

## **CMD's Speech for 18<sup>th</sup> AGM**

Ladies and Gentlemen,

It is my privilege to welcome you all to the 18<sup>th</sup> Annual General Meeting of PTC India Ltd. I express my sincere gratitude to all of you for your trust and continued support. It is your unwavering belief in the company that has enabled us to continue to be market leaders and go from strength to strength every year.

The company's accounts for the year ending 31<sup>st</sup> March 2017 along with Directors' Report and the Auditors' Report have already been circulated. With your permission, I would like to take them as read.

### **Macro Outlook**

Navigating a challenging business environment coupled with suppressed business sentiment, your Company has managed double digit growth in FY17. Despite facing numerous macro economic headwinds in the past year, we have managed to resoundingly demonstrate the relevance of a pure play trader in the electricity industry.

We are now seeing the first tangible signs of group business strategies working in synergy; which has been the essence of our performance during the year. The small steps taken during the last three to four years are now converting to revenue flows and shareholder value. The foundations laid by your company and its subsidiaries over a long horizon are now showing up as reliable and worthwhile building blocks for the future.

### **Industry Outlook**

The power industry saw a 9.6% growth in installed capacity, which reached 326 GW at the end of the year. The major growth of 47% was witnessed in renewable capacity addition, which reached 57 GW at the end of the year. Transmission capacity added during the year was 26,300 ckms.

A subdued demand scenario persisted, due to a multiplicity of factors. The low demand also impacted the power market. The volume of power traded increased by a mere 3.47% to 119 BUs in FY17.

Going forward, while demand may stay suppressed in the near future, over the medium term we expect a revival in the same through an improvement in the macro economic environment, improving financial health of the Discoms, creation of inter state trading of renewables and through state level efforts to address stranded projects.

### **Operational Performance**

Your company maintained its leadership position with a market share of ~ 38%. During FY17, your company clocked an all-time high trading volume of 48.32 Billion Units (BUs), an increase of 14%. Of this 48.32 Billion Units (BUs) cross border transactions with Nepal, Bhutan and Bangladesh contributed 14% (i.e. 7.5 BUs).

**New Business Avenues:**

PTC Retail, set up to facilitate power supply to industrial and commercial consumers, has seen a growth of 37.7% this year with traded volumes of 17.9 BUs.

In addition, your company is also constantly expanding its footprint in the electricity industry through power portfolio management, consultancy services like technical advisory, energy audits, network maintenance and regulatory compliance advisory.

Some of the major clients we served during the year include TCS, Ultratech Cement, IOCL, BPCL, HPCL and Petronet LNG

**PTC In Renewable Energy Space:**

The government recently concluded the first ever auction of wind power and associated infrastructure for 1,050 MW and your company has been selected as the energy trading partner. We have executed related on sale arrangements for the entire quantum.

**Operational Performance of PTC Subsidiaries**

Your company's subsidiaries; PTC India Financial Services Limited (PFS) and PTC Energy Limited (PEL) are on a steady growth path.

PFS recorded a revenue of Rs 1351.8 Crore during FY17; a growth of ~14%. Profit After Tax for FY17 stood at Rs 345.3 Crore. Presently, more than 60% of its investment portfolio is in the renewable energy segment.

PEL was set up to develop an asset base of power projects and also fuel intermediation. As on March 31st 2017, PEL's portfolio has a total installed wind power capacity of 289 MW.

**Financial Performance of the Company**

Let me share some highlights of Financial Year 2016-17 of your company. This year your company's Profit After Tax is up by 15.6% to Rs. 270.02 Crores and Total Revenue registered an increase of 13% to Rs 14,312.82 Crores. Operating Margin is up by 7.6% to Rs. 377.13 Crores. The average trading margin (net of rebate, surcharge and tolling converted PPAs) realized was 4.8 Paisa/unit in FY17 as compared to 5 paisa/unit in FY16.

Your Board of Directors have recommended dividend @30% i.e. Rs 3 per Equity Share as compared to the dividend @25% i.e. Rs 2.50 per share in the previous year.

**Financial Performance of the PTC Group**

The consolidated turnover of the group is Rs. 15,513.47 Crores for the Financial Year 2016-17; a growth of 14%. The consolidated Profit After Tax of the Group increased by 11.6% to Rs. 466.29 Crores.

### **Corporate Social Responsibility**

As a responsible corporate citizen, PTC is committed to ensure its contribution to the welfare of the communities in the society where it operates, through its various Corporate Social Responsibility initiatives.

Your company along with Group Companies PFS and PEL has formed a Trust – “PTC FOUNDATION” for jointly undertaking various CSR initiatives in the areas of environment, sanitation and skill development.

### **Appreciation**

I wish to end with a note of thanks to our valued customers, both domestic and international for their continued support.

Your company would not have reached its current position without the encouragement & support received from all our shareholders and members of the Board. We also wish to express our gratitude to the Ministry of Power, Ministry of New and Renewable Energy and Ministry of External Affairs, Government of India, our promoters viz. NTPC, POWERGRID, PFC and NHPC, Financial Institutions and banks for their sustained support to the Company and its initiatives.

Let me conclude by quoting **Jack Welch** – *“An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage.”*

Let me assure you that team PTC is equipped to adapt to the emerging business environment and to work relentlessly to fulfill the expectations of your company's stakeholders.

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

(Deepak Amitabh)

Date: 25<sup>th</sup> September, 2017

Place: New Delhi