

**RTS POWER CORPORATION LIMITED**  
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**SPEECH OF THE CHAIRMAN IN 66<sup>th</sup> AGM**

**Ladies and Gentlemen ,**

At first let me welcome all of you to this **66<sup>th</sup> Annual General Meeting** of your Company and thank you for your kind presence here.

I take this opportunity to inform you in brief about the business and operations of your Company during the year ended on 31<sup>st</sup> March 2014.

During the year the total Revenue from Operations of your Company showed a significant improvement. The total Revenue from Operations during the year was Rs 142.90 Crores compared to Rs 102.93 Crores during the previous year. This is an improvement by about 39% amidst keen competition. Sale of Transformers and Cables & Conductors increased by almost 29% and 100 % respectively over that of last year.

This year your Company has made a marginal Profit Before Tax of Rs 14.70 Lakhs as against a Loss of Rs 3.07 Crores in last year inspite of continuous abnormal price hike of the major raw materials and cut throat competition resulting in lower selling prices. Your company, thus, has achieved better results this year despite all odds and adverse economic scenario.

However, the profitability achieved is disproportionately low considering the substantial increase in Revenue from Operations because of factors like lower selling prices, so also the margins and abnormal delay in payments by the Company's Customers resulting in increase in Debtors from Rs 67 crores in last year to Rs 87 Crores approximately this year ( an increase by about Rs 20 crores) .

Your Company could have saved the Interest Expenses on Bank Borrowings of an equivalent amount of Rs 20 Crores as said above had the Company's Customers paid such amount in time. By this, the Profit of your Company would have increased by Rs 2.60 crores , by saving alone the Bank Interest expenses on such overdue amount of Rs 20 crores .

Your Company's entire manufacturing and repairing activities in Eastern India are being carried out in your Company's new Factory at Dhulagori and further expansion is going on there on a continuous basis.

Your Company has been continuously exploring the possibility to develop Export market .Its continued effort in this regard was fruitful last year when it achieved an Export turnover of Rs 39 Lakhs to start with . This year your Company has made an Export Sales of about Rs 177 Lakhs , an increase of more than 350% over last year. Your Company expects further increase in Export Sales in coming years.

However, mushroom growth and unhealthy competition from various Transformer manufacturing Units in unorganized Sector is posing problems to organized Sector,like your Company, resulting in under utilization of production capacities and therefore, the selling prices are under pressure , so as the margins.

Your Company expects that sale of transformers to EPC/ Turnkey Contractors may increase this year and there may be a slight improvement in payment position by Customers in the current year over last year.

You have already seen from the Annual Report that your Directors have not recommended payment of any Dividend for the Financial Year 2013-2014 in view of a very small amount of Profit earned by the Company in the year and also considering overall future business prospect of the Company.

I have so far explained the practical problems, the Company is facing. Risks and threats are always there and the Management is fully aware and cautious of the same. The Management is making all efforts to tide over such problems and to run your Company as efficiently as possible.

I on behalf of myself and other Members of the Board wish you all very well.

Sd/- S . S.Jain  
**CHAIRMAN**  
29.09.2014.