

Dear Shareholders,

It is my pleasure to welcome you all on the occasion of the 22<sup>nd</sup> 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 18<sup>th</sup> 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