CMD's Speech for 14th AGM

Ladies and Gentlemen,

On behalf of the Board of Directors of your company, it is my pleasure to welcome you all to the 14th Annual General Meeting of PTC India Ltd. At the outset, I would like to thank all of you for the confidence reposed by you in your company. It is your confidence alone that has enabled us to remain the market leader and grow from strength to strength every year.

I take pride in the fact that your company has completed another successful year of operations maintaining the leadership position in power trading market.

The company's accounts for the year ended 31st March 2013 along with Directors' and auditors' report have already been circulated to you. With your permission, I would like to take them as read.

Global and Domestic Economy Outlook

We have been through an eventful, if turbulent, year. After the financial meltdown, it was the European economic crisis that took over the world economy last year. In this era of globalization, the Indian economy was also not spared from the effects of these events. GDP growth rate slipped to a decade low of 5%. However, the long term prospects of Indian economy are strong. The fundamentals like favorable demographics, increasing consumption base, rising incomes are expected to remain broadly intact over medium to long term. The most important need for India is to strengthen its infrastructure sector, particularly energy.

Power Sector Outlook

In the past few months, the government has engaged with all stakeholdersto revive stalled projects and address the important issues of power sector. The country added ~20623 MW of generation capacity in FY13 against the target of ~17956. Private sector exceeded its target by more than 55%. This shows that we have not lost the momentum of capacity addition seen in the terminal year of 11th plan.

To improve the financial health of utilities, the Government has unveiled a well designed Financial Restructuring Package. To have more and more States on board this scheme, deadline has been extended twice. Also, most of the States have revised their tariffs in past one year. During FY 13 there were tariff increases in 17 States ranging between 5 to 33%.

Formation of Cabinet Committee on Investments (CCI) in Dec'12 to grant necessary approvals to stalled projects in want of various clearances is a positive step. Government has also firmed up its mind on introducing a Coal Regulator in the country. Recent CERC orders regarding petitions filed by Adani Power Ltd. and Tata Power Ltd. for revision of tariffs of their respective projects located in Mundra, Gujarat is also a positive step for the sector as it will make these projects financially viable. The matters will also lead case law pertaining to similarly placed projects.

Operational Performance FY 2012-13

I am happy to report that the performance of your company for the year 2012-13 has been robust. Let me share some of the highlights of previous year with you.

The year has seen your company touching an all time high electricity trading volume – 28.6 BUs as compared to 24.3 BUs in FY12. This means a healthy growth of 18% year on year. Our trade on power

exchange grew by 84% to 6.6 BUs which is more than the growth of power exchange market itself. As you are aware, PTC has been working on two projects on 'power tolling' arrangement for quite some time. I am happy to inform you that these projects have come on stream and we have started trading electricity from these projects. In FY13, tolling projects contributed 952 MUs to the total volume.

The Company registered healthy growth in financial parameters as well. Revenue for 2012-13 stood at INR 8857 crore as compared to INR 7650 crore in 2011-12. Profit after Tax (PAT) was INR 129 crore against INR 120 crore in FY12.

Dividend

Given the noteworthy performance of the company in 2012-13, your Board of Directors have recommended dividend of Rs. 1.60/- per equity share of Rs. 10 each.

Group Financial Performance

Our two subsidiaries PTC India Financial Services Ltd. (PFS) and PTC Energy Ltd. (PEL) continue to show remarkable growth year by year.

PFS delivered superior results on the back of high yields on one hand and optimal cost of funds on the other. The PAT for FY13 stood at INR 104 crore as compared to INR 154 crore in FY12. PAT was higher in 2011-12 due to sale of equity investments. If we exclude the sale of equity investments, PAT have grown by 111% year on year. The company is also judiciously growing its loan book while maintaining nil NPAs. At the end of FY13, the effective term loans sanctioned by the Company aggregate to almost Rs.10,000 crores, supporting capacity creation of more than 30,000MW in power sector. After getting the IFC status in 2010, PFS is now diversifying its portfolio to other infrastructure sub-sectors. Recently PFS has sanctioned loans for infrastructure facilities like development of private railway sidings, development & operations of coal mines and power transmission projects.

Our other subsidiary, PEL was set up to undertake various activities related to the business of power generation, sale and purchase of all form of energy including coal/ fuels and other allied works. During FY 2012-13, PEL imported and sold 0.79 million MT of coal as against 0.42 million MT in FY 2011-12. The coal revenues for the year increased to Rs. 247.02 crore compared to Rs. 160.85 crore during the previous year, thus recording a growth of 53.57%. The profit before tax has increased by 199% during the current year to Rs. 12.81 crore from Rs. 4.28 crore in FY 2011-12.

Power Market

The market for Short-term (ST) trades in power grew by a modest 5% YoY to ~99 Billion Units (BUs) in FY13. Much of this growth was due to growth in volumes on Power Exchanges which registered a combined growth of 55% in the Day Ahead Market (DAM). Bilateral (traders + TAM) segment volumes remained almost stagnant but still constitute 37% of the total ST market. The grid disturbances of July'12 had a positive impact on ST market as the Unscheduled Interchange (UI) volume dropped by 11% from last year. However, it still constitutes 25% of the ST market. Direct Bilateral component of the market also reduced by 6% YoY. After being criticized by system operator and various other bodies for relying on UI, States resorted to power exchanges for their immediate/day ahead demand. This explains the high growth in volume on Power Exchanges and drop in UI volume.

As compared to previous year where not much Case-1 tenders were issued by State Utilities, this year has seen progress on the Case-1 Competitive Bidding Process, wherein long term and medium term

tenders were invited by various State utilities. Uttar Pradesh floated Case-1 tender for procurement of 6000 MW capacity on long term basis, whereas Tamil Nadu and Rajasthan floated Case-1 tender for procurement of 1000 MW each on long term basis. Further, Andhra Pradesh, Madhya Pradesh and Kerala floated Case-1 tender for procurement of 2000 MW, 500 MW and 300 MW capacities on medium term basis. Your company had participated in the above said tenders with cumulative capacity of 4379 MW.

Short-term Trading

Years of your company's sustained focus on short term trade have resulted in the company retaining its market leadership. This has been possible by managing key portfolios of some states, transactions on power exchange, focus on captives and energy banking transactions. PTC Retail, started in FY12 to cater to the needs of industrial consumers, has rapidly spread across various states like Punjab, Haryana, Rajasthan, Jammu & Kashmir, Gujarat, Himachal Pradesh, Andhra Pradesh, Tamilnadu, Karnataka, and Kerala. Within a short span of time PTC Retail has added more than 250 clients ranging from both public and private sector that includes clients like NHPC, Hindustan Copper, Coca-Cola, Binani Zinc, Apollo Tyres, JK Tyres, Hindustan Copper Ltd, DCM Shriram, Grasim and more.

Long-term Trading

As part of our strategy to offer a responsive mix of products to consumers, your company has laid focus on the areas of Long Term and Medium Term trading of power. Long term trade of power entails benefit in terms of credit and risk mitigation. PTC's strength has been long term PPAs with Independent Power Producers (IPPs). The projects with whom we have entered into PPAs are strategically located across the country.

Your companies' volumes increased in both short-term as well as long-term markets for power when compared to last year. In the coming few years, many projects with PPA with us are coming on stream. This will increase the share of long-term trade in our overall portfolio.

Renewable Energy

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 212000 RECs in FY13 which is more than 2.5 times the volume traded in FY12 (~60000 RECs).

Talent Management

In a dynamic market for talent, your company has made a conscious approach to attract and nurture people with the aptitude to meet the current and future organizational needs.

It has been a pleasure to lead a team of highly talented and motivated people at PTC who are committed to achieving our organization's vision. I am sure that their contributions will continue to take us to greater heights in the future.

Corporate Social Responsibility

Creating a sustainable business through the best possible relationships with our various stakeholders has been our underlying philosophy. While conducting business your company takes into account the impact it will have in contributing to the economy, as well as society. We look at environment and human development aspects of the wider community. PTC has worked with social communities to try and create a positive impact in their lives. We believe our actions today will positively influence the lives of future generations.

PTC is proud to discharge its duties to the community and society.

Acknowledgement

Before I conclude, I would like to thank all our valued customers, both domestic and international, for their unstinted support at all times.

The company's quest for continuous value creation would not have been possible but for the support received from all our customers, business associates, shareholders and members of the Board. I take this opportunity to express my sincere thanks to the Ministry of Power and the Ministry of External Affairs, Government of India, our original promoter companies namely NTPC, POWERGRID, PFC and NHPC, the financial institutions and banks for their encouragement and support to the Company and our collaborators for their help and assistance. Their active involvement has been a source of great encouragement and inspiration. I am grateful to them for their continued confidence in the management and expect to receive their full support in augmenting our future plans and strategies.

I once again thank you for being with us this afternoon.

(Deepak Amitabh)

Date: 19th August 2013

Place: New Delhi