

Minutes of the proceedings of the **SIXTY FIFTH ANNUAL GENERAL MEETING** of the Members of **RTS POWER CORPORATION LIMITED** held at Hotel Lindsay, 8B Lindsay Street, Kolkata-700087 on Friday, the 27th September, 2013 at 10.00 A.M.

Present

1. Sri S. S. Jain Chairman
2. Sri R. Bhutoria Vice Chairman & Whole Time Director & Member
3. Sri A. Bhutoria Managing Director & Member
4. Sri Bachhraj Begwani Director
5. Sri Ram Lal Saini Director & Member
6. Sri Sharad Bhutoria Member
7. Sri J. Biswas Company Secretary
8. M/s. Bhutoria Investments Private Limited- represented by Sri Sardul Singh Jain
9. M/s. Bhutoria Brothers Limited - represented by Sri Rajendra Bhutoria
10. M/s. BLB Cables & Conductors Private Limited -represented by Sri J Biswas.
11. M/s. Abhay Transformers Private Limited- represented by Sri Abhay Bhutoria
12. M/s. Rajasthan Transformers & Switchgears Private Limited -represented by Sri K.L. Bothra
13. M/s. Howrah Warehouse Private Limited- represented by Sri S.K. Singhi
14. M/s. Ladnun Agricultural Farms Private Limited- represented by Sri Rajendra Bhutoria
15. M/s. Bhutoria Transformers & Rectifiers Private Limited- represented by Sri Siddharth Bhutoria

and other individual Members and Proxyholders as per Attendance Sheet and Proxy Register.

Pursuant to Article 70 of the Articles of Association of the Company, Sri S. S. Jain, Chairman of the Board of Directors, took the Chair.

The Chairman welcomed the Members and their Representatives present at the Meeting. He declared that the requisite Quorum was present and called the Meeting to order.

He introduced the Directors and the Secretary sitting on the Dias to the Members.

The Register maintained pursuant to Section 307 of the Companies Act, 1956 was produced at the commencement of the Meeting, which remained open and accessible, during the continuance of the Meeting, to persons having the right to attend the Meeting. The Proxy Register containing list of proxies received was also laid on the table.

The Chairman gave a speech briefing the performance of the Company during the year under review i.e. 2012-2013 and also on the current business situation and future outlook, opportunities, risks and threats of the Transformer, Cable and Conductor Industry as a whole.

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The Chairman informed that during the year the Company had achieved a Total Revenue of ₹ 102.93 Crores as against ₹ 137.54 Crores during the previous year, representing a downfall during the year by ₹35 Crores approx. (25.16 %), mainly due to Cable & Conductors Sales decreased from ₹ 57.32 Crores approximately in last year to ₹ 20.36 Crores approximately this year i.e. a decrease of about ₹ 37 Crores (65%). Though the Company's Cable and Conductor Unit was now fully operational and it substantially contributed to the Turnover of the Company, but due to lower selling prices, margin had become low and profitability in this segment had also reduced because of downfall in sales . The Company could not sell Cables & Conductors at such lower prices. Mushroom growth and unhealthy competition from various Transformer Manufacturing Units in unorganized sector was posing problems to organized sector, like the Company, resulting in very low Transformer selling prices and the Company was not in a position to sell Transformers at such lower prices.

The Chairman stated that the Loss for this year was ₹ 3.08 Crores , as against Profit Before Tax of ₹ 1.51 Crores in the last year. Many factors had contributed towards such reversal of profitability, namely, lower selling prices, so also the margins , continuous abnormal price hike of major raw materials both in India and abroad ,unexpected delay in payments by Electricity Boards ,etc. Due to such abnormal delay in payments by the Company's Customers the Company's borrowings had substantially increased on account of additional Working Capital requirements for maintaining cash flow position of the Company. As a result Finance Costs comprising of Interest Expenses and other borrowing costs had increased by about ₹ 1.85 Crores this year compared to last year which had also largely contributed towards loss of this year.

The Chairman added that the Company would continue to face the problem of lower margins in future due to the widespread and stiff competition. Continuous increase in cost of raw materials, like CRGO steel, Copper, Transformer Oil, etc. would contribute for a further erosion in margins in future since the raw materials forms around 75% of the pricing of Transformers. The Production of Wound Core Type Transformers /Dry Type Transformers had stabilized and the Company was receiving regular Orders. The Company's Dhulagori Factory was now fully operational and was under the process of continuous expansion. The Company's Salkia Factory, so far being utilised mainly for repairs of Transformers after the main operations of the said Factory was shifted to the Company's Dhulagori Factory in 2008, had been closed after the close of business on 31st March,2013 and the Company's entire manufacturing and repairing activities in Eastern India were being carried out in Dhulagori Factory with effect from 1st April,2013. This had been done for better, efficient and economical management of manufacturing as well as repairing operations of the Company at one place. The Company's continued effort in exploring export market had been fruitful as the Company had made a headway by achieving some exports this year. Such effort would be continued resulting in more exports in coming years. The Company was also setting up Transformer Factory abroad to increase further exports in the years to come.

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RTS POWER CORPORATION LIMITED

The Chairman further informed that the Directors had not recommended payment of any Dividend for the Financial Year 2012-2013 in view of the Loss incurred by the Company in the year and its continuing trend also in the current year 2013-2014.

The Chairman concluded his speech by saying that risks and threats were always there and the Management was fully aware and cautious of the same. The Management was making all efforts to tide over such problems and to run the Company as efficiently as possible.

The Notice dated 23rd August, 2013 convening the Meeting and the Directors' Report together with the audited Financial Statements of the Company for the year ended 31st March, 2013 having been previously circulated were, with the consent of the Members present, taken as read.

At the request of the Chairman the Independent Auditors' Report to the Members of the Company was read by Sri J. Biswas, Secretary, which remained open to inspection by any Member of the Company.

The Chairman stated that the audited Financial Statements for the year ended 31st March, 2013 together with the Reports of the Directors and Independent Auditors thereon had been in the hands of the Members for some time.

Sri Sharad Bhutoria proposed the following Ordinary Resolution:

RESOLVED that the audited Statement of Profit and Loss for the year ended 31st March, 2013 and the Balance Sheet as at that date together with the Reports of the Directors and the Independent Auditors thereon as circulated to the Members of the Company and placed before this Meeting be and they are hereby received and adopted."

Sri Siddharth Bhutoria seconded the Resolution.

Before putting the Resolution to the vote, the Chairman invited the Members to ask questions, if any, on the Accounts. No question was raised by any Shareholder present.

The Chairman then put the Resolution to the vote by show of hands and declared the same carried unanimously.

Since the next Resolution as per the Notice of the Meeting involved the retirement and re-appointment of the Chairman, he requested Sri J. Biswas, Secretary to chair the Meeting and conduct the proceedings. Sri J Biswas thanked the Chairman and requested the Members and their Representatives present in the Meeting to propose and second the Resolution.

Sri K.L.Bothra proposed the following Ordinary Resolution:

"RESOLVED that Sri Sardul Singh Jain, Director, who retires by rotation but being eligible has offered himself for re-appointment be and he is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

Sri S.K. Singhi seconded the Resolution.

Sri J Biswas put the Resolution to the vote by show of hands and declared the same carried unanimously.

Thereafter, Sri J Biswas requested Sri S.S.Jain to take the Chair again and conduct the Meeting. Sri Jain thanked Sri Biswas and took the Chair again.

Sri Anjan Mitra proposed the following Ordinary Resolution:

"RESOLVED that Sri Ram Lal Saini, Director, who retires by rotation but being eligible has offered himself for re-appointment be and he is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

Sri Dina Nath Goyal seconded the Resolution.

The Chairman thereafter put the Resolution to the vote by show of hands and declared the same carried unanimously.

Sri Sharad Bhutoria proposed the following Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s. A. C. Bhutoria & Co., Chartered Accountants (Registration No with ICAI being 303105E) be and are hereby re- appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Audit Committee of the Board of Directors of the Company in consultation with them."

Sri K.L. Bothra seconded the Resolution.

The Chairman put the Resolution to the vote by show of hands and declared the same carried unanimously.

The Chairman then took up for consideration the Item of Special Business mentioned in the Notice convening the Meeting.

Sri Kedar Nath Tiwari proposed the following Ordinary Resolution:

“ RESOLVED that the Board of Directors of the Company be and is hereby authorized to appoint any person qualified for appointment as Auditors of the Company under Section 228 of the Companies Act, 1956, for auditing the Accounts of the Branch Offices /Units of the Company, situated at Jaipur -Rajasthan, Barmer -Rajasthan, Agra-U.P and Dhule-Maharashtra for the Financial Year 2013-2014, in consultation with the statutory Auditors of the Company, at a remuneration to be fixed by the Audit Committee of the Board of Directors of the Company in consultation with such person.”

Sri Girdharilal Dhanuka seconded the Resolution.

The Chairman thereafter put the Resolution to the vote by show of hands and declared the same carried unanimously.

Sri Rajendra Bhutoria, Vice Chairman & Wholetime Director and a Member of the Company proposed a vote of thanks to the Chair.

The Chairman then concluded the proceedings, thanked all the Shareholders present in the Meeting and declared the Meeting as closed.

Sd- S.S.Jain

CHAIRMAN