

Date: - 19th August, 2013

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Deptt. Of Corporate Relations
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National Stock Exchange of India Limited
Exchange Plaza,
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Mumbai -51 Fax-022-26598237/38 - 022-26598347/ 48

Dear Sir

Subject: - Information about proceedings of the 7th AGM and Chairman's speech.

7th Annual General Meeting of PTC India Financial Services Limited has been duly held today i.e. on 19th August, 2013 and all the resolutions as per the notice of AGM (including addendum notice dated 3rd August, 2013) have been duly approved by the shareholders with the requisite majority including the resolution related to declaration of dividend as recommended by the Board of Directors.

Also find enclosed a copy of speech given by Chairman at the AGM.

Thanking You,

Yours faithfully



(Vishal Goyal)
Company Secretary

(A subsidiary of PTC India Limited)

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Chairman's Speech

Ladies and Gentlemen,

On behalf of the Board of Directors of your Company, it is my pleasure to welcome you all to the 7th Annual General Meeting of PTC India Financial Services Limited (PFS). At the outset, I would like to thank you all for the confidence reposed by you in your Company. It is your confidence that has enabled us to grow year on year. I am happy to share that financial year 2012-13 saw a huge surge in lending operations of the Company.

The Financial Statements for the year ended 31st March 2013 along with the Directors' Report and Auditors' Report have already been circulated to you. With your permission, I would like to take them as read.

General Overview

Power is a critical resource and a thriving power sector is crucial prerequisite for the sustained growth and development of any economy. The installed generation capacity in India is the fifth largest in the world whereas its energy-mix comprises of both non-renewable (coal, lignite, petroleum and natural gas) and renewable energy sources (wind, solar, small hydro, biomass, cogeneration, bagasse etc). The policy landscape in India has progressively evolved and has led to changes in the power sector, commencing with the passing of the Electricity Act 2003. The sector has drawn in a lot of entrepreneurial talent and investments since then leading to a vibrant admixture of integrated power producers, distribution utilities and support industries catering to power sector capital goods. India recorded a capacity addition of about 23,466 MW during FY2012-13 taking its total installed power generation capacity to about 223,343 MW as at 31st March 2013.

As India urbanizes, there will likely be a commensurate increase in the energy requirement of the country due to changes in lifestyle, consumption patterns and its consumer base that will call for investments in creating additional capacities across the spectrum of the power value chain. India aims to add 88,000 MW by the end of the 12th Five-Year Plan, where almost three-fifths of capacity is expected to be built by private companies. The share of private sector investment in new capacity addition increased from about 9.1% in the 10th Plan to 41.9% in the 11th Plan.

Rs.58.17 million during 2012-13 from Rs.44.14 million in 2011-12, whereas, the other expenses reduced to Rs.201.82 million during FY2012-13 from Rs.237.24 million in 2011-12, thereby recording a decrease of 15%. The total expenditure during the year 2012-13 increased to Rs.1,312.33 million from Rs.1,055.58 million in 2011-12, an increase of 24%. The Company has transferred an amount of Rs.208.31 million during the year to Statutory Reserve in accordance with the requirements of Section 45-IC of the Reserve Bank of India Act, 1934 and has transferred a sum of Rs.200 million to a reserve created under Section 36(1)(viii) of the Income Tax Act, 1961 in order to achieve tax efficiencies. The Board of Directors of the Company has recommended a dividend @ 4% i.e. Rs.0.40 per equity share of Rs.10/- each for the financial year 2012-13.

The amount of debt assistance sanctioned during FY2012-13 aggregated to Rs.37,361 million compared to Rs.36,923 million in FY2011-12. The disbursement of debt during 2012-13 was quite robust at Rs.13,000.71 million compared to Rs.6,241.75 million in 2011-12. The disbursements in equity investments aggregated to Rs.102.64 million during 2012-13 compared to Rs.224.62 million in 2011-12. The aggregate debt assistance sanctioned as at 31st March 2013 stands at almost Rs.100,000 million. The loan portfolio of the Company is well diversified and includes projects such as thermal, renewable, EPC, power transmission projects, coal mines and railway sidings. PFS gives utmost priority to realization of amounts due towards principal and interest and, recovered loans aggregating to Rs.2,812.65 million and realized interest of Rs.2,340.17 million during the year.

The Company has diversified its fund base to increasingly include the cost effective resources such as external commercial borrowings, infrastructure bonds and short term borrowings to meet its loan disbursement obligations. The cost advantage offered by diversified borrowings portfolio helped the Company in lowering its overall cost of funds to 8.31% in FY2012-13 from 10.13% during FY2011-12. The Company is focused to further optimize its cost of funds and at the same time realizes the need to manage the volatility in foreign exchange rates. In line with the same, PFS has executed external commercial borrowing (ECB) agreement with International Finance Corporation (IFC) for borrowing up to USD 30 million on fully hedged basis at fixed interest rate.

PFS continues to have in place a comprehensive risk management framework and is continuously working to upscale the same to match the organizational and operational growth. PFS has adopted an Environmental and Social Management System (ESMS) appropriate to its applicable investment portfolio of projects and the same has also been

Since the formulation of Electricity Act 2003, The Government of India (GoI) has been taking several initiatives to strengthen the sector. Significant initiatives in recent times pertain to revised tariff regulations, competitive bidding for power generation projects, tariff norms for renewable energy / introduction of Renewable Energy Certificates, introduction of generation based incentive etc. While the importance of renewable energy projects is increasing, reducing the AT&C losses also remains critical for sustainable growth of the sector.

The debt restructuring package is being adopted by few states which would ensure that repayment of principal and interest would be secured. The restructuring package makes it imperative for utilities to embark on reforms agenda and stipulates conditions like adjustment of fuel costs on a quarterly basis, timely tariff revision and advance payment towards subsidy provided by states to agriculture sector electricity consumers. The implications of the restructuring are expected to be far-reaching. It is expected to improve the financial health of boards, which in turn will ensure timely payments to utilities, and utilities in turn will be able to re-deploy funds into new projects, and the provision to increase tariffs will benefit the sector.

Appreciation

I would like to sincerely thank and place appreciation on behalf of Board of Directors of the Company and on my behalf for PTC India Limited – the holding Company, Ministry of Power, Ministry of Finance, Reserve Bank of India, SEBI, NSE, BSE, investors, banks, financial institutions and the esteemed promoters of our assisted projects for their continued support and confidence. I also extend my sincere thanks to my colleagues on the Board for their involvement and matured counsel. I would also like to acknowledge the contribution of employees of PFS for their hard work, professionalism and commitment towards the Company's performance. I would like to assure that in coming years, the Company would continue to remain committed to meet the expectations of all the stakeholders.

Thank you very much ladies and gentlemen.

Deepak Amitabh
Chairman