

Dear Shareholders,

It is my pleasure to welcome you all on the occasion of the 22nd Annual General Meeting of Transformers and Rectifiers (India) Limited.

The Audited Financial Statements of the Company for the financial year 2015-16 along with Director's Report have already been circulated to you. With your permission, I may take these as read.

India maintained its position as the World's fastest expanding major economy, but concerns persist over declining investments GDP grew 7.6% in the year ended March 2016, out stripping China and faster than last year's 7.2% in line with expectations. Credit growth declined to 9.3% in financial year 2015-16 from 9.8% in financial year 2014-15 led by slump in industrial credit demands. Core sector production continued on its positive trajectory with April growth accelerating at 8.5%. Exports declined to \$ 261 billion in financial year 2015-16 from \$ 310 billion in financial year 2014-15. Bank deposit growth also declined from 10.7% in financial year 2014-15 to 8.6% in financial year 2015-16.

Some of the major constraints continue to add worries.

These are:

- 1) Surplus capacity in India Inc.
- 2) High debts in private infra companies
- 3) Stressed Banks due to NPAs attaining dizzying heights, power sector being one of the worst offenders.

For the Power sector we seem to have a mixed bag of both encouraging and discouraging developments.

- 1) Power minister expects Energy sector to generate an investment potential of nearly \$ 250 billion in Renewable energy, Transmission, Generation, Distribution including last-mile connectivity toward 24X7 Power for 100% of India.
- 2) The 18th Electric Power Survey predicted a demand of 298 GW (Giga Watt) in 2017-22. However, recent exercise estimates demand at 239-248 GW Thus Power demand may be lower by 15% for 5 years starting FY18
- 3) Power generating units are running below capacity as debt-ridden power distribution Companies (DISCOMs) shy away from buying more power
- 4) 20 Power Transmission projects for 11,000 MW transmission connectivity are under process, and are likely to be granted soon; connectivity for 5,500 MW has been already been granted