

RTS POWER CORPORATION LIMITED
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SPEECH OF THE CHAIRMAN IN 68th AGM

Ladies and Gentlemen,

At first let me welcome all of you to this **68th 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 31st March 2016.

During the year under review, your Company's Revenue has fallen down to Rs 142.41 Crores (17% approx) over last year. Including other income, total Revenue has fallen down by 15% approx. from Rs 172.17 Crores in 2014-2015 to Rs 145.33 Crores in 2015-2016. Such shortfall arises mainly due to non-lifting of the Company's finished products by various customers.

This year your Company has earned a Profit Before Tax of Rs 270 Lacs as against Rs 125 Lacs of last year. Exceptional income, namely, profit on sale of land (Rs150 lacs), profit on sale of other fixed assets (Rs19 lacs) and profit on sale of investment in wholly-owned Subsidiary (Rs 68 lacs), amounted to Rs 237 lacs this year.

Your Company's focus on better Working Capital Management (WCM) has borne fruit, which has reduced inventory by 21% approx. compared to last year and as a part of such WCM, the Company is making all out efforts to realise debtors as fast as possible and has been able to reduce its Debtors from Rs 92.96 Crores to Rs 56.79 Crores (reduction of 39% approx.) over last year.

Your Company has seen a massive reduction in its Creditors from Rs 78 Crores to Rs 30 Crores, which is a reduction of 61% approx. over last year. The Unsecured Loans of your Company have been reduced from Rs 17.65 Crores of last year to Rs 5.37 Crores of this year. A reduction of 70% approx. Total Borrowings of your Company has come down from Rs 45.06 Crores to Rs 29.65 Crores over last year. A reduction of 34%. Its total outside liability (TOL) has come down from Rs 127.31 Crores last year to Rs 61.80 Crores this year, a reduction of almost 51% in course of one year, which is unprecedented in your Company's history. This is a very healthy sign for your Company.

Your Company's continued effort in achieving higher exports has yielded fruitful result. This year the Company's export sales has registered a growth of about 155% over last year with its increase from Rs 440 Lacs in 2014-2015 to Rs 1121 Lacs in 2015-2016. In 2014-2015 the increase in export front was 150% over 2013-2014. Your Company is putting much thrust on export Sales and expects further increase in export sales in coming years.

However, as in the past, 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 are the margins

You have already seen from the Annual Report that your Directors have not recommended payment of any Dividend for the Financial Year 2015-2016 and decided to retain the meagre amount of operating Profit earned by the Company in the year of Rs 33 lacs approx. in Reserve and Surplus for expansion and further growth of the Company.

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 any problem and to meet such risks and threats and to run your Company as efficiently as possible.

Let me now explain about conducting the proceedings of this Meeting.

All the Resolutions as set out in the Notice will be proposed and seconded and deliberated in this Meeting. Members are welcome to participate in such deliberations.

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has already provided facility to the Members to exercise their right to vote on all Resolutions being considered at this Meeting by remote e-voting system. The Members who have already cast their vote by remote e-voting system shall not be entitled to cast their vote again in this Meeting but they can participate in the Meeting. After the deliberations in this Meeting is over, there will be voting through polling paper in this Meeting. Members who have not already cast their vote through remote e-voting system will be entitled to participate in this voting here.

Mr Manoj Prasad Shaw, a Practicing Company Secretary has been appointed by the Board of Directors as a Scrutinizer for conducting the entire voting process, either through remote e-voting or polling paper in this Meeting.

The consolidated results of voting (remote e-voting together with voting by polling paper in this Meeting) shall be declared by me upon receipt of his Report on 1st October, 2016. The results declared along with the Scrutinizer's Report shall be placed on the Company's Website as well as on the Website of CDSL and communicated to Bombay Stock Exchange. Subject to receipt of requisite number of votes, the Resolutions being transacted at this Meeting shall be deemed to have been passed on the date of this Meeting i.e. 29th September, 2016.

At last, I on behalf of myself and other Members of the Board wish you all well and also wish you all a very happy festive season ahead.

Sd/- S.S.Jain

CHAIRMAN
29.09.2016