

RTS POWER CORPORATION LIMITED
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SPEECH OF THE CHAIRMAN IN 67th AGM

Ladies and Gentlemen,

At first let me welcome all of you to this **67th 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 2015.

During the year under review, your Company's revenue from operations increased by 20% over last year to reach Rs 170.85 crores. Including other income, total revenue grew by 20% from Rs 142.90 Crores in 2013-2014 to Rs 172.15 Crores in 2014-2015 ,amidst keen competition.

This year your Company has earned a Profit Before Tax of Rs 125 Lacs as against Rs 15 Lacs of last year, representing an increase of 733% over last year, inspite of continuous abnormal price hike of the major raw materials and cut throat competitive selling prices. Considering all these, your Company has achieved better results this year compared to last year.The Profit After Tax this year, however, comes to Rs 63 Lacs only.

Delayed payments by customers have resulted in increased borrowings which has been necessary to maintain cash flow position of your Company. Consequently, Finance Costs comprising of interest expenses and other costs of borrowings has increased by Rs1.63 Crores compared to last year. Had not such situation been arisen, your Company could have earned more profit.

In order to meet the abovesaid situation, the Board of Directors of your Company have raised in the current Financial Year Rs 7.50 Crores by issuing 9% Non-cumulative Redeemable Preference Shares to Promoter Companies and have sold your Company's holding of 2,82,500 Equity Shares of USD 1 each in its Wholly-owned Subsidiary Company, Blue Nile Projects Limited at Hong Kong to Promoters entity at a consideration of Rs 2.40 Crores approx.. The funds so raised have since been utilized to repay your Company's Unsecured Loan with the object of reducing interest burden of your Company.

The Company is energizing all its focus on better Working Capital Management, in order to reduce interest costs. Better management systems have been put in place to reduce inventory and at the same time the Company is making all out efforts to realise debtors as fast as possible .Some of these efforts have borne fruit and the Company has been able to reduce its inventory by 23.22 % despite increasing turnover by 20.47 %.

Your Company has been continuously exploring the possibility to develop Export market. Its continued effort in this regard was fruitful in the year 2012-2013 when it achieved an Export turnover of Rs 39 Lakhs to start with. In the year 2013-2014 your Company made an Export Sales of Rs 177 Lakhs, an increase of more than 350% over 2012-2013. Export Sales during 2014-2015 is Rs 440 lacs, representing a further increase of 150% over 2013-2014. Your Company expects further increase in Export Sales in coming years.

You have already seen from the Annual Report that your Directors have not recommended payment of any Dividend for the Financial Year 2014-2015 and decided to retain the meagre amount of Profit earned by the Company in the year 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 Clause 35B of the Listing Agreement 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, 2015. The results declared along with the Scrutinizer's Report shall be placed on the Company's Website www.rtspower.com and on the Website of CDSL www.evotingindia.com and communicated to Bombay Stock Exchange. Subject to receipt of requisite number of votes, the Resolutions being transacted at this Meeting shall deemed to be passed on the date of this Meeting i.e. 29th September, 2015.

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

Sd/- S.S.Jain
CHAIRMAN
29.09.2015