing Director

DIN 01061535

(Rajiv Maheshwari)

Company Secretary

Date: May 24, 2014

Place: New Delhi

Date : May 24, 2014

Place : Srinagar

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2014

(₹ in crore)

S.No.	Particulars	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
I.	Revenue from operations	22	12,099.08	9,199.39
II.	Other income	23	44.23	13.72
III.	Total Revenue (I + II)		12,143.31	9,213.11
IV.	Expenses:			
	Purchases	24	11,001.37	8,180.17
	Change in inventories		17.73	—
	Rebate on sale of power		96.49	79.13
	Contingent provision against standard assets		16.56	5.16
	Fuel cost	25	—	271.23
	Operating Expenses [Refer Note No. 32 (f)]		68.02	165.14
	Employee benefits expense	26	24.64	20.22
	Finance costs	27	223.70	107.51
	Depreciation and amortization expense	11 & 12	8.54	8.30
	Other expenses	28	51.03	30.32
	Total expenses		11,508.08	8,867.18
V.	Profit before exceptional,prior period items and tax (III-IV)		635.23	345.93
VI.	Exceptional items	29	4.29	0.01
VII.	Profit before prior period items and tax (V + VI)		639.52	345.94
VIII.	Prior period items	30	0.43	(1.69)
IX.	Profit before tax (VII-VIII)		639.09	347.63
X.	Tax expense:			
	— Current tax		183.55	106.18
	— Deferred tax (net)		8.51	(1.17)
XI.	Profit for the year before share of associates and minority interest		447.03	242.62
	Add: Share of profit/(loss) of associates		(5.22)	(4.43)
	Add: Profit on sale of investment in an associates		0.06	—
	Less: Minority interest in profit		(81.03)	(39.91)
	Net profit for the year after share of associates and minority interest		360.84	198.28
XII.	Earnings per equity share	31		
	(1) Basic (₹)		12.19	6.71
	(2) Diluted (₹)		12.19	6.71

Summary of significant accounting policies

1

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For K G Somani & Co.
Chartered Accountants
Firm Regn. No. 006591N

(Bhuvnesh Maheshwari)
Partner
M.No.088155

For and on behalf of the Board of Directors

(Di pak Chatterjee)
Director
DIN 03048625

(Arun Kumar)
Executive Director & CFO

(Deepak Amitabh)
Chairman & Managing Director
DIN 01061535

(Rajiv Maheshwari)
Company Secretary

Date: May 24,2014
Place: New Delhi

Date : May 24,2014
Place : Srinagar

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2014

(₹ in crore)

Particulars	For the Year ended 31.03.2014	For the Year ended 31.03.2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	639.09	347.63
Adjustment for:		
Depreciation and amortization	8.54	8.30
ESOP expenses	(2.09)	0.49
Provision for diminution of investment	5.64	2.14
Loss on sale of fixed assets	0.05	0.13
Contingent provision against standard assets	16.56	5.16
Excess provision written back	(4.34)	(0.37)
Foreign exchange fluctuation loss/(gain)	6.10	(1.10)
Bad debt written off	0.48	—
Provision for doubtful debts/advances	4.90	—
Finance cost	223.70	107.51
Dividend Income	(16.52)	(7.28)
Interest Income	(26.05)	(4.68)
Profit on sale of investment	(1.43)	(0.11)
Operating profit before working capital changes	854.63	457.82
Adjustment for:		
Inventories	17.73	22.06
Trade receivables	48.15	444.41
Trade payable	36.75	—
Loans and advances	(2,614.89)	(833.94)
Change in investments	138.93	(128.13)
Current liabilities & provisions	(40.23)	(161.42)
Other current assets	(100.83)	(53.19)
Cash generated/(used) from operating activities	(1,659.76)	(252.39)
Direct taxes paid (net)	(189.42)	(117.63)
Net cash generated/(used) from operating activities (A)	(1,849.18)	(370.02)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	19.73	4.17
Dividend received	16.52	7.28
Purchase of fixed assets	(8.69)	(3.88)
Sale of fixed assets	0.09	0.10
Sale/(Purchase) of investments in associates	—	(18.05)
Sale/(Purchase) of investments (net)	(34.44)	(82.79)
Decrease/(Increase) in term deposits	(353.44)	(0.77)
Net cash generated/(used) in investing activities (B)	(360.23)	(93.94)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issued of additional Shares (including share premium net of expense)	—	1.85
Equity shares application money refundable	—	(0.01)
Proceeds from long term borrowings	1,494.23	289.04
Repayments of long term borrowings	(55.27)	(40.01)
Proceeds/(repayment) from/to short term borrowings	830.50	558.70
Finance cost paid	(191.96)	(105.77)
Dividend paid (including dividend tax)	(65.92)	(51.42)

(₹ in crore)

Particulars	For the Year ended 31.03.2014	For the Year ended 31.03.2013
Cash flow generated/(used) from financing activities (C)	2,011.58	652.38
Net increase/(use) in cash and cash equivalents (A+B+C)	(197.83)	188.42
Cash and cash equivalents (opening balance)	452.56	264.14
Cash and cash equivalents (closing balance)	254.73	452.56

Notes:

1. Cash and cash equivalents include

Cash on hand (including foreign currency)	8.29	2.35
Current accounts	30.37	86.66
Term deposits (original maturity period upto 3 months)	214.18	361.15

In earmarked accounts:

– Unclaimed share application money lying at escrow account	0.02	0.02
– Unclaimed interest accrued on debentures	1.87	2.38

Cash and cash equivalents at the year end (a) **254.73** **452.56**

Other bank balances

– Term deposits (original maturity period more than 3 months)	361.29	7.85
– Dividend accounts	0.76	0.65

Other bank balances at the year end (b) **362.05** **8.50**

Cash and bank balances at the year end (a) + (b) **616.78** **461.06**

- Cash and bank balances include term deposits of ₹ NIL (Previous year ₹ 2.35 crore) which have been pledged as margin money against bank guarantee, short-term borrowing and letter of credit.
- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Companies (Accounting Standards) Rules, 2006.
- Figures in bracket indicate cash outflow.
- Previous year's figures have been rearranged/regrouped/reclassified wherever necessary.

As per our report of even date attached

For K G Somani & Co.
Chartered Accountants
Firm Regn. No. 006591N

(Bhuvnesh Maheshwari)
Partner
M.No.088155

For and on behalf of the Board of Directors

(Dipak Chatterjee)
Director
DIN 03048625

(Arun Kumar)
Executive Director & CFO

(Deepak Amitabh)
Chairman & Managing Director
DIN 01061535

(Rajiv Maheshwari)
Company Secretary

Date: May 24,2014
Place: New Delhi

Date : May 24,2014
Place : Srinagar

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 1 – Summary of significant accounting policies

1. Group Companies

The consolidated financial statements relate to PTC India Limited (The Company) and its subsidiaries, associates and joint ventures, all incorporated in India (The Group). The subsidiaries, associates and joint ventures considered in the consolidated financial statements are as under:

Sr. No.	Name of Company	Relationship	Percentage of ownership interest		Share of Associates Profit/(Loss) included in Consolidated Statement of Profit and Loss Account (₹ in Crore)	
			As on 31.03.2014	As on 31.03.2013	As on 31.03.2014	As on 31.03.2013
1.	PTC India Financial Services Limited (PFS)	Subsidiary	60%	60%	NA	NA
2.	PTC Energy Ltd (PEL)	Subsidiary	100%	100%	NA	NA
3.	Ashmore PTC India Energy Infrastructure Advisors Private Limited*	Joint Venture	NA	40%	NA	NA
4.	Ashmore PTC India Energy Infrastructure Trustee Private Limited*	Joint Venture	NA	40%	NA	NA
5.	Athena Energy Ventures Private Limited	Associate	16.67%	18%	0.01	0.02
6.	Krishna Godavari Power Utilities Limited@	Associate	49%	49%	–	–
7.	PTC Bermaco Green Energy Systems Limited@@	Associate	0%	26%	–	–
8.	RS India Wind Energy Private Limited (formally known as R.S. India Wind Energy Limited)	Associate	37%	37%	(5.21)	(4.38)
9.	Varam Bio Energy Private Limited@	Associate	26%	26%	–	–
10.	RS India Global Energy Limited	Associate	48%	48%	(0.02)	(0.07)

* High Court passed the liquidation orders for Ashmore PTC India Infrastructure Advisors Private Limited and Ashmore PTC India Energy Infrastructure Trustee Private Limited on 03.02.2014 and 05.02.2014 respectively

@Unaudited financial statements of these associations are considered in the consolidation financial statements of the Group.

@@Investment in associate sold during the year

2. Basis of preparation of Accounts

- (i) The consolidated financial statements of the group are prepared under the historical cost convention and in accordance with applicable Accounting Standards in India. The financial statements adhere to the relevant presentational requirement of the Companies Act, 1956 and other applicable laws.
- (ii) The financial statements of the company and the subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balance/transactions in full as per Accounting Standard-21 on Consolidated Financial Statements.
- (iii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. Goodwill arising on consolidation is amortized over a period of 5 years.
- (iv) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (v) Investments in Associate are accounted for using the equity method as per Accounting Standard-23 on Accounting for Investments

in Associates in Consolidated Financial Statements. All unrealized surplus and deficit on transactions between the group companies are eliminated.

- (vi) The interest in the Joint Venture Companies is accounted by using the proportionate consolidation method as per AS-27 on Financial Reporting of Interests in Joint Venture.

3. Fixed Assets

- (i) Fixed Assets are stated at original cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses related to acquisition, installation and commissioning. Expenses incurred on tangible/intangible assets are carried forward as Capital Work In Progress at cost till the same are ready for use.
- (ii) Depreciation is provided on Written Down Value method as per the rates and in the manner prescribed in the Schedule XIV to the Companies Act, 1956. Assets costing upto ₹ 5,000/- are fully depreciated in the year of capitalization.
- (iii) Computer software recognized as intangible asset is amortised on straight line method on pro-rata basis over a period of three years.
- (iv) Capital expenditure on assets not owned by the Company is reflected as distinct item in Capital work-in-progress till the period of completion and thereafter in the Fixed Assets and is amortised over a period of 3 years.
- (v) No amortization is provided for in case of leasehold land on perpetual lease. Other Leasehold land are amortised over the lease period.

- (vi) Expenses directly related to construction activity or incidental thereto, are allocated to fixed assets at the time of completion of the project.

4. Inventories

Inventories are valued at lower of the cost or net realizable value. The cost of the inventories is determined on first in first out (FIFO) basis.

5. Revenue

- (i) Revenue from sale of power is accounted for based on rates agreed with the beneficiaries, excluding service charges wherever separately indicated in the agreement.
- (ii) Service charges include transaction fee charged under the contracts of purchase and supply of power.
- (iii) Revenue in the form of Management and/or Success Fee for services rendered in relation to development work of Potential Power Projects is recognised when such fee is assured and determinable under the terms of the respective contract.
- (iv) The surcharge on late/non-payment of dues by sundry debtors for sale of energy is not treated as accrued due to uncertainty of its realization and is, therefore, accounted for on receipt basis.
- (v) Consultancy income is recognized proportionately with the degree of completion of services.
- (vi) Revenue from sale of coal is recognized on transfer of all significant risks and reward to the customer and it is not unreasonable to expect ultimate collection.
- (vii) Interest and other dues are accounted on accrual basis except in the case of non-performing loans where it is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.
- (viii) Dividend is accounted when the right to receive is established.
- (ix) Fee based incomes are recognized when reasonable right of recovery is established and the revenue can be reliably measured.

6. Earnings per Share

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

7. Prepaid and prior-period items

Prepaid and prior-period items up to ₹ 5000/- are accounted to natural heads of accounts.

8. Employee Benefits

(i) Short Term Benefits

Employee benefits (other than post employment benefits) which fall due wholly within twelve months after the end of the period in which the employees render the related service are recognized at the amount expected to be paid for it.

(ii) Post Employment Benefits

Defined contribution plans

Liability in respect of defined contribution plans are accounted for to the extent of contributions paid/payable to the separate entity/trust/fund.

Defined Benefit plan

- (a) Liability in respect of defined benefit plans is accounted for on actuarial valuation basis at the year/period end.
- (b) Actuarial gains and losses are recognized in the profit and loss account in the year of its occurrence.
- (c) Liability in respect of gratuity, leave encashment and provident fund of employees on deputation with the group are accounted for on the basis of terms and conditions of deputation of the parent organizations.

9. Foreign Exchange

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. The exchange differences arising on settlement/restatement of long-term foreign currency monetary items are amortised on settlement/over the maturity period thereof. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting of forward contracts

Premium/discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

10. Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

11. Employee Stock option based compensation

The excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of the options given to employees under the employee stock option plan is recognize as deferred stock compensation cost and amortized over the vesting period, on a straight line basis.

12. Investments

- (i) Long term investments are carried at cost less provision, if any, for permanent diminution in the value of such investments. Short term investments are carried at lower of cost or fair value.
- (ii) Securities held as stock for trade are valued at lower of cost or market value.
- (iii) Equity stock futures are recognized at the end of the year/period in the books to the extent of initial/Mark to Market margin paid/received. Equity stock futures are carried at cost where they are used as an

instrument for hedging and independent open positions of Equity stock futures are being carried at lower of cost or fair value.

- (iv) Equity index/stock options are recognized at the end of the year/period in the books to the extent of premium paid. Equity index/stock options are carried at cost where they are used as an instrument for hedging and independent open positions of Equity index/stock options are being carried at lower of cost or fair value.

13. Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes forming part of the consolidated financial statements. Contingent assets are not recognised in the financial statements. Contingent provision against standard assets represents a general provision at 0.50% of the outstanding standard assets in accordance with the RBI guidelines.

14. Income Tax

Provision for current tax is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

15. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

16. Cash flow statement

Cash flows are reported using the indirect method set out in Accounting Standard-3 'Cash flow statement' notified under Companies (Accounting Standard) Rules, 2006 under section 211(3C) of the Companies Act, 1956, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

17. Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss.

18. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

19. Borrowing costs

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan.

Note No. 2 - SHARE CAPITAL

(a) Share Capital

Particulars	As at 31.03.2014 ₹ in crore	As at 31.03.2013 ₹ in crore
Authorised 750,000,000 (previous year 750,000,000) equity shares of ₹ 10/- each	750.00	750.00
Shares issued,subscribed and fully paid up 296,008,321 (previous year 296,008,321) equity shares of ₹ 10/- each	296.01	296.01

(b) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year is as under:

Particulars	Shares (Nos.)	
	For the year ended 31.03.2014	For the year ended 31.03.2013
Equity shares outstanding at the beginning of the year	296,008,321	294,973,571
Equity shares issued during the year	—	1,034,750
Equity shares outstanding at the end of the year	296,008,321	296,008,321

(c) During the year, NIL (Previous year 1,034,750) equity shares of ₹ 10/- each were issued under the Company's Employee Stock Option Scheme.

(d) The Company has only one class of equity shares having a face value of ₹ 10 each. Each shareholder of equity share is entitled to one vote per share.

(e) Shareholders holding more than 5% shares of the Company*

Name of the shareholders	As at 31.03.2014		As at 31.03.2013	
	No. of shares	%	No. of shares	%
Life Insurance Corporation of India Limited	51,995,439	17.57%	52,819,312	17.84%
HDFC Standard Life Insurance Company Limited	19,708,562	6.66%	19,799,291	6.69%
Reliance Capital Trustee Company Limited	—	—	15,071,917	5.09%

*inclusive of shares held by shareholders through various schemes/its various folios

(f) Shares reserved for issue

Particulars	As at 31.03.2014	As at 31.03.2013
Equity shares for Employee stock options (ESOP)* (Nos.)	80,471	732,805

*for terms of ESOP, refer note no. 26

Note No. 3 - RESERVES AND SURPLUS

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
(i) Securities premium account		
Opening balance	1,715.67	1,707.83
– Transferred from ESOP Outstanding A/c on exercise of ESOP	–	7.02
– Received on exercise of ESOP	–	0.82
Less: Adjustment on consolidation	(0.54)	–
Sub total (i)	1,715.13	1,715.67
(ii) Capital Reserve on Consolidation		
Balance brought forward	8.08	8.08
Sub total (ii)	8.08	8.08
(iii) Share option outstanding account		
Opening balance	2.46	9.71
Add: Deductions during the year	(1.93)	(7.25)
Closing balance	0.53	2.46
Less: Deferred employee compensation	–	(0.07)
Sub total (iii)	0.53	2.39
(iv) Statutory reserve [in terms of Section 45-IC of the Reserve Bank of India Act,1934]		
Opening balance	65.85	45.02
Additions during the year	41.54	20.83
Sub total (iv)	107.39	65.85
(v) Special Reserve [in term of section 36(i)(viii) of the Income Tax Act,1961]		
Opening balance	20.00	–
Additions during the year	32.50	20.00
Sub total (v)	52.50	20.00
(vi) General reserve		
Opening balance	229.38	190.76
Additions during the year	75.37	38.62
Sub total (vi)	304.75	229.38
(vii) Contingency reserve		
Opening balance	1.05	1.05
Sub total (vii)	1.05	1.05
(viii) Surplus being balance in Consolidated statement of profit & loss		
Opening balance	310.15	249.02
Adjustment on consolidation	0.10	–
Addition : Profit for the year	360.84	198.28
Deductions during the year:		
(a) Proposed dividend	(59.20)	(47.36)
(b) Transferred to statutory reserve	(41.54)	(20.83)
(c) Transferred to special reserve	(32.50)	(20.00)
(d) Dividend tax on proposed dividend	(13.50)	(10.34)
(e) Transfer to general reserve	(75.37)	(38.62)
Sub total (viii)	448.98	310.15

Particulars	As at 31.03.2014	As at 31.03.2013
(ix) Foreign currency monetary item translation difference account		
Opening balance (Debit)	(14.28)	(5.21)
Add: Effect of foreign exchange rate variations during the year (net)	(18.73)	(12.33)
Add: Amortisation for the year	7.54	3.26
Sub total (ix)	(25.47)	(14.28)
Grand Total (i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii)+(viii)+(ix)	2,612.94	2,338.29

Note No. 4 - LONG-TERM BORROWINGS

(₹ in crore)

Secured	As at 31.03.2014			As at 31.03.2013		
	Non-current	Current	Total	Non-current	Current	Total
a. Infrastructure bonds (i)	201.69	–	201.69	201.69	–	201.69
b. Debentures (ii)	90.00	33.33	123.33	123.33	33.33	156.66
c. Rupee term loans from banks (iii)	1,612.70	74.41	1,687.11	210.88	13.08	223.96
d. External commercial borrowings from financial institutions (iv)	430.36	17.35	447.71	409.76	7.94	417.70
e. Rupee term loans from financial institution (v)	17.55	0.45	18.00	–	–	–
	2,352.30	125.54	2,477.84	945.66	54.35	1,000.01
Amount disclosed under the head "Other current liabilities" (refer note 9)	–	125.54	125.54	–	54.35	54.35
	2,352.30	–	2,352.30	945.66	–	945.66

Notes:

Details of terms of repayment and security provided on above:

- i. 84,172 (previous year 84,172) privately placed 8.25%/8.30% secured redeemable non-convertible long-term infrastructure bonds of ₹ 5,000 each (Series 1) amounting to ₹ 42.09 crores allotted on 31 March, 2011 redeemable at par in 5 to 10 years commencing from 31 March, 2016 are secured by way of first charge on the receivables of the assets created from the proceeds of infrastructure bonds and other unencumbered receivables of the Group to provide 100% security coverage.

319,210 (previous year 319,210) privately placed 8.93%/9.15% secured redeemable non-convertible long-term infrastructure bonds of ₹ 5,000 each (Series 2) amounting to ₹ 159.60 crores allotted on 30 March, 2012 redeemable at par in 5 to 15 years commencing from 30 March, 2017 are secured by way of Pari Passu charge on the receivables of the assets created from the proceeds of infrastructure bonds and other receivables of the Group to provide the 100% security coverage.

- ii. 1,000 (previous year 1,000) privately placed 10.60% secured redeemable non-convertible debentures of ₹ 1,000,000 each (Series 1) amounting to ₹ 100 Crores were allotted on 1 October, 2009 and are redeemable at par in three equal annual installments commencing from 30 September, 2012. First and second installment of ₹ 33.33 crores each has been paid during the year ended 31 March, 2013 and 31 March, 2014.

900 (previous year 900) privately placed 10.50% secured redeemable non-convertible debentures of ₹ 1,000,000 each (Series 3) amounting to ₹ 90 crores allotted on 27 January, 2011 redeemable at par in six equal annual installments commencing from 26 January, 2018.

Series 1 and Series 3 are secured by way of mortgage of immovable building and first charge by way of hypothecation of the receivables of the loan assets created from the proceeds of respective debentures. Further, the same has

also been secured by pari passu charge by way of hypothecation of the receivable of loan assets created by the Group out of its own sources which are not charged to any other lender of the Group to the extent of 125% of debentures.

- iii. Term loans from banks carries interest ranging from 10.25% to 10.75% p.a. The loans carry various repayment schedules according to their respective sanctions and thus are repayable in 21 to 48 quarterly installments. The loans are secured by first pari-passu charge by way of hypothecation of the current assets including book debts, investments and other receivables (other than assets created by line of credit of other financial institutions/banks) so that lenders should have at least 100%/110% security coverage on its outstanding loan at all times during the currency of the loan. Additionally, some loans are backed by an agreement of assignment of the project assets financed from proceeds of the loans, in favour of respective lenders.
- iv. External Commercial Borrowings ("ECB") carries interest ranging from 3 months LIBOR+2.85% to LIBOR+3.25% p.a. The loans are repayable in 32/36 equal quarterly installments as per the due dates specified in the respective loan agreements. The borrowings are secured by way of first ranking exclusive charge on all present and future receivables of the eligible loan assets created by the proceeds of ECB. Repayment of 2 quarterly installments amounting to USD 14,44,444 (₹ 88,490,250) on one of the ECB loans was made during year 2013-14.
- v. Term loan from financial institution carries interest rate of 2% p.a. The loan is repayable in 40 equal quarterly installments. The loan is secured by first pari-passu charge on all present & future receivables of the loan assets of the Group (which are not specifically charged/to be charged in favor of other lenders of the Group i.e., except the charge created/to be created in favor of specific lender/s for receivables of the specific loan assets created/to be created out of their loan proceeds), so that lenders should have at least 100% security coverage on its outstanding loan at all time during the currency of the loan.
- vi. In terms of the RBI circular (Ref. No. DNBS(PD) CC No.333/03.02.001/2013-14 dated 1 July, 2013) no borrowings remained overdue as at 31 March, 2014 (previous year ₹ Nil).

Note No. 5 - DEFERRED TAX LIABILITIES (NET)

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
(a) Deferred tax liability on account of timing differences in:		
Depreciation	8.48	9.56
Foreign currency monetary items translation difference account	14.42	8.08
Special reserve under section 36(1)(viii) of Income Tax Act, 1961	17.84	6.80
Sub-total (a)	40.74	24.44
(b) Deferred tax asset arising on account of timing differences in:		
Retirement benefits and other expenses	1.18	0.86
Share issue expenses	0.73	1.45
Contingent provision against standard asset	9.56	3.93
Provision for doubtful debts/advances/investment	1.84	—
Expenses not allowable for income tax in the current year	6.47	6.48
Provision for diminution in non-current unquoted trade investment	2.45	1.72
Sub-total (b)	22.23	14.44
Net deferred tax liabilities (a-b)	18.51	10.00

Note No. 6 - LONG TERM PROVISIONS

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits	3.24	2.31
Contingent provision against standard assets (refer note 2 below)	28.13	11.57
Total	31.37	13.88

Notes:

- A contingent provision against standard assets has been created at 0.50% of the outstanding standard assets in terms of the RBI circular (Ref. No. DNBS(PD) CC No. 333/03.02.001/2013-14 dated 1 July, 2013).
- Movement in contingent provision against standard assets during the year is as under:

Opening balance	11.57	6.41
Additions during the year	16.56	5.16
Closing balance	28.13	11.57

Note No. 7 - SHORT TERM BORROWINGS

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Secured		
Term loans from banks	1,417.30	586.80
Total	1,417.30	586.80

- Term loans from banks are secured by first pari passu charge on all present and future receivables of the standard loan assets except the charge created/to be created in favour of specific lender(s) for receivables of the specific loan assets created/to be created out of their loan proceeds, so that lenders should have at least 100%/110% security coverage on their outstanding loan at all times during the currency of the loan.
- In terms of the RBI circular (Ref. No. DNBS(PD) CC No. 333/03.02.001/2013-14 dated 1 July, 2013) no borrowings remained overdue as at 31 March, 2014 (previous year ₹ Nil).

Note No. 8 - TRADE PAYABLES

(a) Trade payables

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Trade payables-micro & small enterprises	—	—
Trade payables-others	1,089.04	1,102.79
Total	1,089.04	1,102.79

- Based on the information available with the Group, there are no dues as at 31 March, 2014 payable to enterprises covered under "Micro Small and Medium Enterprises Development Act, 2006". As such, no interest is paid/payable by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

Note No. 9 – OTHER CURRENT LIABILITIES

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Advances from customers	38.19	26.91
Security deposits received	7.22	6.46
Unpaid/unclaimed dividend	0.76	0.65
Current maturities of long term borrowings (refer note 4)	125.54	54.35
Unclaimed interest on debentures	1.87	2.38
Unclaimed equity share application money	0.02	0.02
Statutory liabilities	1.04	2.94
Interest accrued but not due on borrowings	44.03	27.05
Provision for expenses	0.25	0.09
Income received in advance	0.80	0.50
Payables on purchase of fixed assets	–	0.03
Other payables-employees	1.72	0.76
Total	221.44	122.14

No amount of unclaimed dividend, unclaimed interest on debentures and unclaimed equity share application money was due for transfer to the Investor Education and Protection fund under Section 205C of the Companies Act, 1956 as at the Balance Sheet date.

Note No. 11 – FIXED ASSETS-TANGIBLE ASSETS

(₹ in crore)

Description	Gross block-Cost/Book Value				Depreciation/Amortisation				Net block	
	As at 01.04.2013	Additions	Sales/ Adjustments	As at 31.03.2014	As at 01.04.2013	For the year	Adjustments	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS										
Land										
– Lease hold improvement	–	3.30	–	3.30	–	0.44	–	0.44	2.86	–
– Leasehold land-perpetual Lease	3.44	–	–	3.44	–	–	–	–	3.44	3.44
– Leasehold land-others	0.13	–	–	0.13	0.03	0.01	–	0.04	0.09	0.10
Buildings	15.04	–	–	15.04	6.52	0.43	–	6.95	8.09	8.52
Furniture and fixtures	2.70	0.77	–	3.47	1.59	0.30	–	1.90	1.57	1.11
Vehicle	0.88	0.64	(0.20)	1.32	0.45	0.18	(0.16)	0.47	0.85	0.43
Plant and machinery	70.70	–	–	70.70	32.56	5.61	–	38.16	32.54	38.14
Office equipments	5.03	2.48	(0.62)	6.89	2.67	1.08	(0.53)	3.22	3.67	2.36
Capital expenditures not represented by capital asset	0.55	–	–	0.55	0.55	–	–	0.55	–	–
Total	98.47	7.19	(0.82)	104.84	44.37	8.05	(0.69)	51.73	53.11	54.10
Previous year	96.28	2.81	(0.62)	98.47	36.98	7.78	(0.39)	44.37	54.10	

Note No. 12 – FIXED ASSETS-INTANGIBLE ASSETS

(₹ in crore)

Description	Gross block-Cost/Book Value				Depreciation/Amortisation				Net block	
	As at 01.04.2013	Additions	Sales/ Adjustments	As at 31.03.2014	As at 01.04.2013	For the year	Adjustments	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Computer software	2.21	0.91	–	3.12	1.70	0.49	–	2.19	0.93	0.51
Membership fee to power exchanges	0.30	–	–	0.30	0.30	–	–	0.30	–	–
Total	2.51	0.91	–	3.42	2.00	0.49	–	2.49	0.93	0.51
Previous year	2.22	0.29	–	2.51	1.48	0.52	–	2.00	0.51	

The management is of the opinion that no case of impairment of assets exists under the provision of Accounting Standard (AS)-28 on Impairment.

Note No. 13 – NON-CURRENT INVESTMENTS

(a) Non current investment

(₹ in crore)

Particulars	Face value ₹	Quantity as at 31.03.2014	Quantity as at 31.03.2013	Amount as at 31.03.2014	Amount as at 31.03.2013
Long term trade investments - Unquoted (At cost as reduced by diminution in value,if any)					
Equity shares-fully paid up					
Associate companies					
– Krishna Godavari Power Utilities Limited**	10	37,548,700	37,548,700	37.55	37.55
– Athena Energy Ventures Private Limited	10	150,000,000	150,000,000	155.44	155.85
– RS India Global Energy Limited*	10	23,402,542	23,402,542	22.89	22.90
– PTC Bermaco Green Energy Systems Limited (sold during the year)	10	–	1,374,646	–	1.31
– RS India Wind Energy Private Limited (formally known as R.S. India Wind Energy Limited)	10	61,121,415	61,121,415	47.37	52.58
– Varam Bio Energy Private Limited	10	4,390,000	4,390,000	–	–
Other company					
– Teestha Urja Limited	10	224,015,000	224,015,000	218.53	218.53
– Chenab Valley Power Projects Private Limited	10	100,000	100,000	0.10	0.10
– Ind-Barath Energy (Utkal) Limited (ceased to be an associate w.e.f. 25 May, 2012)	10	105,000,000	105,000,000	105.00	105.00
– East Coast Energy Private Limited	10	133,385,343	133,385,343	133.39	133.39
– Meenakshi Energy and Infrastructure Holding P Limited (# ₹ 10)	10	1	1	#	#
– Meenakshi Energy Private Limited (sold during the year)	10	–	124,682,340	–	124.68
– Indian Energy Exchange Limited	10	1,516,431	1,516,431	1.52	1.52
Investments in fully paid up optionally convertible debentures of:					
– Varam Bio Energy Private Limited (Associates Company)	500000	90	90	4.29	4.29
– Mytrah Energy (India) Limited (Other Company)	3333333	300	300	100.00	100.00
				826.08	957.70
Less: Provision for diminution in value of Investments in an associate company				7.29	2.14
Total				818.79	955.56
Aggregate market value of quoted non-current investments				–	–
Aggregate cost of quoted non-current investments				–	–
Aggregate cost of unquoted non-current investments				818.79	955.56

(b) The Group has pledged, in favour of Power Finance Corporation Limited (PFC), 77,77,500 Equity Shares of ₹ 10 each at par held by it in M/s. Krishna Godavari Power Utilities Limited (KGPUL) along with the promoter of KGPUL to comply with the lending requirements of PFC for loan taken by KGPUL.

(c) *The proposed project for which the group had invested ₹ 23.40 crores (₹ 21.60 crore in FY 2008-09 and ₹ 1.80 crore in FY 2009-10) in RS India Global Energy Limited has not commenced. The group is reviewing the future prospects of the project. On a prudent basis, an ad hoc provision of ₹ 3 crores against the said investment has been made in the books of accounts.

(d) **Project commissioning has been delayed and now targeted for 2014-15 i.e., 14 Oct.

Note No. 14 – LONG TERM LOANS AND ADVANCES

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Secured, considered good		
Loan Financing	4,710.08	2,156.66
Less: Current maturities transferred to "Other current assets" (refer note 21)	(190.63)	(96.29)
	45,19.45	2,060.37
Unsecured, considered good		
Loans and advances to employees	1.17	1.33
Capital advances	0.14	0.03
Interest accrued but not due	0.41	0.39
Security deposits	1.90	1.87
Advance income tax (net of provision for income tax ₹ 566.70 crore, previous year ₹ 381.39 crore)	21.39	17.24
Advance fringe benefit tax (net of provision for fringe benefit tax ₹ 0.76 crore, previous year ₹ 0.76 crore)	0.07	0.07
Prepaid expenses	0.03	0.04
Total	4,544.56	2,081.34

Note:

Loans are secured by:

1. Hypothecation of assets and/or
2. Mortgage of property and/or

Note No. 16 – CURRENT INVESTMENTS

(₹ in crore)

Particulars	Face Value ₹	Quantity as at 31.03.2014	Quantity as at 31.03.2013	Amount as at 31.03.2014	Amount as at 31.03.2013
Current maturities of long term non trade investments - Quoted (At cost)					
Mutual funds					
– 'UTI- Fixed Interval Fund Annual Interval Plan III-Direct Growth Fund	10	3,036,394	–	5.00	–
– 'HDFC FMP 372D October 2013 (1) Series 28- Direct- Growth	10	10,000,000	–	10.00	–
– 'Reliance Interval Fund II Series 3 Direct Growth Fund	10	20,000,000	–	20.00	–
– 'Religare FMP Series XIV 378 Days Growth	10	–	5,500,000	–	5.50
– 'Kotak FMP Series 84 Growth	10	–	6,000,000	–	6.00
Short term investment non-trade (Quoted) (At cost or fair value whichever is lower)					
Mutual funds					
– 'Birla Sun Life Fixed Term Plan Series CW Growth	10	4,447,308	–	5.19	–
– 'ING Active Debt Multi Manager FOF Scheme Direct Plan Dividend	10	4,472,237	–	4.82	–
Short term investment- non trade (Unquoted) (At cost)					
Mutual funds					
– Reliance liquid fund (Repurchase price NIL (previous year ₹ 15.04 crore)	1000	–	52,615	–	14.99
– Franklin Templeton Money Plus Account	10	1,854,446	11,980	1.86	0.02
Total				46.87	26.51
Aggregate market value of quoted current investments				46.48	12.64
Aggregate cost of quoted current investments				45.01	11.50
Aggregate cost of unquoted current investments				1.86	15.01

Note No. 17 – INVENTORIES

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Raw material-Coal*	–	17.03
Raw material-Coal in transit*	–	0.70
Total	–	17.73

*Valued at lower of cost or net realizable value

Note No. 18 – TRADE RECEIVABLES
(a) Trade receivables

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Trade receivables outstanding for a period exceeding six months from the date they become payable		
– Secured, considered good	6.30	–
– Unsecured, considered good	510.31	1,425.28
– Unsecured, doubtful	2.87	–
Other Trade receivables		
– Secured, considered good	–	–
– Unsecured, considered good	1,575.64	718.46
Gross debtors	2,095.12	2,143.74
Less: Provision for doubtful debts	2.87	–
Total	2,092.25	2,143.74

- (b) Trade receivables are hypothecated to the banks for availing the non-fund based working capital facilities.
- (c) Trade receivables include an amount of ₹ 16.23 Crore due from Tamil Nadu Electricity Board (TNEB) towards compensation claim. The Company considers the said amount as good and recoverable even though TNEB has not accepted the claim of the Company. The matter was referred to the Madras High Court which has appointed a sole arbitrator, which gave the order not in favour of the company. The company has filed the appeal against the said order at Madras High Court.

Note No. 19 – CASH AND BANK BALANCES

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Cash and cash equivalents:		
Cash on hand (including foreign currency)	–	0.01
Cheques/draft on hand	8.29	2.34
Balance with banks:		
(a) Current accounts	30.37	86.66
(b) Term deposits (refer notes i below)	214.18	361.15
(c) In earmarked accounts-unclaimed share application money lying in escrow account	0.02	0.02
ii. Unclaimed interest accrued on debentures	1.87	2.38
Sub total (i)	254.73	452.56
Other bank balances:		
(b) Term deposits (refer notes ii below)	361.29	7.85
Dividend accounts	0.76	0.65
Sub total (ii)	362.05	8.50
Grand Total (i)+(ii)	616.78	461.06

Notes:

- (i). Includes ₹ NIL (previous year ₹ 2.35 crore) deposits as margin money against bank guarantee.
- (ii). Balances with banks include deposits amounting to ₹ 8.15 crore (previous year ₹ 7.85 crore) with remaining maturity of more than 12 months from the balance sheet date.

Note No. 20 – SHORT TERM LOANS AND ADVANCES
(a) Short term loans and advances

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Secured, considered good		
Loans financing	160.00	35.00
Sub Total (i)	160.00	35.00
Unsecured, considered good		
Employees loans and advances	0.71	0.51
Security deposit	8.58	17.77
Prepaid expenses	0.63	1.21
Advance for equity subscription	–	2.88
Open access advances	35.61	15.11
Receivable from sale of investment	5.00	–
Service tax credit	0.54	0.98
Advance to trade payables	4.02	5.28
Other advances/receivable*	20.92	0.94
Unsecured, considered doubtful		
Advance to trade payables	2.03	–
Gross total	78.04	44.68
Less: Provision for doubtful advances to trade payable	2.03	–
Sub Total (ii)	76.01	44.68
Grand Total (i)+(ii)	236.01	79.68

*includes ₹ 20.48 crore deposited with GUVNL. [refer Note No. 32 (d)(i)]

- (b) Loans and advances due from directors-NIL.

Note No. 21 – OTHER CURRENT ASSETS

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Secured, considered good		
Current maturities of long term loan financing	190.63	96.29
Sub Total (i)	190.63	96.29
Unsecured, considered good		
(a) Interest accrued and due on		
– Loan financing	8.17	7.47
– deferment of payments by debtors	0.85	–
(b) Interest accrued but not due on:		
– Fixed deposits	6.63	2.93
– Debentures	0.50	0.50
– Loan financing	17.90	10.36
– Others	0.04	0.02
Sub Total (ii)	34.09	21.28
Grand Total (i)+(ii)	224.72	117.57

Note No. 22 – REVENUE FROM OPERATIONS

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Sale of electricity	11,042.93	8,746.65
Sale of coal	161.14	56.24
Rebate on purchase of power	132.46	88.00
Service charges	14.46	13.96
Interest income from		
(i) Loan financing	408.00	243.03
(ii) Debentures	12.00	8.28
Other operating income		
(i) Dividend income on:		
– Non-current unquoted trade investment in equity shares	0.45	0.30
(ii) Profit on sale of Investment in non-current unquoted trade investment (equity shares)	82.17	–
(iii) Profit on sale of investments in current unquoted non-trade investment (mutual funds)	1.47	1.90
(iv) Interest on fixed deposits	6.22	8.91
(v) Fee based income	31.21	18.96
(vi) Sale of services (Consultancy)	0.14	0.63
Surcharge on sale of power	206.43	12.53
Total	12,099.08	9,199.39

Note No. 23 – OTHER INCOME

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Interest income	26.05	4.68
Dividend		
– from current investment non-trade	16.52	7.28
Profit from sale of investment		
– on current investments non-trade (net)	0.25	0.11
– on long term investments non-trade (net)	1.18	–
Excess provision written back	–	0.23
Foreign currency fluctuation (net)	–	1.10
Miscellaneous income	0.23	0.32
Total	44.23	13.72

Note No. 24 – PURCHASE

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Purchases of electricity	10,866.17	8,136.59
Purchase of coal	135.20	43.58
Total	11,001.37	8,180.17

Note No. 25 – FUEL COST

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Opening stock	–	39.79
Purchases	–	240.49
Fuel Oil Charges	–	2.60
Less: Consumed by project developer with whom power tolling agreement made.	–	(14.33)
Add: Stock replaced by project developer with whom power tolling agreement made.	–	20.41
Less: Closing stock	–	(17.73)
Total	–	271.23

The closing stock has been sold by the Group during the year on conversion of power tolling into PPA. Hence shown as Change in Inventories.

Note No. 26 – EMPLOYEE BENEFITS EXPENSE
(a) Employee benefit expenses

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Salaries and wages	23.64	15.94
Contribution to provident fund	0.99	0.78
Gratuity	0.41	0.33
Staff welfare expenses	1.69	2.68
Employee compensation expense (ESOP)*	(2.09)	0.49
Total	24.64	20.22

*Due to forfeiture/surrender of Employee Stock options.

(b) The Details of the Employee Stock Options Scheme (ESOP) of the company is given as under:

(i) Particulars of scheme:

Date of grant	21 Aug., 2008, 22 July, 2009
Date of board approval	21 Aug., 2008
Date of shareholders' approval	6 Aug., 2008
Number of options granted	6,254,023
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.

(ii) Details of vesting:

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

(iii) The details of activity under the plan have been summarized below:

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of shares (Nos)	Weighted average exercise price (₹)	Number of shares (Nos)	Weighted average exercise price (₹)
Outstanding at the beginning of the year	732,805	58.93	1,867,505	36.49
Forfeited/surrendered during the year	652,334	61.47	99,950	64.20
Exercised during the year	—	—	1,034,750	17.93
Outstanding at the end of the year	80,471	54.16	732,805	58.93
Exercisable at the end of the year	80,471	54.16	470,131	55.99
Weighted average remaining contractual life (in years)	0.39	—	2.12	—

(iv) The details of exercise price for stock options outstanding at the end of the year are as given:

Particulars	As at 31.03.2014	As at 31.03.2013
Range of exercise prices (₹)	10 to 42.88	10 to 64.20
Number of options outstanding	80,471	732,805
Weighted average remaining contractual life of options (in years)	0.39	2.12
Weighted average exercise price (₹)	54.16	58.93

(v) Effect of ESOP scheme on profit & loss and financial position:

(a) Effect on profit & loss:

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Employee compensation cost pertaining to ESOP Plan during the year	(1.53)	0.38

(b) Effect on financial position:

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Liability for employee stock options outstanding as at the year end	0.38	1.95
Deferred compensation cost outstanding as at the year end	—	0.04

(vi) The fair value of each stock option issued in the year 2009-10 and 2008-09 has been estimated using Black Scholes Options Pricing model after applying the following key assumptions (weighted value):

Particulars	Options granted in the year 2009-10	Options granted in the year 2008-09
Volatility	52.04%	67.53%
Expected dividend	1.47%	1.23%
Risk free rate of interest	6.80%	9.10%
Option life (years)	6	6
The price of underlying share in the market	81.90	81.36
Fair value per option	46.45	66.18

(c) The Subsidiary Company (PFS) instituted the Employee Stock Option Plan-ESOP 2008 to grant equity based incentives to all its eligible employees. During the year ended 31 March, 2009, the first tranche of ESOP 2008 was approved by the shareholders on 27 October, 2008 and the Company granted two types of options i.e., Growth options granted to the employees and exercisable at intrinsic 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., ₹ 10 per share, representing one share for each option upon exercise. Further, during the year ended 31 March, 2010, second tranche of ESOP 2008 was approved by the shareholders on 23 October, 2009 and provided for grant of 10,075,000 growth options exercisable at a price of ₹ 16 per share, representing one share for each option upon exercise. Options granted under ESOP 2008 would vest not less than one year and not more than five years from the date of grant of such options.

Movement in Stock Options	As at 31 March, 2014		As at 31 March, 2013	
	Growth options	Founder member options	Growth options	Founder member options
Outstanding at the beginning of the year	4,337,600	10,000	4,382,600	10,000
Less: Forfeited during the year	3,197,600	10,000	45,000	—
Outstanding as at the end of the year	1,140,000	—	4,337,600	10,000

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::

Particulars	Options granted during the year ended 31 March, 2010	Options granted during the year ended 31 March, 2009	
	Growth options	Growth options	Founder member option
Price per Option (in ₹)	16	16	10
Volatility	29.64%	73.60%	73.60%
Risk free rate of interest	7.27%	7.00%	7.00%
Option life (in years)	5	5	5
Fair Value per Option	10.55	11.36	12.76

There was no history of dividend declaration by the Subsidiary company (PFS) as at the grant date, hence the dividend yield had been considered as Nil.

(d) Impact of above ESOP Scheme on reported profit and earnings per share, if the employee compensation cost would have been computed using the fair value method:

(i) Reported profit:

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Profit as reported for the year	360.84	198.28
Add: Employee stock compensation under intrinsic value method	(2.09)	0.49
Less: Employee stock compensation under fair value method	(9.06)	1.17
Pro forma profit	367.81	197.60

(ii) Earnings per share (₹)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Basic		
– As reported	12.19	6.71
– As pro forma	12.43	6.69
Diluted		
– As reported	12.19	6.71
– As pro forma	12.42	6.69

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

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

(₹ in crore)

Particulars	Leave encashment (Unfunded)		Post-employment medical benefits (Unfunded)		Gratuity (Funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Present value of obligation	2.49	2.03	0.38	0.29	1.47	1.10
Fair value of plan assets	–	–	–	–	0.72	0.76
Net asset/(liability) recognized in Balance Sheet	(2.49)	(2.03)	(0.38)	(0.29)	(0.75)	(0.34)

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

(₹ in crore)

Particulars	Leave encashment (Unfunded)		Post-employment medical benefits (Unfunded)		Gratuity (Funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Present value of obligation as at the beginning of the year	2.03	2.43	0.29	0.07	1.10	1.08
Interest cost	0.16	0.19	0.02	0.01	0.09	0.09
Current service cost	0.41	0.32	0.04	0.05	0.25	0.19
Benefits paid	(0.22)	(0.75)	(0.01)	(0.01)	(0.10)	(0.35)
Actuarial (gain)/loss on obligation	0.11	(0.16)	0.04	0.17	0.13	0.09
Present value of obligation as at the end of year	2.49	2.03	0.38	0.29	1.47	1.10

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

(₹ in crore)

Particulars	Gratuity (Funded) As at 31.03.2014	Gratuity (Funded) As at 31.03.2013
Fair value of plan assets as at the beginning of the year	0.76	0.26
Expected return on plan assets	0.06	0.02
Actuarial gain/(loss) on obligation	–	0.02
Contributions	–	0.81
Benefits paid	(0.10)	(0.35)
Fair value of plan assets as at the end of the year	0.72	0.76

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

Particulars	Gratuity (Funded) As at 31.03.2014	Gratuity (Funded) As at 31.03.2013
Administered by ICICI Prudential Life Insurance	98.61%	85.97%
Bank balance	1.39%	14.03%

(v) The amounts recognized in the statement of profit and loss for the year are as follows:

(₹ in crore)

Particulars	Leave encashment (Unfunded)		Post-employment medical benefits (Unfunded)		Gratuity (Funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Current service cost	0.41	0.32	0.04	0.05	0.25	0.19
Interest cost	0.16	0.19	0.02	0.01	0.09	0.09
Expected return on plan assets	–	–	–	–	(0.06)	(0.02)
Net actuarial (gain)/ loss recognized in the year	0.11	(0.16)	0.04	0.17	0.13	0.07
Expenses recognized in the statement of profit and loss	0.68	0.35	0.10	0.23	0.41	0.33

The Group expects to contribute ₹ 0.39 crore to gratuity, ₹ 0.10 crore to Post-employment medical benefit and ₹ 0.52 crore to leave encashment in 2014-15.

(vi) Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post retirement medical benefits scheme.

(₹ in crore)

Sr. No.	Particulars	One percent point increase in medical inflation rate	One percent point decrease in medical inflation rate
I	Increase/(decrease) on aggregate service and interest cost of post retirement medical benefits	0.02	0.01
II	Increase/(decrease) on present value of defined benefit obligations as at 31 March, 2014	0.08	0.06

(vii) Economic Assumption:

The principal assumptions are the discount rate and salary increase. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of the liabilities and the salary increase takes.

Particulars	Leave encashment (Unfunded)		Post-employment medical benefits (Unfunded)		Gratuity (Funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Discounting rate	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%
Future salary increase	6.00%	5.50%	6.00%	5.50%	6.00%	5.50%
Expected Rate of return on plan assets	N.A.	N.A.	N.A.	N.A.	8.00%	8.00%
Expected average remaining working lives of employees in number of years	23.27 to 24.34	24.01 to 28.53	23.27 to 24.34	24.01 to 28.53	23.27 to 24.34	24.01 to 28.53

(viii) Experience on actuarial gain/(loss) for benefit obligations and plan assets:

(₹ in crore)

Particulars	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Experience adjustments on present value of gratuity obligation	(0.14)	(0.09)	(0.07)	(0.37)
Experience adjustments on plan assets of gratuity	0.001	0.02	(0.004)	(0.01)
Experience adjustments on present value of leave encashment obligation	(0.11)	0.17	0.26	(0.56)

(ix) Demographic assumptions:

Particulars	Leave encashment (Unfunded)		Post-employment medical benefits (Unfunded)		Gratuity (Funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Retirement age	60 years	60 years	60 years	60 years	60 years	60 years
Mortality table	IALM (2006-08) duly modified	IALM (1994-96) duly modified	IALM (2006-08) duly modified	IALM (1994-96) duly modified	IALM (2006-08) duly modified	IALM (1994-96) duly modified
Ages	Withdrawal rates					
upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
from 31 to 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

(x) Details of expenses incurred for defined contribution plans during the year:

(₹ in crore)

Defined contribution plans	Year ended 31.03.2014	Year ended 31.03.2013
Provident fund	0.99	0.78

Note No. 27 – FINANCE COSTS

(a) Finance cost

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
a) Interest cost on:		
- Infrastructure bonds	19.13	17.96
- Debentures	14.75	18.24
- Rupee term loans from banks	157.81	48.77
- External commercial borrowings from financial institutions	15.08	12.74
- Interest on payment of income tax	1.72	-
- Others	1.06	0.92
b) Other borrowing cost		
- Other charges on external commercial borrowings from financial institutions	1.03	3.15
- Rupee term loans from banks	0.55	0.29
- Amortisation of foreign currency translation	12.57	5.44
Total	223.70	107.51

(b) As per Power purchase agreements 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.

Note No. 28 – OTHER EXPENSES

(a) Other expenses

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Rent	3.10	0.91
Repairs to building	1.34	0.46
Repairs to machinery - Wind mill	1.56	1.49
Insurance	0.26	0.28
Rates and taxes	0.69	0.73
Foreign exchange fluctuation (Net)	6.10	-
Auditors' remuneration	0.41	0.36
Provision for diminution in value of investments	5.64	2.14
Legal & professional charges	3.68	4.88
Consultancy expenses	4.92	3.87
Advertisement	0.31	0.68
Communication	0.80	0.93
Business development	1.00	1.22
Travelling and conveyance expenses	4.17	3.14
Printing & stationery	0.37	0.41
Fees & expenses to directors	0.51	0.48
Repair & Maintenance - Others	0.85	0.56
Bank charges	4.66	0.83
EDP expenses	0.18	0.15
Books & periodicals	0.03	0.03
Water & electricity expenses	0.77	0.49
Provision for doubtful debts/advances	4.90	-
Commission and brokerage	0.01	0.32
Security expenses	0.30	0.16
Property tax	0.08	0.06
Bad Debt written off	0.48	-
Other general expenses	3.88	5.66
Charity & donation	0.03	0.08
Total	51.03	30.32

(b) The Group has taken warehouse/office premise on operating lease. The disclosures as per AS-19 are given as under:

(i) ₹ 3.10 crore has been debited to the statement of profit and loss (Previous year ₹ 0.91 crore).

(ii) Details of future lease payments:

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Year up to 1 year	3.16	2.99
Years later than 1 year and not later than 5 years	9.27	12.34
Years later than 5 years	NIL	NIL

Note No. 29 – EXCEPTIONAL ITEMS

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Loss on sale of fixed assets (net)	(0.05)	(0.13)
Excess provision written back	4.34	0.14
Total	4.29	0.01

Note No. 30 – PRIOR PERIOD ITEMS

(₹ in crore)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Legal & professional charges	0.03	0.02
Service Charges	0.72	–
Application fee/Misc Income	(0.32)	(1.70)
Others	–	(0.01)
Total	0.43	(1.69)

Note No. 31 – EARNINGS PER EQUITY SHARE

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Opening equity shares (Nos. in crore)	29.60	29.50
Equity shares issued during the year (Nos. in crore)	–	0.10
Closing equity shares (Nos. in crore)	29.60	29.60
Weighted average number of equity shares used as denominator for basic earnings (Nos. in crore)	29.60	29.54
Weighted average number of equity shares used as denominator for diluted earnings (Nos. in crore)	29.60	29.55
Net profit after tax used as numerator (Amount in ₹ crore)	360.84	198.28
Basic earnings per share (Amount in ₹)	12.19	6.71
Diluted earnings per share (Amount in ₹)	12.19	6.71
Face value per share (Amount in ₹)	10.00	10.00

Note No. 32 – OTHER INFORMATION

(a) The group is primarily in the business of power and investment. Trading of coal and Consultancy income have not been reported separately as the same being insignificant.

(b) The group is organized into following reportable segments referred to in Accounting Standard (AS-17) “Segment Reporting”:

(₹ in crore)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Segment revenue		
Power trading	11,400.86	8,862.76
Investment	541.51	281.54
Unallocated	205.28	68.95
Revenue from operations	12,147.65	9,213.25

(₹ in crore)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Segment profit/(loss) before tax		
Power trading	316.61	170.25
Investment	285.12	156.55
Unallocated	37.36	20.83
Total profit before tax	639.09	347.63
Less: Tax Expenses	192.06	105.01
Profit after tax	447.03	242.62
Add: Profit/(loss) of associates	(5.22)	(4.43)
Add: Profit on sale of investment	0.06	–
Less: Minority interest	(81.03)	(39.91)
Net profit after tax	360.84	198.28

(₹ in crore)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Segment assets		
Power trading	2,227.75	2,332.37
Investment	5,371.57	2,858.25
Unallocated	1,075.30	780.55
Total assets	8,674.62	5,971.17

(₹ in crore)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Segment liabilities		
Power trading	1,136.47	1,102.50
Investment	3,974.22	1,632.30
Unallocated	120.94	115.05
Total liabilities	5,231.63	2,849.85

(₹ in crore)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Capital expenditure during the Year		
Power trading	1.67	2.99
Investment	7.02	0.87
Unallocated	0.01	0.02
Total capital expenditure	8.70	3.88

(₹ in crore)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Depreciation/amortization during the Year		
Power trading	7.49	8.08
Investment	1.03	0.19
Unallocated	0.02	0.03
Total depreciation/amortization during the Year	8.54	8.30

(₹ in crore)

Non cash expenses (other than depreciation/amortisation) during the year	Year Ended 31.03.2014	Year Ended 31.03.2013
Power trading	11.32	0.50
Investment	18.72	12.88
Unallocated	3.98	—
Total	34.02	13.38

(c) Commitments:

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013
Loan Financing	349.31	190.07
Share of estimated amount of contracts remaining to be executed on capital account and not provided for of Group/associate companies.	131.65	121.45
Equity subscription	—	52.44

(d) Details of contingent liabilities:

(i) Claims against the Group not acknowledged as debt:

(₹ in crore)

Particulars	As at 31.03.2014	As at 31.03.2013	Remarks
Claims of suppliers	132.38	128.56	Claims of suppliers include (a) ₹ 84.95 Crore pertaining to claim of Himachal Pradesh State Electricity Board. The arbitrator concluded the arbitration in favour of PTC on 31.10.2008, however HPSEB has contested the award in the High Court of Himachal Pradesh. (b) ₹ 43.28 Crore pertaining to compensation bills raised by Gujarat Urja Vikas Nigam Limited (GUVNL). GUVNL filed a petition before GERC for direction of payment. GERC passed order against PTC. PTC filed an appeal before APTEL which had directed PTC to deposit 50% of the amount (₹ 20.48 crore) determined GERC. Presently, arguments have been concluded and order has been reserved by APTEL.
Income tax demands	46.35	16.84	
Guarantees given/investment pledged by associate companies	99.94	99.94	
— outstanding against above	16.87	16.42	
Custom Duty	17.16	10.61	
Estimated management fee/other expense	1.51	0.47	Group share in estimated management fee/other expense of Associate Companies.
Corporate Guarantee and counter guarantee	35.16	1.89	Group share in corporate guarantee and counter guarantee in Associates Companies

(ii) Bank guarantees:

(₹ in crore)

As at 31.03.2014	As at 31.03.2013
993.62	278.62

*includes ₹ 0.49 crore (Previous Year ₹ 0.49 crore) share in associate's bank guarantees

(e) 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" notified under Companies (Accounting Standards) Rules, 2006.

(₹ in crore)

Name of Related Party	Influence	Nature of Transaction	Year ended 31.03.2014	Year ended 31.03.2013
NTPC Limited.	Significant Influence	Director sitting fees to nominee directors	0.03	0.03
		Conference Fee	0.004	0.002
Power Grid Corporation of India Limited.	Significant Influence	Meter installation charges	—	0.01
		Director sitting fees to nominee directors	0.02	—
		Services received (wheeling charges)	0.15	0.14
Power Finance Corporation Limited	Significant Influence	Director sitting fees to nominee directors	0.01	0.01
		Pledging of shares (Refer note no.13 b)		
NHPC Limited	Significant Influence	Director sitting fees to nominee directors	0.01	0.02
		Electricity traded through IEX	10.42	324.30
		Services charges (IEX) (excluding service tax of ₹ 0.02 crore, Previous year ₹ 0.55 crore)	0.17	4.43
Varam Bio Energy Private Limited	Associates	Provision for diminution in investment in debenture	2.14	2.14
		Loan financing written off	61.78	—
Krishna Godavari Power Utilities Limited	Associate	Equity contribution against share application money	0.002	18.05
Athena Energy Ventures Private Limited	Associate	Director sitting fees for nominee directors	0.01	0.01
		Payment of expenses by associate on behalf of the Company	0.0002	0.002
RS India Global Energy Limited	Associate	Provision for diminution in investment in equity	3	—

Key Management Personnel

(₹ in crore)

Name of Key Management Personnel	Position	Nature of Transaction	Year ended 31.03.2014	Year ended 31.03.2013
Mr. T.N.Thakur*	Chairman & Managing Director	Directors remuneration	—	1.02
		Amount received on sale of asset.	—	0.004
Mr. Deepak Amitabh**	Chairman & Managing Director	Directors remuneration	0.79	0.66
Mr. S. N. Goel***	Director	Directors remuneration	0.51	0.27
Mr. Rajender Mohan Mall****	Managing Director	Directors remuneration	0.29	—
Mr. Ashok Haldia	Director	Directors remuneration	0.58	0.60
Mr. Pawan Singh	Director	Directors remuneration	0.49	0.49
Mr. Arun Kumar	Director	Directors remuneration	0.49	0.39

*ceased to be director on 11 October, 2012

**acted as director till 15 October, 2012 and appointed as CMD w.e.f. 16 October, 2012

***ceased to be director on 20 January, 2014

****appointed as director on 27 September, 2013

Investment balances outstanding at the balance sheet date without considering provision for diminution

(₹ in crore)

Name of the company	Relationship	As at 31.03.2014	As at 31.03.2013
Athena Energy Ventures Private Limited	Associate	155.44	155.85
Krishna Godavari Power Utilities Limited	Associate	37.55	37.55
PTC Bermaco Green Energy Systems Limited (Sold on 31 March, 2014 and ceased to be an associate)	Associate	—	1.31
RS India Wind Energy Private Limited (formally known as R.S. India Wind Energy Limited)	Associate	47.37	52.58
Varam Bio Energy Private Limited	Associate	4.39	4.39
RS India Global Energy Limited	Associate	22.89	22.90

Investment in debentures at the balance sheet date without considering provision for diminution

(₹ in crore)

Name of the Company	Relationship	As at 31.03.2014	As at 31.03.2013
Varam Bio Energy Private Limited	Associates	4.29	4.29

Loan Financing at balance sheet date without considering provision for diminution

(₹ in crore)

Name of the Company	Relationship	As at 31.03.2014	As at 31.03.2013
Varam Bio Energy Private Limited	Associates	—	0.62

Balance Outstanding

(₹ in crore)

Name of the company	Relationship	Nature	As at 31.03.2014	As at 31.03.2013
NHPC Limited	Significant Influence	Balance payable	0.25	3.07
NTPC Limited	Significant Influence	Balance payable	0.004	0.00
Athena Energy Ventures Private Limited	Associate	Balance recoverable	0.002	0.001

(f) (i) In accordance with the accounting policy, the surcharge recoverable on

late/non-payment of dues by sundry debtors is accounted for on receipt basis. Correspondingly surcharge liabilities on late/non-payments to the suppliers, in view of the matching concept, is not being recognized in the accounts. The estimated liability in this regard, however is lower than the Group's claims from its sundry debtors.

(ii) During the year, the Group has received surcharge of ₹ 206.43 crore (previous year, ₹ 12.53 crore) from sundry debtors on amounts overdue on sale of power which has been included in "Revenue from operations". Correspondingly surcharge expense of ₹ 68.02 crore (previous year, ₹ 1.15 crore) paid/payable to sundry creditors has been included in "other operating expenses".

- (g) Certain balances with parties are subject to confirmation.
- (h) 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.
- (i) During the year, the group has disinvested its equity stake in two companies viz., Meenakshi Energy Private Limited resulting in a profit of ₹ 82.17 Crore and PTC Bermaco Green Energy Systems Limited sold at par.
- (j) Pursuant to the notification dated 29 December, 2011 issued by the Ministry of Corporate Affairs amending the Accounting Standard 11, the group has exercised the option as per Para 46A inserted in the Standard for all long-term monetary assets and liabilities. Consequently, an amount of ₹ 25.47 Crore (gross of tax) is remaining to be amortised in 'Foreign Exchange Monetary Item Translation Difference Account' as at 31 March, 2014.
- (k) The previous year figures have been reclassified/regrouped/rearranged to conform to this year classification, wherever necessary.

As per our report of even date attached
For K G Somani & Co.
Chartered Accountants
Firm Regn. No. 006591N

(Bhuvnesh Maheshwari)
Partner
M.No.088155

Date: May 24, 2014
Place: New Delhi

For and on behalf of the Board of Directors

(Dipak Chatterjee)
Director
DIN 03048625

(Arun Kumar)
Executive Director & CFO

Date : May 24, 2014
Place : Srinagar

(Deepak Amitabh)
Chairman & Managing Director
DIN 01061535

(Rajiv Maheshwari)
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1.	Name of the Company	PTC India Financial Services Limited	PTC Energy Limited
2.	No. of Shares held by PTC India Limited	337,250,001	55,000,000
	Face value	₹ 10 each	₹ 10 each
3.	Extent of Holding	60%	100%
4.	Financial Year of the Subsidiary ended on	31 March, 2014	31 March, 2014
5.	The net aggregate amount of Profits/(Losses) of the subsidiary companies for the current year so as far as these concern the member of Holding Company		
	(a) Dealt with or provided for in the accounts of Holding Company:	NIL	NIL
	(b) Not dealt with or provided for in the accounts of Holding Company:	124.63	0.98
6.	The net aggregate amount of Profits/(Losses) of the subsidiary companies for previous financial years of the Subsidiary so as far as these concern the member of Holding Company		
	(a) Dealt with or provided for in the accounts of Holding Company:	13.49	NIL
	(b) Not dealt with or provided for in the accounts of Holding Company:	183.98	11.63

For and on behalf of the Board of Directors

Dipak Chatterjee
Director
DIN 03048625

(Deepak Amitabh)
Chairman & Managing Director
DIN 01061535

(Arun Kumar)
Executive Director & CFO

(Rajiv Maheshwari)
Company Secretary

Date: 24 May, 2014
Place: New Delhi

PTC INDIA LTD.

CIN: L40105DL1999PLC099328

Regd. Office: 2nd Floor, NBCC Tower, 15 Bhikaji Cama Place New Delhi - 110 066

Tel: 011-41659127, 41659128, 41659500. Fax: 011-41659126

E-mail: info@ptcindia.com Website: www.ptcindia.com

ATTENDANCE SLIP

15th Annual General Meeting- 26th September 2014

Regd. Folio no. / DP Client ID

No. of shares

I certify that I am member / proxy for the member of the company.

I hereby record my presence at the 15th Annual General Meeting of the Company to be held on 26th September, 2014 at 03:00 p.m. at Dr. SR KVS Auditorium (Dr. Sarvepalli Radhakrishnan Auditorium), Kendriya Vidyalaya No. 2, APS Colony, Delhi Cantt, New Delhi- 110010.

.....
Name of member / proxy
(in BLOCK Letters)

.....
Signature of member / proxy

Note: Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint holders may obtain attendance slip on request.

PROXY FORM

Pursuant to section 105(6) of the Companies Act,2013 and rule 19(3) of the Companies (Management and Administration) Rules,2014

PTC INDIA LTD.

CIN: L40105DL1999PLC099328
Regd. Office: 2nd Floor, NBCC Tower, 15 Bhikaji Cama Place New Delhi - 110 066
Tel: 011-41659127, 41659128, 41659500. Fax: 011-41659126
E-mail: info@ptcindia.com Website: www.ptcindia.com

Name of the member (s):

Registered Address:

E-mail Id:

Folio No./Client ID:

DP ID:

I/We being the member(s) of shares of the above mentioned Company hereby appoint:

1. Name.....

Address.....

Email ID.....Signature.....or falling him/her:

2. Name.....

Address.....

Email ID.....Signature.....or falling him/her:

3. Name.....

Address.....

Email ID.....Signature.....or falling him/her:

as my/our proxy to attend and vote (on a Poll) for me /us and on my/our behalf at the 15th Annual General Meeting of the Company to be held on Friday, the 26th September 2014 at 3.00 PM at Dr. S R KVS Auditorium (Dr. Sarvepalli Radhakrishnan Auditorium), Kendriya Vidyalaya No. 2, APS Colony, Gurgaon Road Delhi Cantt, New Delhi- 110010 and at any adjournment thereof in respect of such resolutions as are indicated below:-

S. No.	Resolutions	For*	Against*
	ORDINARY BUSINESS		
1.	Adoption of Financial Statements for the year ended 31st March 2014		
2.	Declaration of dividend for FY 2013-14		
3.	Re-appointment of Shri Mukesh Kumar Goel (DIN 00239813) who retires by rotation		
4.	Re-appointment of Shri Ravi Prakash Singh (DIN 05240974) as Director who retires by rotation		
5.	Re-appointment of Shri Srinivasan Balachandran (DIN 01962996) as Director who retires by rotation		
6.	Appointment of M/s K.G. Somani & Co. as Statutory Auditors of the Company		
	SPECIAL BUSINESS		
7.	Appointment of Smt. Jyoti Arora as Non Executive Nominee Director		
8.	Appointment of Shri Dinesh Prasad Bhargava as Non Executive Nominee Director		

Signed this.....day of.....2014

Signature of Shareholder.....

Signature of Proxy holder(s).....

Affix
Revenue
Stamp

Notes:

The instrument of Proxy in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not later than 48 hours before the commencement of the meeting.

For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 15th Annual General Meeting.

It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

PTC INDIA LTD.

CIN: L40105DL1999PLC099328

Regd. Office: 2nd Floor, NBCC Tower, 15 Bhikaji Cama Place New Delhi - 110 066

Tel: 011-41659127, 41659128, 41659500. Fax: 011-41659126

E-mail: info@ptcindia.com Website: www.ptcindia.com

Format of Application for payment of dividend through ECS

MCS Ltd.,
F-65, Okhla Industrial Area, Phase I
New Delhi 110020

Unit - PTC

DPID no. - Client ID no. / folio no.

Name of the shareholder: _____

Re: Payment of Dividend through ECS

Dear Sir,

I hereby give the company my mandate to credit my dividend on the shares held by me under the aforesaid details directly to my bank account through the Electronic Clearing Service. The details of the bank account are given below:

Name of the Bank	
Bank Branch Name	
Account Type (Savings/Current/O.D/Cash Credit)	
Account Number (As appearing on the cheque book)	
Ledger Folio no. (if any, as appearing on the cheque book)	
*Code number of the bank & branch	
Contact Tel. No. (if any)	

(Please attach a photocopy of the cheque or a cancelled bank cheque of the aforesaid account)

Yours faithfully

(Signature of the first/sole shareholder)

(*9 digit number appearing on the MICR cheques issued to you by the bank i.e. the code located immediately adjacent to the specific cheque number)



PTC India

PTC INDIA LIMITED

(Formerly known as Power Trading Corporation of India Ltd.)

CIN: L40105DL1999PLC099328

Regd. Office: 2nd Floor, NBCC Tower,

15 Bhikaji Cama Place New Delhi - 110 066

Tel: 011-41659127, 41659128, 41659500. Fax: 011-41659126

E-mail: info@ptcindia.com Website: www.ptcindia.com