



PTC India Financial Services Limited

Date: - 29th September, 2011

The Listing Deptt.
Deptt. Of Corporate Relations
The Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai.,
Fax- 022-22722037/39/41/61/3121/22723719

The Listing Deptt.
National Stock Exchange of India Limited
Exchange Plaza,
C-1, Block G,
Bandra - Kurla Complex,
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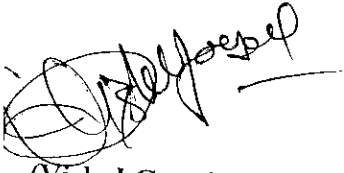
Subject: - Information about resolutions passed at the 5th AGM

Dear Sir

5th Annual General Meeting of members of PTC India Financial Services Limited was duly held on 28th September, 2011 and all the resolutions as per the notice of meeting were duly passed with the requisite majority as per provisions of Companies Act, 1956.

Thanking You,

Yours faithfully


(Vishal Goyal)
Company Secretary

(A subsidiary of PTC India Limited)

1st Floor, NBCC Tower, 15 Bhikaji Cama Place, New Delhi - 110 066, India. Tel: 41 659500 Fax: 41 659144 41 595155



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Subject: - Chairman's Speech of PTC India Financial Services Limited

Dear Sir

5th Annual General Meeting of members of PTC India limited was held on Wednesday 28th September, 2011 at 11:30 a.m. Kindly find enclosed the Speech given by Chairmen of PTC India Financial Services Limited at the AGM.

Thanking You,

Yours faithfully


(Vishal Goyal)
Company Secretary

Enclosure: As Above

(A subsidiary of PTC India Limited)

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CHAIRMAN'S ADDRESS

Ladies and Gentlemen,

1. I am extremely delighted in welcoming you to the fifth Annual General Meeting of PTC India Financial Services Limited (PFS).

General Overview

2. Building upon the growth momentum of the preceding years, the financial year 2010-11 has been a happening year for PFS both in terms of quantum and quality of growth. During the year, PFS received the status of Infrastructure Finance Company (IFC) from Reserve Bank of India (RBI), issued its first long-term Infrastructure Bonds, completed its Initial Public Offer (IPO) despite the adverse capital market conditions, and concluded External Commercial Borrowings (ECB) with Deutsche Investitions – und Entwicklungsgesellschaft mbH (DEG), and International Finance Corporation. All this is in translation of the promises that PFS made at the end of the last Annual General Meeting.
3. The Eleventh five year plan contemplated additional generation capacity of 1,00,000 MW by March 2012. The plan accordingly envisaged additional investment of ` 10,31,600 crores for growth and development power sector during the plan period. Private sector was expected to contribute 1/3rd of the additional investment. This was indeed a gigantic task. Private sector's participation needed specialized financial institutions which are not only able to raise additional resources required for supporting private power initiatives, but also to innovate new products and services conforming to the distinguishing needs of private power projects. Committed to the development of power market and incentivizing the private investment in power sector, PTC India Ltd. (PTC) promoted PFS to act as a one stop provider of financial services, to begin with to private power projects.
4. Your company was envisioned to be the most preferred financial services partner in the entire energy value chain and over the period has shaped itself into a fully grown financing institution. More than growth in operational and financial performance, this has been manifested through the institutional and capacity development within PFS, development of product and services along the entire value chain and creation of a network of relationships and strategic tie-ups with various stakeholders. With strong parentage of PTC, business model of your company is unique in itself. Structured as a NBFC, it is the only financing institution in the country that is devoted to private power projects and providing debt and equity linked products over life cycle of the projects. Recognition by RBI as Infrastructure Finance Company puts PFS into the league of select few NBFCs

` 10,176.94 million as compared to ` 6,359.37 million at the end of FY 2009-10. Viewed in the past, net worth of the company was only ` 1,105.82 million at the end of the year 2007-08.

“Always bear in mind that your own resolution to success is more important than any other one thing.” - Abraham Lincoln

8. Mobilization of resources from capital market as well as financial institutions, banks and others has been very difficult for private power projects in the year 2010-11. While the capital market almost remained dried for power projects for most part of the year 2010-11, raising of debt remained difficult because of rising interest rates and limitations on exposure norms of banks for lending to power projects. This delayed financial closure of many power projects. Tighter monetary control measures taken by RBI in the wake of rising inflation has led various commercial banks to increase their base rates from time to time in aggregate in the range of 2 – 3%. This has further burdened the viability of power projects.

9. From PFS's perspective, commercial banks were initially a major source of financing for on-lending. PFS, however, continued to focus on diversifying its fund base to include cost effective resources like NCDs, Infrastructure Bonds, External Commercial Borrowing (ECB) and short-term borrowings to meet growing disbursement obligations. PFS could manage to maintain, rather reduce, its average cost of borrowing through successful persuasion with the banks for lowering the spread charged by them over base rate, focusing on alternative sources of funding and efficient management of treasury. Efforts to further reduce the average cost of borrowing would intensify in the year 2011-12 so that we are able to provide funding to power projects at highly competitive rates while maintaining spread.

Economy

10. Indian economy is passing through a phase of uncertainty amidst high inflation, rising prices and higher interest rates. The economic (GDP) growth rate in the first quarter of the year 2011-12 has declined to 7.7% compared to 8.5% during the year 2010-11. Three years after the financial crisis of 2008, global economy is not yet out of the woods. Fear of recession in US and sovereign debt crisis in Euro-zone would have wide ranging effect on economic growth rate in developed economies and, through contagion effect, on the emerging economies. As the global economic crisis unfolds itself to a clarity and is subjected to a global recovery effort, the growth rate of the Indian economy may further moderate to remain in the range of 7 – 7.5%. However, India may still continue to remain to be one of the fastest growing economies worldwide and a preferred

framework provided under the Electricity Act 2003, are heartening to note. In our view, prospects for the power sector in India continue to hold great promise. The Indian growth story looks positive in the long term which will lead to higher economic activities. Higher economic growth would necessitate commensurate additional capacity creation in the power sector.

14. Limitations on the supply of coal and global concerns on climate change would also lead to much more focused efforts for harnessing the renewable energy potential that the country has. The current installed capacity of renewable energy is only 15 GW as against technical potential of 120 GW. The national action plan on climate change envisage 10% of power production in the country through solar, wind and other renewable sources by 2015, and 15% by 2020. Regulatory, fiscal and monetary initiatives taken in the recent times would help tapping the potential for additional investment of more than ` 5 trillion in the renewable energy space.

Future outlook

“We should be taught not to wait for inspiration to start a thing. Action always generates inspiration. Inspiration seldom generates action.” - Frank Tibolt

15. Considering the vast funding requirements across the energy value chain, there is tremendous potential for increase in the level of growth of operations of PFS over a period of time. PFS has been structured with a greater ability to develop and promote structured products linked to equity or debt, tailored to risk profile and needs of specific projects. Your company has internally institutionalized robust risk management systems and practices to address emerging project and sector specific risks. PFS has an added advantage of being an institution exclusively devoted to provide financial assistance to IPPs with patronage of the largest power trader in the country i.e. PTC. This helps in having domain expertise in power projects and access to pipeline of projects for financing. New vistas of opportunities for PFS for getting recognised as public financial institution and for raising resources through emerging avenues like Infrastructure Debt Fund would give newer dimensions to the growth profile of PFS. Despite not so good investment climate in power sector in India, your company has been able to maintain the growth level. Unique business model of PFS has led to a significant pipeline of projects for financial assistance. This apart, focus on fee based services including consulting assignments has increased.

16. Your company has also started to explore opportunities for financing activities in other areas of energy value chain like port development, equipment manufacturing, coal mining and related areas. This would also help diversify the portfolio risk of your company amidst current concerns on