

RTS POWER CORPORATION LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri Sardul Singh Jain	<i>Chairman</i>
Sri Rajendra Bhutoria	<i>Vice Chairman & Wholetime Director</i>
Sri Abhay Bhutoria	<i>Managing Director</i>
Sri Loon Karan Patawari	<i>Director</i>
Sri Bachhraj Begwani	<i>Director</i>
Sri Ram Lal Saini	<i>Director</i>

COMPANY SECRETARY

Sri J. Biswas

AUDITORS

A. C. Bhuteria & Co.
Chartered Accountants
2, India Exchange Place (2nd Floor)
Kolkata - 700 001

BANKERS

State Bank of Bikaner & Jaipur, Kolkata
ICICI Bank Limited, Kolkata
ICICI Bank Limited, Jaipur
Bank of Baroda, Jaipur
IDBI Bank Limited, Jaipur

REGISTERED OFFICE

56, Netaji Subhas Road (2nd Floor)
Kolkata - 700 001
Phone : (033) 2242-6025, 2242-6054
Fax : (033) 2242-6732
E-mail : rtspower@vsnl.net
Website : www.rtspower.com

PLANTS

1. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & Distribution Transformers Unit
C-174, Road No 9J Vishwakarma Industrial Area
Chomu Road, Jaipur - 302013 (Rajasthan)
2. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & EHV Division Unit - 132 KV Class Transformers
E-346, Road No. 16, Vishwakarma Industrial Area
Jaipur - 302013 (Rajasthan)
3. RTS Power Corporation Limited
Transformer & Speciality Oil Unit - Kaladera
A-25, 26 Riico Industrial Area, Kaladera
Chomu, Jaipur, (Rajasthan)
4. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & Distribution Transformers Unit - Agra
Near 14 KM Mile Stone, Mathura Road
P.O. Artoni, Agra - 282007 (U.P.)
5. RTS Power Corporation Limited
Power & Distribution Transformers Unit - Salkia
130, Dharmatolla Road, Salkia
Howrah - 711106 (West Bengal)
6. RTS Power Corporation Limited
Power & Distribution Transformers Unit - Dhulagori
Jala Dhulagori, Sankrail, Dhulagori
Howrah - 711302 (West Bengal)
7. RTS Power Corporation Limited
Wind Energy Division
Dhule - (Maharashtra)
8. RTS Power Corporation Limited
Wind Energy Division
Barmer - (Rajasthan)

REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Private Limited
D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata - 700 001
Phone : (033) 2234-3576, 2235-5236/7270/7271, Fax : (033) 2215-6823
E-mail : nichetechpl@nichetechpl.com

INDEX	Page No.
Notice & Explanatory Statement.....	3
Directors' Report	15
Report on Corporate Governance	20
Auditors' Certificate on Corporate Governance.....	30
Management Discussion and Analysis.....	31
Auditors' Report.....	34
Balance Sheet	38
Profit & Loss Account	39
Schedules and Notes to the Accounts Nos.1 to 18.....	40
Cash Flow Statement	59
Statement showing Sources/Application of Short/Long Terms Funds.....	60
Attendance Slip	61
Proxy Form.....	62

NOTICE

NOTICE is hereby given that Sixty Third Annual General Meeting of Shareholders of the Company will be held at Hotel Lindsay, 8B Lindsay Street, Kolkata –700087 on Friday, 30th day of September, 2011 at 10.00 A.M to transact the following business :

1. To receive, consider and adopt the Profit & Loss Account of the Company for the year ended 31st March, 2011 and the Balance Sheet of the Company as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Rajendra Bhutoria, who retires by rotation, and, being eligible, offers himself for re-appointment.
3. To declare a Dividend on Equity Shares.
4. To appoint Auditors and fix their remuneration and for this purpose to consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution with or without modification(s):

“**RESOLVED** that pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s. A. C. Bhuteria & Co., Chartered Accountants (Registration No with ICAI being 303105E) be and is hereby 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.”

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

“ That Sri Ram Lal Saini 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 .”

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

“**RESOLVED** that in accordance with the provisions of the Sections 309 and 314 and other applicable provisions , if any of the Companies Act,1956 and subject to such approvals, if any, as may be necessary the Company hereby approves continuing payment of existing remuneration by way of Fees of Rs 6 Lacs (Rupees Six Lacs only) per annum to Sri Ram Lal Saini, Director, which he has been getting in his professional capacity for rendering consultancy services to the Company on Accounting and Auditing matters before his appointment as a Director of the Company with effect from 14th May,2011 ,with liberty to the Board of Directors of the Company (‘ the Board’) to increase his Fees for the same Consultancy services from time to time in future as they deem fit upto an amount not exceeding Rs 9 Lacs (Rupees Nine Lacs only) per annum as may be agreed upon by and between the Board and Sri Saini.”

7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an 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

RTS POWER CORPORATION LIMITED |||

2011 -2012, 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.”

8. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

“**RESOLVED** that pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force)(hereinafter referred to as “the Act “) and subject to the relevant provisions of the Memorandum of Association and the Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and the Guidelines for Preferential Issues issued by the Securities and Exchange Board of India (“SEBI”),under SEBI (Issue of Capital and Disclosure Requirements) Regulations ,2009 and other applicable rules, regulations, clarifications , and/or guidelines, if any, of SEBI and such other authorities as may be applicable and as amended till date and subject to the requisite approvals or consents, ,if any, of the Central Government, Reserve Bank of India, Stock Exchanges ,SEBI ,Banks and Financial Institutions and any other appropriate Authorities ,Institutions, Bodies under any other applicable laws, statutes, rules and regulations for the time being and from time to time in force and further subject to such terms, conditions, stipulations and modifications as may be prescribed imposed or suggested by any of them while granting such approvals which the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any duly authorized Committee thereof for the time being and from time to time , to which all or any of the powers hereby conferred on the Board by this Resolution may have been delegated by the Board)be and is hereby authorized to accept and subject to such conditions and modifications as may be considered appropriate by the Board, consent of the Company be and is hereby accorded to the Board (with powers to delegate all or any of the powers hereby conferred to any duly authorized Committee thereof) to create, issue , offer and allot, on preferential basis ,at its sole and absolute discretion 3,80,000 (Three Lacs Eighty thousand only) Equity Shares of Rs 10/- each at a price not lower than Rs 36/- per Equity Share (including a Premium not lower than Rs 26/- per Share) for an amount in aggregate not lower than Rs 1,36,80,000/- (Rupees One Crore thirty six lacs eighty thousand only) calculated as per “ Guidelines For Preferential Issues “ issued by SEBI under SEBI (Issue of Capital and Disclosure Requirements) Regulations ,2009 (“ SEBI ICDR Regulations 2009 ”) ,on such other terms and conditions ,as the Board may deem appropriate in its absolute discretion to the following Company of the Promoters Group, on the general terms and conditions given herein :

Name of the proposed Allottee	Number of Equity Shares
BHUTORIA BROTHERS LIMITED	3,80,000
TOTAL	3,80,000

1. The “Relevant Date” for the purpose of Preferential Issue as per SEBI ICDR Regulations 2009 as amended upto date for the determination of the applicable price for the Equity Shares is 31st August,2011, which is 30 days prior to the date of this Annual General Meeting.
2. The Equity Shares shall be subject to such lock-in period as specified in SEBI ICDR Regulations 2009 as amended upto date.
3. The entire Pre-Preferential allotment shareholdings of the Allottee shall be locked-in from the Relevant Date upto a period of six months from the date of Preferential allotment.
4. The Equity Shares issued and allotted to the Promoters Group and locked –in as mentioned above

RTS POWER CORPORATION LIMITED |||

shall be transferable among the Promoters or Promoters Group or to a new Promoter or persons in control of the Company subject to the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 .The lock-in of such Shares shall continue for the remaining period with the Transferee .

5. The Equity Shares to be issued and allotted by the Company shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respect with the existing Equity Shares of the Company.”

“**FURTHER RESOLVED** that the Equity Shares shall be issued and allotted within a period of 15 (fifteen) days from the date of passing of this Special Resolution provided that where the allotment of Equity Shares is pending on account of pendency of any approval for such allotment by any Regulatory Authority or the Central Government or Stock Exchanges where the Equity Shares of the Company are listed, the allotment shall be completed within a period of 15 (fifteen) days from the date of such approval or such other extended period as may be permitted under the applicable SEBI Preferential Issue Guidelines as amended from time to time.”

“**FURTHER RESOLVED** that :

- a. The Board be and is hereby authorized to decide and approve the other terms and conditions of the Issue of Shares and also shall be entitled to vary, modify or alter any of the terms and conditions, including the Issue Price and the size of the Issue, Allottees of the Issue, as it may deem expedient ,subject to the provisions of the Act, the rules/ regulations/guidelines issued by GOI/RBI/SEBI ,without being required to seek any further consent or approval of the Company in General Meeting.
- b. The offer, issue and allotment of the aforesaid Shares shall be made at such time or times as the Board may in its absolute discretion decide.
- c. The Board be and is hereby authorized to delegate all or any of the powers herein conferred by this Resolution to any Director or Directors or any other Officer or Officers of the Company to give effect to the abovesaid Resolution.”

“**FURTHER RESOLVED** that for giving effect to this Resolution, the Board be and is hereby authorized to take such steps and to do all such acts, deeds and things as the Board may , in its absolute discretion, consider necessary, expedient, usual ,proper or incidental and to settle any question ,remove any difficulty or doubt that may arise from time to time in relation to the offer, issue ,allotment, listing and utilization of the issue proceeds of the Shares, to prescribe the Forms of application ,enter into agreement or other instruments ,and to take such actions or to give such directions as may be necessary or desirable and to obtain any approval, permission, sanction which may be necessary or desirable ,as they may deem fit.”

“**FURTHER RESOLVED** that the Board be and is hereby authorized to make on its own accord or to accept such amendments ,modifications ,variations and alterations as the GOI/RBI/SEBI/Stock Exchanges or any other regulatory authority may stipulate in that behalf ,without being required to seek any further consent or approval of the Company in General Meeting.”

Registered Office :
56, Netaji Subhas Road
Kolkata - 700 001
Dated : 30th August, 2011

By Order of the Board

J. Biswas
Company Secretary

NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself /herself and a Proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not less than **48 hours before the Meeting**.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24th day of September, 2011 to Friday, 30th day of September, 2011, both days inclusive.
3. Members who hold Shares in physical form are requested to notify immediately any change of their addresses to the Company's Registrar & Share Transfer Agent, M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata-700001 so that future communications can be correctly despatched.

Mr. J. Biswas, Company Secretary is the Compliance Officer in terms of Clause 12B of the Listing Agreements with the Stock Exchanges. Members may communicate with the Compliance Officer in relation to any query pertaining to their shareholdings.
4. As per the provisions of the Companies Act, 1956 the facility for making nominations is available to the Members in respect of their Shares in the Company. Nomination Forms can be obtained from the Company's aforesaid Registrar & Share Transfer Agent in case they hold their Shares in physical form. If they are holding the Shares in dematerialized form, they may contact their respective Depositories for such nomination.
5. Members holding more than one Share Certificate in the same name and in the same order of names, but under different Ledger Folios, are requested to apply for consolidation of such Folios and send their all relevant Share Certificates to the Company's aforesaid Registrar and Share Transfer Agent by Registered Post at the earliest to facilitate better service in case they desire to continue to hold Shares in physical form in the Company. The Registrar and Share Transfer Agent will return the Share Certificates after due consolidation similarly by Registered Post.
6. The Company has signed Agreements with National Securities Depository Limited and Central Depository Services (India) Limited for Dematerialization of the Company's Shares. These facilities are now operational since 13th February 2001 and Members are requested to avail of the same. Demat ISIN No allotted by NSDL and CDSL is INE005C01017.
7. Members who hold Shares in physical form are requested to inform the Company's aforesaid Registrar and Share Transfer Agent their Income Tax Permanent Account Number (PAN) / General Index Register Number (GIR), if any, allotted to them by the Income Tax Authorities.
8. Members holding Shares in physical form are requested to note that, in order to avoid any loss / interception in postal transit and also to get prompt credit of Dividend, they may provide details of their Bank Account quoting their Folio Numbers to the R&T Agent to enable them to print such details on the Dividend Warrants.
9. Members holding Shares in electronic form may please note that their Bank details as furnished by the respective Depositories to the Company will be printed on their Dividend Warrants as per the applicable Regulations of the Depositories and the Company will not entertain any direct request

RTS POWER CORPORATION LIMITED |

from such Members for change / deletion in such Bank details. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the Dividend payable on Shares held in electronic form. Members may, therefore, give instructions regarding Bank Accounts in which they wish to receive Dividend, directly to their Depository Participants.

10. In line with the recent Circular of the Ministry of Corporate Affairs ,Government of India, the Company proposes to send now onwards to its Members Notices, Annual Reports and Accounts and other communication through electronic mode. Members are, therefore, requested to update their e-mail address with the Depository Participant, if the holding is in electronic mode. If the holding is in physical form and the Member concerned wishes to receive Notices ,etc. electronically, details of his/her e-mail address should be forwarded to the Company by sending an e-mail at **rts@nichetechpl.com** If so desired, the aforesaid communication can alternatively be obtained in physical form from the Company free of cost, upon request.
11. **Members are requested to produce the accompanying Attendance Slip at the entrance of the Meeting Hall and bring their copies of the Annual Report to the Meeting as extra copies will not be possible to be supplied. Members who hold shares in Dematerialized form are requested to indicate without fail their DPID and Client ID Numbers on the Attendance Slip.**
12. **Members intending to require information or clarifications / explanations on any matter regarding Accounts at the Meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.**
13. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 5 to 8 under Special Business is annexed hereto.

RTS POWER CORPORATION LIMITED |||

BRIEF PROFILE OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO THE CORPORATE GOVERNANCE CODE :

Name of the Director	Sri Rajendra Bhutoria
Age	54 years
Qualifications	B. Com (Hons.)
Nature of expertise	An Alumuni of St Xaviers College, Kolkata. He has joined the family business at the age of 18 years and has been looking after the affairs of the Company since then. He has ample experience in general administration, production , marketing and finance .During this period, apart from looking after the Company's Power and Distribution Transformers business, he has been looking after the business of Cold Storage, Properties, Warehousing, etc of the Group Companies.
Date of First Appointment	23.12.1975
Name of the Companies in which he holds Directorship of Boards	Bhutoria Brothers Limited Abhay Transformers Private Limited Bhutoria Investments Private Limited
Name of the Companies in which he holds Membership of Committees of Board	NIL
Professional Membership	NIL
No. of Shares held in the Company	77,900

BRIEF PROFILE OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO THE CORPORATE GOVERNANCE CODE :

Name of the Director	Sri Ram Lal Saini
Age	57 years
Qualifications	M. Com. FCA
Nature of expertise	About 32 years' experience in Accounting, Auditing, Budgeting, Banking operations, Project and Working Capital Financing and Management for Hotels as well as Manufacturing Industries . Have been rendering Consultancy Services to the Company on Accounting and Auditing matters for last 24 years .
Date of First Appointment	14.05.2011
Name of the Companies in which he holds Directorship of Boards	NIL
Name of the Companies in which he holds Membership of Committees of Board	NIL
Professional Membership	Fellow Member of the Institute of Chartered Accountants of India
No. of Shares held in the Company	160

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 5

Sri Ram Lal Saini was appointed as an Additional Director of the Company by the Board of Directors of your Company ("the Board") in its Meeting held on 14th May, 2011 pursuant to Article 89 of the Company's Articles of Association read with Section 260 of the Companies Act, 1956 ('the Act') with effect from 14th May, 2011

Sri Ram Lal Saini will hold office upto the date of the forthcoming Annual General Meeting of your Company as per the abovesaid Article read with Section 260 of the Act.

The Company has received Notice in writing in terms of Section 257 of the Act from a Member signifying his intention to propose at the forthcoming Annual General Meeting the appointment of Sri Ram Lal Saini as a Director of your Company.

Sri Saini is willing to act as a Director of your Company, if appointed and has filed with the Company his consent in writing under Section 264(1) of the Act.

Sri Saini is a Chartered Accountant by profession and has 32 years of experience in Accounting, Auditing, Budgeting, Banking operations, Project and Working Capital Financing and Management for Hotels as well as Manufacturing Industries. He is a Fellow Member of the Institute of Chartered Accountants of India and is also a Post Graduate in Commerce of Rajasthan University.

Sri Saini is a practicing Chartered Accountant. He has been associated with the Company and rendering Consultancy Services to the Company on Accounting and Auditing matters for last 24 years at a Fee which is currently Rs 6 Lacs per annum . Apart from his rendering Consultancy Services to the Company he also deals with his various outside clients in his professional capacity. The Board wants to take benefit of his expertise by inducting him as a Non Executive Member of the Board without paying him any extra remuneration for his directorship in your Company.

Having regard to his background and experience the Board considers that the appointment of Sri Saini as a Director of your Company would prove beneficial to your Company.

The Resolution set out in Item No 5 of the convening Notice has to be considered accordingly and the Board recommends his appointment.

No Director of your Company except Sri Saini is concerned or interested in the Resolution.

Item No. 6

As mentioned in Item No 5 above that Sri Saini is a practicing Chartered Accountant. He has been associated with the Company and rendering Consultancy Services to the Company on Accounting and Auditing matters for last 24 years at a Fee which is currently Rs 6 Lacs per annum. Apart from his rendering Consultancy Services to the Company he also deals with his various outside clients in his professional capacity. The Board wants to take benefit of his expertise by inducting him as a Non Executive Member of the Board without paying him any extra remuneration for his directorship.

However, your Company intends to continue to pay Sri Saini his existing remuneration by way of Fees which is currently Rs 6 Lacs (Rupees Six Lacs only) per annum that he has been getting so long in his professional capacity for rendering consultancy services to the Company for last 24 years on Accounting and Auditing matters before his appointment as a Director of the Company with effect from 14th May, 2011. In view of rising price index condition ,authority may also be given to the Board for increasing his Fees for

RTS POWER CORPORATION LIMITED |||

the same consultancy services from time to time in future as they deem fit upto an amount not exceeding Rs 9 Lacs (Rupees Nine Lacs only) per annum as may be agreed upon by and between the Board and Sri Saini without seeking any further approval of the Shareholders of the Company.

Payment of the abovesaid remuneration to Sri Saini who has now become the Company's Director require the approval of the Members of the Company in General Meeting by passing a Special Resolution under Clause(a) of Sub –Section (1) of Section 314 of the Act, which will be sought for in this Annual General Meeting of the Company.

The Board considers that payment of the abovesaid remuneration to Sri Saini in other capacity is justified and shall not be treated as his remuneration as a Director of the Company because he has been getting this for last 24 years for services rendered by him to the Company which are of a professional nature and the Central Government has given its opinion under provisio (a) & (b) to Sub-Section (l) of Section 309 of the Act ,on an application made by your Company in the prescribed Form and in the manner prescribed therefor in this regard, that Sri Saini has the requisite qualifications for rendering professional services to your Company as mentioned above. The Resolution set out in Item 6 of the convening Notice has to be considered accordingly and the Board recommends the same.

A copy of the Letter Ref. SRNO.B12879367/1/2011-CL-VII dated 25th July, 2011 issued by Sri K.K.Nath , Deputy Secretary to the Government of India ,Ministry of Corporate Affairs, New Delhi addressed to your Company in this matter as referred to hereinabove will be available for inspection by the Members of the Company at its Registered Office on any working day during usual business hours prior to the date of the Meeting and will also be available at the Meeting.

No Director of the Company except Sri Saini is concerned or interested in the Resolution.

Item No. 7

The Company has Branch Offices and Units at Jaipur - Rajasthan, Barmer - Rajsthan , Agra - U.P and Dhule – Maharashtra. M/s. N.C. Dhadda & Co., Chartered Accountants, (Registration No. with ICAI being 000986C) were appointed the Branch Auditors for the Financial Year 2010-2011. It is proposed to reappoint M/s. N.C. Dhadda & Co., Chartered Accountants as Branch Auditors for the Jaipur - Rajasthan, Barmer - Rajasthan, Agra - U.P and Dhule - Maharashtra Offices and Units for the Financial Year 2011-2012.

The Shareholders' approval is, therefore, sought for the appointment of M/s. N.C.Dhadda & Co., Chartered Accountants as Branch Auditors of the Company's Branch Offices and Units at Jaipur –Rajasthan, Barmer-Rajasthan, Agra - U.P and Dhule - Maharashtra for the Financial Year 2011-2012 and to authorize the Audit Committee of the Board of Directors to determine the remuneration payable in consultation with them.

The Board of Directors recommends the Resolution for acceptance by the Members.

None of the Directors of the Company is concerned or interested in this Resolution.

Item No. 8

For meeting additional fund requirements of your Company, your Board of Directors ("the Board ") in its Meeting held on 30th August, 2011, subject to the approval by the Company in General Meeting and requisite statutory approvals, has proposed to offer for subscription by way of preferential allotment 3,80,000 Nos. Equity Shares of Rs.10/- each of the Company for cash, at a price not lower than Rs 36/- per Equity Share of Rs.10/-each of the Company (the "Shares") to a Company of the Promoters Group for an aggregate value not lower than Rs 1,36,80,000/- (Rupees One crore thirty six lacs eighty thousand only).

RTS POWER CORPORATION LIMITED |||

Pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 ("the Act") any offer or issue of Shares in a company to persons other than the holders of Equity Shares of a company requires prior approval of the Shareholders in General Meeting by a Special Resolution. The Listing Agreements executed by the Company with the Stock Exchanges also provide that the Company shall, in first instance, offer all Securities for subscription pro-rata to the Shareholders unless the Shareholders in a General Meeting decide otherwise. Accordingly, the Special Resolution as appearing in the convening Notice has been proposed under Section 81(1A) of the Act for this purpose.

As per SEBI's Guidelines for Preferential Issues, the Issue of Shares on a preferential basis can be made only at a price, which is not less than the higher of the following:

- a. The average of the weekly high and low of the closing prices of the Shares quoted on the Stock Exchange during the six months preceding the "Relevant Date";

or

- b. The average of the weekly high and low of the closing prices of the Shares quoted on the Stock Exchange during the two weeks preceding the "Relevant Date".

The "Relevant Date" for the above purpose means the date thirty days prior to the date on which the Annual General Meeting is held to consider the proposed Issue under Section 81(1A) of the Act. As the date of the ensuing Annual General Meeting of Shareholders is 30th September, 2011, the "Relevant Date" is 31st August, 2011.

"Stock Exchange" for this purpose shall mean any of the recognized Stock Exchanges in which the Shares of the Company are listed and on which the highest trading volume in respect of the Company's Shares has been recorded during the preceding six months prior to the Relevant Date.

The minimum Issue price computed on the above basis works out to Rs. 36/- per Share approximately. As against this, the Shares are proposed to be issued at a price not lower than Rs 36/- per Share. The Equity Shares to be issued and allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of Issue. The Equity Shares to be issued and allotted shall rank pari-passu in all respects with, and carry the same rights including Dividend as, the existing Equity Shares.

The Board believes that the proposed offer will be in the best interest of the Company and its Members.

The proposed Preferential Issue of Equity Shares would be strictly in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations 2009") and the following parameters would be subject to such changes as may be required to conform to the SEBI ICDR Regulations 2009:

1. The Objects of the Preferential Issue :

The funds to be raised from this Preferential Issue along with internal accruals will be mainly utilized for repayment of outstanding loans and balance remaining out of such funds raised after repayment of the loans, if any, will be utilized for funding Capital expenditure for existing operations as well as expansions and meeting working capital requirements of the Company.

2. The Proposal of the Promoters / Directors / Key Management Persons of the Company to subscribe this Preferential Offer :

The Company of the Promoters Group to whom the Shares are proposed to be issued on a Preferential basis intends to subscribe to such Shares.

3. Shareholding Pattern before and after the Preferential Issue based on the existing Shareholding Pattern

(assuming {a} allotment of 3,80,000 Equity Shares to the Company of the Promoters Group and { b} no further increase in the Company's Paid-up Share Capital in between) :

CATEGORY	Pre-Preferential Issue		Post-Preferential Issue	
	Equity Shares Held (*)	% of Equity Share Holding	On allotment of the Equity Shares proposed to be issued to the Company of the Promoter Group (*)	% of Equity Share Holding
Shareholding of Promoters and Promoters Group				
A1. Indian				
(a) Individuals/Hindu Undivided Family	3,76,711	4.837%	3,76,711	4.612%
(b) Bodies Corporate	28,18,587	36.189%	31,98,587	39.157%
Sub Total of A1	31,95,298	41.026%	35,75,298	43.769%
A2. Foreign	Nil	Nil	Nil	Nil
Sub Total of A2	Nil	Nil	Nil	Nil
Total of A (A1 + A2)	31,95,298	41.026%	35,75,298	43.769%
B. Non-Promoter Holding (Public Share Holding)				
B1. Institutions				
Fin. Institutions/Banks/FII	70,000	0.899%	70,000	0.857%
Sub Total of B1	70,000	0.899%	70,000	0.857%
B2. Non Institutions				
(a) Bodies Corporate	35,33,489	45.368%	35,33,489	43.257%
(b) Individuals	8,33,084	10.696%	8,33,084	10.199%
(c) Any Other - NRI/OCBs/Clrg. Memb/Clrg.Crpn.	8,647 1,47,982	0.111% 1.900%	8,647 1,47,982	0.106% 1.812%
Sub Total of B 2	45,23,202	58.075%	45,23,202	55.374%
Total of B (B1 + B2)	45,93,202	58.974%	45,93,202	56.231%
C. Shares held by custodians and against which DRs have been Issued	NIL	NIL	NIL	NIL
GRAND TOTAL OF (A)+(B)+(C)	77,88,500	100%	81,68,500	100%

(*) Shares of Face Value Rs. 10/- each

4. The Time within which Preferential Issue will be completed :

The Allotment of the Shares is expected to be completed within 15 days of the date of passing of the above Resolution. Provided that where the allotment is pending on account of pendency of approval of any Regulatory Authority or Stock Exchange or SEBI or Central Government, the allotment is expected to be completed within 15 days of such approval.

5. **Identity of the proposed Allottee and the percentage of Post-Preferential Issue Capital that may be held by them and change in control, if any, in the Company consequent to the Preferential Issue :-**

Sr. No.	Name of the proposed Allottee	Address	Existing Holding (*)	No. of Equity Shares proposed to be allotted (*)	% of Post Issue Equity Shareholding
Company of the Promoters Group :					
1.	M/s. Bhutoria Brothers Ltd.	56, Netaji Subhas Road, 2nd Floor Kolkata-700001	87,599	3,80,000	5.73 %
TOTAL			87.599	3,80,000	5.73 %

(*) Face Value Rs. 10/- each

NOTE : There will be no change in the control of the Company consequent to this Preferential Issue.

6. The Company hereby undertakes that –

- It would recompute the price of Securities specified above in terms of the provisions of the SEBI ICDR Regulations 2009 where it is required to do so.
- If the amount payable on account of recomputation of price is not paid within the time stipulated in the SEBI ICDR Regulations 2009, the above specified Securities shall continue to be locked in till the time such amount is paid by the allottee.

The Shares to be allotted to the above Investor under the proposed offering shall be subject to a lock-in period in accordance with SEBI ICDR Regulations, 2009.

A copy of the Certificate from M/s. A.C. Bhuteria & Co., Kolkata, statutory Auditors of the Company, certifying that the proposed Issue of Shares is being made in accordance with the requirements of SEBI's Guidelines for Preferential Issues as contained in SEBI ICDR Regulations 2009, shall be placed before the Shareholders at the ensuing Annual General Meeting .

Sri Rajendra Bhutoria, Vice Chairman & Whole-time Director and Sri Abhay Bhutoria, Managing Director are concerned or interested in the Resolution. No other Director of the Company is concerned or interested in the Resolution.

The Board recommends the Resolution for your approval .

Registered Office :
56, Netaji Subhas Road
Kolkata – 700 001
Dated : 30th August, 2011

By Order of the Board

J. BISWAS
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have the pleasure in presenting their 63rd Annual Report on the business and operations of your Company and the audited Statement of Accounts of your Company for the year ended 31st March, 2011 :

Financial Results	(Rs. in Lacs)	
	2010-2011	2009-2010
Total Income	13853.61	10332.54
Total Expenditure	13536.91	10106.82
Profit Before Tax	316.70	225.72
<u>Less</u> : - Provision for Current Tax	80.00	52.00
- Deferred Tax Charged / (Credit)	22.10	22.77
- Income Tax for Earlier years	13.78	-
	115.88	74.77
Profit After Tax	200.82	150.95
<u>Add</u> : Profit Brought Forward	878.55	769.51
	1079.37	920.46
<u>Less</u> : - Proposed Dividend	38.95	35.94
- Corporate Dividend Tax	6.32	5.97
	45.27	41.91
Balance Carried to Balance Sheet	1034.10	878.55

DIVIDEND

Considering the overall performance of your Company and the necessity to plough back profit for the Company's growth and future expansion Plan and Project, the Board is pleased to recommend payment of a Dividend for the year ended on 31st March, 2011 @ 5 % or Re.0.50 per Equity Share of Rs 10/-each fully paid up as on that date, which, if approved at the forthcoming Annual General Meeting, will be paid to those Shareholders whose names appear on the Register of Members of the Company or appear as beneficial owners as per particulars to be furnished by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited, at the close of business on 23rd September, 2011. The Dividend will be Tax- free in the hands of the Shareholders, but shall be subject to Tax thereon payable by the Company.

OPERATIONAL REVIEW

The Turnover of your Company showed a significant improvement during the year. The Turnover during the year was Rs 136.62 Crores as against Rs 101.43 Crores during the previous year. This is an improvement by 34.70 % amidst keen competition. The demand of the Company's all products, namely Transformers & Accessories, Cables & Conductors and Wind Energy showed a substantial increasing trend.

The Profit Before Tax of Rs 3.17 Crores of this year is 40.27 % higher than that of last year, which is a record compared to previous four years during which your Company all along witnessed a continuous downtrend of Profit. In spite of continuous abnormal price hike of the major Raw Materials and cut throat competition resulting in lower selling prices, your Company has achieved better results as above despite all odds and adverse economic scenario.

Further expansion of your Company's Dhulagori Factory is going on a continuous basis.

FUTURE OUTLOOK

Year 2011-2012 appears to be a year full of growth potential as far as the business from Power Utilities – both Government and Private, Power Projects and Industrial Users are concerned. The increasing requirement of High Voltage Sub Station provides a good opportunity for the growth of your Company .The Government of India’s ambitious plan of electrifying each and every village in rural areas will boost the demand of Distribution Transformers .Your Company with technical expertise and various manufacturing set-ups will be in a position to take share of such future growth and prosperity in Power Sector in our Country.

However, 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 as the margins.

Your Company’s Cable and Conductor Unit is looking up and penetrating into new customer base with the target to achieve higher sales in this segment. The capacity for manufacturing of Dry Type Transformers at your Company’s new Factory at Dhulagori has already been increased. The Salkia Unit is now being utilized for repairs and manufacture of smaller Transformers after the main operations of the said Unit have been shifted to Dhulagori Unit.

PREFERENTIAL ISSUE OF SHARES

For meeting additional fund requirements of your Company, your Board of Directors in its Meeting held on 30th August ,2011, subject to the approval by the Company in the ensuing Annual General Meeting and requisite statutory approvals, has proposed to offer for subscription by way of preferential allotment 3,80,000 Nos. Equity Shares of Rs.10/- each of the Company for cash, at a price not lower than Rs 36/- per Equity Share to a Company of the Promoters Group for an aggregate value not lower than Rs 1,36,80,000/- (Rupees One crore thirty six lacs eighty thousand only).

CORPORATE GOVERNANCE

A separate Report on Corporate Governance in format as prescribed in the Listing Agreements with the Stock Exchanges forms a part of the Annual Report of your Company and is being attached hereto, along with the Auditors’ Certificate on its compliance. A Report on Management Discussion and Analysis is also attached herewith.

GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

Your Company is concerned about the environment and in line with the decision of the Ministry of Corporate Affairs ,Government of India, the Reports & Accounts and other communications from the Company, from now on ,will be sent to the Shareholders by e-mail, wherever such e-mail addresses are registered with the Company. A letter of request in this regard addressed to Shareholders are being sent seperately seeking their kind cooperation for such initiative being taken by the Company.

PUBLIC DEPOSITS

Your Company has not accepted any Deposit within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

PARTICULARS OF EMPLOYEES

There is no employee whose particulars are to be given pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended .

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The monitoring and control of consumption of sources of energy like power, oil etc. continued to be a priority area of your Company. Energy conservation procedures also form an important part of your Company's operational practices.

Your Directors have nothing to report in the matter of Technology absorption.

Your Company has no export business and Foreign Exchange earnings during this year. The Foreign Exchange outgo during this year was as follows:

- 1. Value of Imports calculated on CIF basis -
 - Raw Materials Rs. 331.56 lacs
- 2. Expenditure in Foreign Currency – (Paid or Payable)
 - Foreign Travelling Rs. 1.72 lacs
 - Foreign Exchange Fluctuation Rs. 1.26 lacs

LISTING

Your Company's Shares continue to be listed on Calcutta and Bombay Stock Exchanges. Annual Listing Fees of both Bombay Stock Exchange and Calcutta Stock Exchange have been paid upto the year 2011-2012.

DIRECTORS

Sri Rajendra Bhutoria, Whole-time Director of the Company will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

Sri Ram Lal Saini has been appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 14th May,2011. Pursuant to Article 89 of the Articles of Association of the Company read with Section 260 of the Companies Act,1956 (the Act) he will be eligible for appointment as Director of the Company by the Members at the Company's ensuing Annual General Meeting .

Sri Saini is a Chartered Accountant by profession and has 32 years of experience in Accounting, Auditing, Budgeting, Banking operations, Project and Working Capital Financing and Management for Hotels as well as Manufacturing Industries. He is a Fellow Member of the Institute of Chartered Accountants of India and is also a Post Graduate in Commerce of Rajasthan University.

Sri Saini is a practicing Chartered Accountant. He has been associated with the Company and rendering Consultancy Services to the Company on Accounting and Auditing matters for last 24 years at a Fee which is currently Rs 6 Lacs per annum. Apart from his rendering Consultancy Services to the Company he also deals with his various outside clients in his professional capacity. The Board wants to take benefit of his expertise by inducting him as a Non Executive Member of the Board without paying him any extra remuneration for his directorship in your Company.

For continuing payment of remuneration i.e. Consultancy Fee to Sri Saini who has now become the Company's Director require the approval of the Members of the Company in General Meeting by passing a Special Resolution under Clause(a) of Sub –Section (1) of Section 314 of the Act, which will be sought for in the ensuing Annual General Meeting of the Company.

RTS POWER CORPORATION LIMITED |||

The Board considers that payment of the abovesaid remuneration to Sri Saini in other capacity is justified and shall not be treated as his remuneration as a Director of the Company because he has been getting this for last 24 years for services rendered by him to the Company which are of a professional nature and the Central Government has given its opinion under provisio (a) & (b) to Sub-Section (1) of Section 309 of the Act ,on an application made by your Company in the prescribed Form and in the manner prescribed therefor in this regard, that Sri Saini has the requisite qualifications for rendering professional services to your Company as mentioned above.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 (the Act) and based upon representation from the Management, the Board states that :

1. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the Annual Accounts on a going concern basis; and
5. the Managing Director and the Chief Financial Officer of the Company have furnished the necessary certification to the Board on these Financial Statements as required under the revised Clause 49 of the Listing Agreements with the Stock Exchanges where the Equity Shares of the Company are Listed.

AUDITORS

M/s. A.C. Bhuteria & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and, being eligible , offer themselves for re- appointment . Your Company has received a letter from them to the effect that their re-appointment ,if made at the forthcoming Annual General Meeting, would be within the limits prescribed under Section 224 (1B) of the Companies Act,1956 .Accordingly, the Audit Committee of the Board of Directors of your Company has recommended for their re-appointment for holding office till the conclusion of the next Annual General Meeting with a remuneration to be fixed by the Committee in consultation with them .

BRANCH AUDITOR

Your Company has Branch Offices and Units at Jaipur–Rajasthan, Barmer- Rajasthan, Agra.-U.P and Dhule- Maharashtra. M/s. N. C. Dhadda & Co., Chartered Accountants, were appointed the Branch Auditors for the Financial Year 2010-2011. It is proposed to re-appoint M/s. N. C. Dhadda & Co., Chartered Accountants, as Branch Auditors for the Jaipur, Barmer, Agra and Dhule Branch Offices and Units for the Financial Year 2011-2012 at a remuneration to be fixed by the Audit Committee of the Board of Directors in consultation with them.

RTS POWER CORPORATION LIMITED |||

APPRECIATION

The Board wishes to place on record its sincere appreciation for the continued assistance and support extended to your Company by its Banks, State Electricity Boards, Government and Semi Government Authorities, Power Utilities and other customers during the year under review.

The Board takes this opportunity to thank all employees for their dedicated services and cooperation.

Your Directors are also grateful for your continued support and encouragement.

Registered office :
56, Netaji Subhas Road
Kolkata - 700 001
Dated : 30th August, 2011

For and on behalf of the Board of Directors

S. S. Jain
Chairman

REPORT ON CORPORATE GOVERNANCE**Company's Philosophy on Code of Governance**

Your Company's philosophy on Corporate Governance is targeted at efficient conduct of its operations and in meeting its obligations towards various stakeholders such as Customers, Vendors, Employees, Shareholders, Financiers and the Society at a large. Your Company has infused the philosophy of Corporate Governance into all its activities. Your Company's core values of quality consciousness, consumer satisfaction, fairness in dealings, adopting transparent accounting policies, following superior Board practices, consistent consideration for all its stakeholders serve as the means for implementing its philosophy of Corporate Governance in letter and spirit. Your Company complies with Corporate Governance Systems not as a mere structure or statutory guidelines, but as a way of corporate life.

Board of Directors

- (a) As on 31st March, 2011, the Board is headed by Non-Executive Chairman, Sri S. S. Jain and comprises of four other Directors (one Vice Chairman & Whole Time Director, one Managing Director and two Non Executive Directors) all of whom have considerable experiences in their own fields.

The day-to-day management of your Company is conducted by the Managing Director and Vice Chairman & Whole Time Director subject to the superintendence, control and directions of the Board of Directors. Sixty percent of the Board consists of Non-Executive Directors and sixty percent of the Board are Independent Directors. As on 31st March, 2011, the composition of the Board satisfies the conditions that the Listing Agreement of the Stock Exchanges have laid down in this regard. The details of the Directors as on 31st March, 2011 and attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) held during the Financial Year ended on 31st March, 2011 are given below :

Name of the Directors	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM
Sri S. S. Jain	Non-Executive/Independent/Chairman	9	Yes
Sri Rajendra Bhutoria	Executive/Promoter/Vice Chairman & Whole Time Director	9	Yes
Sri Abhay Bhutoria	Executive/Promoter/Managing Director	4	No
Sri L. K. Patawari	Non-Executive /Independent	9	Yes
Sri Bachhraj Begwani	Non-Executive/Independent	9	Yes

Note : Sri Ram Lal Saini has been appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 14th May, 2011. Pursuant to Article 89 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 he will be eligible for appointment as Director of the Company by the Members at the Company's ensuing Annual General Meeting. If so appointed, he will be a Non-Executive/Non- Independent Director of the Company.

- (b) Number of other Board of Directors or Board Committee where Directors of your Company are Directors/Members/Chairman as on 31st March, 2011.

Name of the Directors	No. of Directorship in other Boards	No. of Members in other Board Committees	No. of Chairmanship in other Board Committees
Sri S. S. Jain	19	1	1
Sri Rajendra Bhutoria	3	Nil	Nil
Sri Abhay Bhutoria	3	Nil	Nil
Sri L. K. Patawari	1	Nil	Nil
Sri Bachhraj Begwani	Nil	Nil	Nil

RTS POWER CORPORATION LIMITED |||

(c) Details of Board Meetings held during the period from 1st April, 2010 to 31st March, 2011 :

Serial No.	Date
1	30.04.2010
2	31.07.2010
3	30.08.2010
4	30.08.2010
5	30.09.2010
6	12.10.2010
7	30.10.2010
8	14.02.2011
9	28.02.2011

The gap between two Meetings did not exceed four months.

(d) Necessary information where applicable as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board in each Board Meeting .

(e) Independent Directors :

As mandated by Clause 49, the Independent Directors on the Company's Board, apart from being Non –Executive Directors :

- Do not have any material pecuniary relationships or transactions with the Company ,its promoters, its Directors ,its senior management and its associates which may affect the independence of the Directors
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board
- Have not been an Executive of the Company in the immediately preceding three Financial Years
- Are not partners or executives or were not partners or executives during the preceding three years of the :
 - Statutory Audit Firm or the Internal Audit Firm that is associated with the Company
 - Legal Firm (s) and Consulting Firm(s) that have a material association with the Company
- Are not material suppliers ,service providers or customers or lessors or lessees of the Company, which may affect independence of the Directors.
- Are not substantial Shareholders of the Company i.e.do not own two percent or more of the block of voting shares.

Audit Committee

The terms of reference of the Audit Committee are in line with Clause 49 II (C) and (D) of Listing Agreements with the Stock Exchanges and Section 292A of the Companies Act, 1956 besides other terms as may be referred to it by the Board of Directors.

The Audit Committee of the Board exercises the powers and play the role as per the abovesaid Clauses of the Listing Agreement and Section of the Companies Act.

As on 31st March, 2011, the Audit Committee comprises of two Non-Executive Independent Directors, Sri S. S. Jain ,Chairman and Sri L.K. Patawari and one Executive Non-Independent Director, Sri R. Bhutoria, Vice Chairman & Whole-time Director of the Company. Sri S. S. Jain is the Chairman of the Committee, who also chaired the Annual General Meeting of the Company held on 30th September, 2010. All the Members of the Committee are financially literate and have accounting and related financial management expertise.

RTS POWER CORPORATION LIMITED |

The Company's Accounts personnel and representatives of the Statutory Auditors as well as Internal Auditors are permanent invitees to the Audit Committee. Mr. J. Biswas, Company Secretary acts as the Secretary of the Committee.

During the Financial Year ended on 31st March, 2011, 5(five) Meetings were held on 30/04/2010, 31/07/2010, 30/08/2010, 30/10/2010, and 14/02/2011.

The gap between two Meetings did not exceed four months.

Composition of the Audit Committee and the attendance of the Members during the Financial Year ended on 31st March, 2011 are furnished below :

Sl. No.	Name of Directors who are Members of the Audit Committee	No. of Meetings held	No. of Meetings Attended
1.	Sri S. S. Jain, <i>Chairman</i>	5	5
2.	Sri Rajendra Bhutoria, <i>Member</i>	5	5
3.	Sri Loon Karan Patawari, <i>Member</i>	5	5

Note : Sri Bachhraj Begwani, being a Non Executive Independent Director of your Company, was inducted as an Independent Member of the Audit Committee by the Board of Directors of your Company in its Meeting held on 8th April, 2011. The Audit Committee thereafter inducted him as an Independent Member of the Committee in its Meeting held on 14th May, 2011.

Remuneration Committee

1. Remuneration Committee of the Board of Directors comprises of three Non-Executive Directors ,all of them being Independent Directors .The Members of the Committee are Sri S. S. Jain (Chairman), Sri L.K.Patwari and Sri B.Begwani. Sri J. Biswas, Company Secretary acts as the Secretary of the Committee.

The Committee discharges the role as specified under Part II ,Section II of Schedule XIII of the Companies Act,1956 and in compliance with Clause 49 of the Listing Agreements with Stock Exchanges.

Brief description of terms of reference of the Remuneration Committee:

To determine on behalf of the Board of Directors as well as on behalf of the Shareholders, the Company's Policy on specific Remuneration Packages for Executive Directors.

The Committee approves :

- All elements of remuneration package of all the Executive Directors i.e. salary, benefits, bonuses, stock options, pensions, etc.
- Details of fixed component and performance linked incentives, alongwith the performance criteria.
- Service contracts, notice period, severance fees, etc.

There was no requirement for a Meeting during the Financial Year 2010-2011.

2. (a) Payment of Remuneration to Sri Rajendra Bhutoria, Whole-time Director of the Company is governed by statutory guidelines and the Company's Service Agreement with him, the terms and conditions of which were approved by the Board and Shareholders. His remuneration structure mainly comprises of –

- (i) **Salary** : Rs. 6,00,000/- per annum.
- (ii) **Contribution to Provident Fund** : Rs. 72,000/- per annum.
- (iii) **Perquisites** : Rs. 39,600/- during the Financial Year 2010-2011.
 - Service Contract – 5 (five) years from 1st April, 2007.
 - Notice Period – 3 (Three) months.
 - Stock Option – Nil
 - Severance Fee – Nil

RTS POWER CORPORATION LIMITED |||

2. (b) Payment of Remuneration to Sri Abhay Bhutoria, Managing Director of the Company is governed by statutory guidelines and the Company's Service Agreement with him, the terms and conditions of which were approved by the Board and Shareholders. His remuneration structure mainly comprises of –

- (i) **Salary** : Rs. 5,00,000/- per annum.
- (ii) **Contribution to Provident Fund** : Rs 60,000/- per annum.
- (iii) **Perquisites** : Rs. 1,00,000/- during the Financial Year 2009-2010.
 - Service Contract – 5 (five) years from 1st December, 2010.
 - Notice Period – 3 (Three) months.
 - Stock Option – Nil
 - Severance Fee – Nil

Note : Provisions for incremental gratuity for the current year has not been considered, since the provision is based on actuarial basis for the Company as a whole.

- 3. The Non-Executive Directors are paid neither any remuneration nor any Fees for attending Meetings of the Board and its Committee. No Stock Option has been granted to any of the Directors.
- 4. No Equity Share and Convertible Instrument was held by Non-Executive Directors as on 31.03.2011.
- 5. There has been no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company during the year.

Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee is headed by Sri L. K. Patawari, an Independent Non-Executive Director. Other Members of the Committee comprises of Sri S. S. Jain, an Independent Non- Executive Director and Sri R. Bhutoria, a Non Independent Whole-time Director of the Company.

Mr J.Biswas, Company Secretary acts as Secretary to the Committee.

In accordance with the provisions of Clause 49 IV(G)(iv) of the Listing Agreement with Stock Exchanges brief description of terms of reference of the Shareholders' / Investors' Grievance Committee is :

- The Committee approves and monitors transfer, transmission, dematerialisation, rematerialisation, sub-division and consolidation of securities in physical form and issue of new and duplicate Share Certificates by your Company.
- The Committee looks into various issues relating to Shareholders / Investors, including redressal of their complaints regarding transfer of Shares in physical form, non-receipt of Annual Reports, Dividend, etc.

During the Financial Year 2010-2011 three Meetings of the Shareholders'/Investors' Grievance Committee were held on 23/07/2010, 22/10/2010 and 31/01/2011 and the attendance of the Members were as follows:

Sl. No.	Name of Directors who are Members of the Shareholders'/Investors' Grievance Committee	No. of Meetings held	No. of Meetings Attended
1.	Sri Loon Karan Patawari, <i>Chairman</i>	3	3
2.	Sri S. S. Jain, <i>Member</i>	3	3
3.	Sri Rajendra Bhutoria, <i>Member</i>	3	3

Name of Compliance Officer

Sri. J. Biswas, Company Secretary is the Compliance Officer of the Company.

RTS POWER CORPORATION LIMITED |

No. of Shareholders complaints received during the year 2010-2011	NIL
No. of Complaints resolved to the satisfaction of Shareholders as on 31st March, 2011	NIL
No. of pending Share Transfers as on 31st March, 2011	NIL

Subsidiary Company

The Company does not have any Subsidiary.

General Body Meetings

The last three Annual General Meetings of the Company were held as under :-

AGM	Year	Location	Date	Time	No. of Special Resolutions approved
60th	2008	Hotel Lindsay 8B Lindsay Street Kolkata - 700 087	03.09.2008	10.00 A.M.	None
61st	2009	Hotel Lindsay 8B Lindsay Street Kolkata - 700 087	16.09.2009	10.00 A.M.	None
62nd	2010	Hotel Lindsay 8B Lindsay Street Kolkata - 700 087	30.09.2010	10.00 A.M.	Two

The Special Resolutions passed at the 62nd Annual General Meeting were not required to be put through Postal Ballot .

All Resolutions moved at the last Annual General Meeting were passed unanimously by show of hands by the Members attending the Meeting.

No Resolution is proposed to be passed at the forthcoming Annual General Meeting through Postal Ballot.

Resume and other information regarding the Directors being appointed and reappointed as required under Clause 49 IV (G) (i) of the Listing Agreement have been given in the Notice of the ensuing Annual General Meeting annexed to this Annual Report.

Disclosures

- Details of transactions of a material nature with any of the related parties as specified in Accounting Standard (AS)18 notified under the Companies (Accounting Standards) Rules, 2006 have been reported in the Schedule attached to the Accounts 2010-2011. There is no transaction of a material nature with any of the related parties which was in conflict with the interests of the Company or which are not in the normal course of business.
- There has neither been instance of non-compliance of any legal requirement nor has there been any instance of Stock Exchanges / SEBI / any statutory authority imposing penalties or strictures on the Company for non-compliance of any requirement related to Capital Markets in the last three years.
- A Statement in summary form of transactions with related parties in the ordinary course of business has been periodically placed before the Audit Committee.
- The Company follows Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and in the preparation of Financial Statements the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- The Company has laid down a process of assessing risk management. The scope of Audit Committee includes review of the Company's financial and risk management policies.

RTS POWER CORPORATION LIMITED |||

- (f) CEO / CFO Certificate as required in terms of the Listing Agreements has duly been submitted to the Board.
- (g) The non-mandatory requirements, to the extent followed / pursued by the Company, have been stated in this Report.

Means of Communication

The main channel of communication of the Company with the shareholders is through the Annual Report which contains all relevant information about the Company. Shareholders communicate with the Company by letters /mails also.

The General Meetings are the principal forum for interaction with the Shareholders where their queries are clarified, future plans of the Company are announced and the Shareholders offer their suggestions for improving performance of the Company.

Quarterly Results and Annual audited Results are sent to the Stock Exchanges where the Company's Shares are listed. The Company has a Website www.rtspower.com which is updated from time to time. During the Financial Year the Company has neither displayed official news releases nor made any presentation to the Institutional Investors or Analysts. The Quarterly Results and Annual audited Results are mainly published in the Business Standard in its all-India editions and Economic Times, Mumbai (in English) and Dainik Lipi ,Kolkata (in Bengali) and also displayed in the Company's aforesaid Website along with all other vital information about the Company relevant from the point of view of Shareholders and Investors.

The Management Discussion and Analysis forms a part of this Report.

General Shareholders Information

ANNUAL GENERAL MEETING

Day, Date and Time : Friday, the 30th day of September, 2011 at 10.00 A.M.

Venue : HOTEL LINDSAY, 8B Lindsay Street, Kolkata - 700087

Financial Year : 1st April to 31st March.

Financial Calendar

Board/Audit Committee Meetings for approval of :	Expected Date
April 2011 – June 2011 Quarterly Results	Within 15th August, 2011 (Held)
July 2011 – September 2011 Quarterly Results	Within 15th November, 2011
October 2011 – December 2011 Quarterly Results	Within 15th February, 2012
January 2012 – March 2012 Quarterly Results	Within 15th May, 2012

Date of Book Closure

The dates of Book Closure are from Saturday, 24th day of September, 2011 to Friday, 30th day of September, 2011, both days inclusive, for the Annual General Meeting and payment of Dividend, if declared.

Dividend Payment and Date :

The Dividend, if declared, shall be paid/credited/posted on or before 29th day of October, 2011.

ISIN number for NSDL and CDSL

ISIN No. – INE005C01017

Stock Code and Existing Listing on Stock Exchanges :

Sl. No.	Stock Exchange	Stock Code
01.	The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata - 700 001.	028042 10028042
02.	Bombay Stock Exchange Limited P. J. Towers, Dalal Street, Mumbai - 400 001.	531215

Note :

Your Company's Shares continue to be listed on Calcutta and Bombay Stock Exchanges.

All Listing and Custodial Fees to the Stock Exchanges and Depositories have been paid up-to-date to the respective Institutions.

Market Price Data

Market Price Data (High/Low) during each month in the year 2010-2011.

Month	B S E			C S E		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April'10	78.00	63.00	76,056	N.T	N.T	N.T
May'10	71.00	52.50	36,817	N.T	N.T	N.T
June'10	59.00	45.10	2,78,368	N.T	N.T	N.T
July'10	56.70	45.00	2,56,700	N.T	N.T	N.T
August'10	57.00	47.45	1,33,056	N.T	N.T	N.T
September'10	61.10	48.00	96,417	N.T	N.T	N.T
October'10	63.00	50.00	56,164	N.T	N.T	N.T
November'10	67.20	47.00	72,029	N.T	N.T	N.T
December'10	55.65	43.30	27,522	N.T	N.T	N.T
January'11	54.45	42.00	11,747	N.T	N.T	N.T
February'11	46.65	35.10	84,657	N.T	N.T	N.T
March'11	39.00	32.00	19,967	N.T	N.T	N.T

N.T. – No Transaction.

Share price performance compared with broad based indices :

Company's Share Price as on	BSE	CSE
1st April, 2010	63.00	N.T
31st March, 2011	34.90	N.T
Change	44.60%	N.T.
Indices		
1st April, 2010	17555.04	7373.21
31st March, 2011	19445.22	7452.89
Change	10.76%	1.08%

N.T. – No Transaction.

Registrar & Share Transfer Agent

M/s. Niche Technologies Pvt. Ltd.

D-511, Bagree Market

71, B. R. B. Basu Road, Kolkata - 700 001

Phone : (033) 2234-3576, 2235-7270/7271/5236

Fax : (033) 2215-6823

E-mail : nichetechpl@nichetechpl.com

Share Transfer System

The Share Transfers in physical form are at present processed and the Share Certificates are returned, duly transferred in favour of Transferees, subject to all the documents being in order. Share Transfers under objection are returned immediately. The Shareholders' / Investors' Grievance Committee of the Board of Directors meets time to time to consider the transfer proposals in physical form.

Shareholding Pattern as on 31st day of March, 2011

Category	No. of Shares	% of Total
A. PROMOTERS' HOLDING		
1. PROMOTERS		
INDIAN PROMOTERS	3195,298	41.026
FOREIGN PROMOTERS	NIL	NIL
2. PERSON ACTING IN CONCERT	NIL	NIL
SUB - TOTAL	31,95,298	41.026
B. NON-PROMOTERS' HOLDINGS		
3. INSTITUTIONAL INVESTORS		
a) MUTUAL FUNDS & UTI	NIL	NIL
b) BANKS, FIs, INSURANCE COS. (CENTRAL/STATE GOVT. INSTITUTIONS/ NON-GOVT. INSTITUTIONS)	NIL	NIL
c) FIIs	70,000	0.899
SUB - TOTAL	70,000	0.899
4. OTHERS		
a) PRIVATE CORPORATE BODIES	35,30,793	45.333
b) INDIAN PUBLIC	8,33,172	10.696
c) NRIs/OCBs	9,553	0.123
d) ANY OTHER - CLEARING MEMBERS	1,49,684	1.922
SUB - TOTAL	45,23,202	58.074
GRAND - TOTAL	77,88,500	100.000

Note : Total Foreign Shareholding

NIL

NIL

Distribution of Share Holding by number of shares held as on 31st day of March, 2011

No. of Equity Shares held	Total No. of Shares	% of Holding	No. of Shareholders	% of Shareholders
Upto - 500	3,02,209	3.8802	2,515	88.5875
501 - 1000	1,24,415	1.5974	159	5.6006
1001 - 5000	2,56,226	3.2898	115	4.0507
5001 - 10000	51,192	0.6573	7	0.2466
10001 - 50000	6,34,224	8.1431	26	0.9158
50001 - 100000	7,10,572	9.1233	9	0.3170
100001 - And Above	57,09,662	73.3089	8	0.2818
TOTAL	77,88,500	100.000	2,839	100.000

Dematerialization of Shares & Liquidity

The Company's Shares are compulsorily traded in dematerialized form. The Shares are available for trading with either of the two Depositories in India – National Securities Depositories Limited and Central Depository Services (India) Limited, under ISIN: INE005C01017. As on 31st day of March 2011 about 92.17 % of the total number of Equity Shares of the Company were in dematerialized form.

Risk Management

Keeping in view of the nature of industry in which your Company is engaged, your Company had all along been conscious of the risk associated with the nature of its business. Senior Management personnel carried out risk identification, risk assessment and risk treatment procedures for all functions of the Company, which are being reviewed on an ongoing basis.

Code of Conduct

The Company has framed and adopted a Code of Business Conduct and Ethics for Members of the Board and Senior Management Officers relating to their duties and responsibilities, conflict of interest, corporate opportunities, statutory compliance, financial reporting and records, integrity of data furnished, confidentiality and behaviors. All Directors and Senior Management Officers have affirmed compliance during the year 2010-2011 of the provisions of the Code and a declaration from the Managing Director to that effect is attached to this Report. The Company has also adopted Code for Prohibition of Insider Trading.

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on Equity - NIL

Plant Locations

- a. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & Distribution Transformers Unit
C-174, Road No 9J Vishwakarma Industrial Area,
Chomu Road, Jaipur –302013 (Rajasthan)
- b. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & EHV Division Unit-132 KV Class Transformers
E-346, Road No. 16, Vishwakarma Industrial Area,
Jaipur –302013 (Rajasthan)
- c. RTS Power Corporation Limited
Transformer & Speciality Oil Unit-Kaladera
A-25, 26 Riico Industrial Area,
Kaladera, Chomu, Jaipur, (Rajasthan)
- d. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & Distribution Transformers Unit-Agra
Near 14 KM Mile Stone, Mathura Road,
P.O.Artoni, Agra –282007 (U.P)
- e. RTS Power Corporation Limited
Power & Distribution Transformers Unit-Salkia
130, Dharmatolla Road, Salkia,
Howrah-711106(West Bengal)
- f. RTS Power Corporation Limited
Power & Distribution Transformers Unit-Dhulagori
Jala Dhulagori, Sankrail, Dhulagori,
Howrah-711302 (West Bengal)

RTS POWER CORPORATION LIMITED |||

- g. RTS Power Corporation Limited
Wind Energy Division
Dhule –Maharashtra
- h. RTS Power Corporation Limited
Wind Energy Division
Barmer –Rajasthan

Address for Correspondence

For Query on Share Holding

All the correspondences may please be addressed to the Registrar and Share Transfer Agent :

M/s. Niche Technologies Pvt. Ltd.

D-511 Bagree Market,

71 B. R. B. Basu Road

Kolkata – 700001

Phone : (033) 2234-3576 ; 2235-7270/7271/5236

Fax : (033) 22156823

E mail : nichetechpl@nichetechpl.com

In case any Shareholder is not satisfied with the response or do not get any response within a reasonable period from the Registrar and Share Transfer Agent, they shall approach to Company Secretary and Compliance Officer at the Registered Office of the Company :

56, N.S. Road, 2nd Floor, Kolkata - 700001

Phone : (033) 2242-6025 / 2242-6054

Fax : (033) 2242-6732

E-mail : rtspower@vsnl.net

Auditors' Certificate on Corporate Governance

As required under Clause 49 of the Listing Agreement, the Auditors' Certificate on the Company's compliance of the Corporate Governance norms is attached.

Registered Office :

56, Netaji Subhas Road

Kolkata - 700 001

Dated : 30th day of August, 2011

For and on behalf of the Board of Directors

SARDUL SINGH JAIN

Chairman

Certificate of Compliance with the Code of Conduct Policy

As required under the relevant provisions of the Listing Agreements with the Stock Exchanges, it is confirmed that all the Directors and Senior Management Officers have affirmed compliance of the Code of Business Conduct and Ethics during the year 2010-2011.

Registered Office :

56, Netaji Subhas Road

Kolkata - 700 001

Dated : 30th day of August, 2011

For RTS POWER CORPORATION LIMITED

ABHAY BHUTORIA

Managing Director

Auditors' Certificate on Corporate Governance

To the Members of RTS Power Corporation Limited

We have examined the compliance of conditions of Corporate Governance by RTS Power Corporation Limited, for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company, with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance stipulated in Clause 49 of the above mentioned Listing Agreement except otherwise stated therein.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that as per the records maintained by the Shareholders'/Investors' Grievance Committee, as on 31st March 2011 there were no investors grievances against the Company remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A. C. BHUTERIA & CO.**
Chartered Accountants

Place : 2, India Exchange Place
Kolkata - 700 001
Dated : 30th August, 2011

Mohit Bhuteria
Partner
Membership No. 56832

Management Discussion and Analysis

Industry Structure and Developments

Power plays a very important role in the country's economy for a sustained economic growth. Your Company is manufacturing Power & Distribution Transformers of various capacities which are major and indispensable machinery/ equipment for generation, transmission and distribution of electricity in the country.

Besides the Power and Distribution Transformers manufacturing line, your Company has embarked upon the manufacture and sale of various types and sizes of Cable and Conductor for transmission of electricity since the year 2006-2007 and the Company has so far received encouraging response from Electricity Boards and expecting further good market also in future.

The growth of Transformer Industry mainly depends upon progress of Power Generation Industry. The Power Sector is growing at a reasonable pace and is poised for a strong growth in the near future. Government's Agenda of giving priorities on development of the Power Transmission and Distribution Segment have created a strong ground for development of Indian Transformer, Cable & Conductor Industry. As a result, your Company too, being in the Transformer, Cable & Conductor Industry, would also reap advantage of the greater Governmental focus on the Power Sector for its necessary growth in the coming years.

Opportunities and threats

With the Government of India's current Policy and Programme of giving thrust on Power Sector, the Transformer Industry in India is poised for high growth. The demand for smaller size of Distribution Transformers has increased in a very big way due to Central and State Government's rural electrification Programme under AREP Schemes. Similarly, due to Government's upcoming Project of National Grid and Interlinking of Trunk Lines for inter-transfer of bulk power from surplus to deficit States the demand for Transformers at UHV level will also increase. All these opportunities will help the Industry which is struggling hard with the problem of over-capacity /over-production for past few years. Your Company with technical expertise and various manufacturing set-ups will be in a position to take share of such growth and prosperity in Power Sector.

There has been a spate of expansions by various companies in the Transformer Industry for manufacturing different types and ratings of Transformers resulting in stiff competition. Therefore, the selling prices are under pressure, so as the margins. The increase in cost of inputs like CRGO steel, copper, bushings, etc and payment problem from SEBs are causes for concern.

There is a strong base of about 150 Transformer Companies in India, with an overall production over 90,000 MVA per annum. Besides meeting the domestic requirement, India is exporting Transformers to over 50 countries covering USA, Europe, South Africa, Cyprus, Syria, Iraq and other Middle East and Far East countries all over the world. Therefore, the selling prices are under pressure. Continued inflation, volatile commodity prices, tight liquidity, increased financing costs, delayed finalization of Orders ,etc. are threats for satisfactory sales growth and proper margins.

Segment-wise or Product-wise Performance :

	PRODUCTION		SALE	
	Year ended 31.3.2011	Year ended 31.3.2010	Year ended 31.3.2011	Year ended 31.3.2010
1. Transformers, Transformer Parts and Accessories	11,418 Nos. 27698.55 Kgs	8387 Nos.& 37826.47 Kgs	10568 Nos. & 22376.55 Kgs & 106 Sets	8606 Nos.& 37826 Kgs
2. Cables & Conductors	15097.144 km.	11353.953 Km	35 Nos. & 15279.94 km	95 Nos & 11745.939 km
3. Wind Energy	2899297 KWH	2358281 KWH	2899297 KWH	2358281 KWH

Outlook

Year 2011-2012 appears to be a year full of growth potential as far as the business from Power Utilities – both Government and Private, Power Projects and Industrial Users are concerned. The increasing requirement of High Voltage Sub Station provides a good opportunity for the growth of your Company .The Government of India's ambitious plan of electrifying each and every village in rural areas will boost the demand of Distribution Transformers .Your Company with technical expertise and various manufacturing set-ups will be in a position to take share of such future growth and prosperity in Power Sector in our Country.

However, 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 as the margins.

Your Company's Cable and Conductor Unit is looking up and penetrating into new customer base with the target to achieve higher sales in this segment. The capacity for manufacturing of Dry Type Transformers at your Company's new Factory at Dhulagori has already been increased. The Salkia Unit is now being utilized for repairs and manufacture of smaller Transformers after the main operations of the said Unit have been shifted to Dhulagori Unit.

Thus, on the whole the outlook of the Industry in which your Company operates looks positive. Risks and threats are there , but not in that alarming proportion and the Management is fully aware and cautious of the same. The Management of your Company is deeply committed to the profitable growth of your Company.

Risks and Concerns

There has been a spate of expansions of various companies in the Transformer Industry for manufacturing different types of Transformers. Hence there is a possibility of lower margins in view of the widespread and stiff competition. Continuous increase in cost of raw materials, like CRGO steel, Copper, Transformer Oil, etc. will contribute for a further erosion in margins since the raw materials forms around 75% of the pricing of Transformers.

Internal Control Systems and their Adequacy

The philosophy being followed with regard to Internal Control Systems and their adequacy has been formulation of effective Systems and their strict implementation to ensure that assets and interest of the Company are safeguarded, checks and balances are in place to determine the accuracy and reliability of the accounting data.

The Company has a well-established and comprehensive Internal Control structure to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, that transactions are authorized, recorded and reported correctly and that operations are conducted in an efficient and cost effective manner.

RTS POWER CORPORATION LIMITED |||

Your Company has proper and adequate system of Internal and Budgetary Control in all areas of its operations. This Internal Control System are regularly reviewed and monitored. The Audit Committee of the Board of Directors supervises the functioning and effectiveness of Internal Controls.

Financial Performance

(Rs in Lacs)

PARTICULARS	Year Ended 31. 03. 2011	Year Ended 31. 03. 2010
Total Income	13853.61	10332.54
Total Expenditure	13536.91	10106.82
Profit Before Tax (PBT)	316.70	225.72
Profit After Tax (PAT)	200.82	150.95

Operational Performance

The Turnover of your Company showed a significant improvement during the year. The Turnover during the year was Rs 136.62 Crores as against Rs 101.43 Crores during the previous year. This is an improvement by 34.70 % amidst keen competition .The demand of the Company's all products, namely Transformers & Accessories ,Cables & Conductors and Wind Energy showed a substantial increasing trend.

The Profit Before Tax of Rs 3.17 Crores of this year is 40.27 % higher than that of last year, which is a record compared to previous four years during which your Company all along witnessed a continuous downtrend of Profit . In spite of continuous abnormal price hike of the major Raw Materials and cut throat competition resulting in lower selling prices , your Company has achieved better results as above despite all odds and adverse economic scenario.

Human Resources Development / Industrial Relations

Your Company's capabilities are centered around its highly dedicated employees numbering 136 as on 31st March, 2011.

Your Company believes in family like environment and team work. Thus has achieved cooperation and willingness of all the employees for best performance at all levels.

Your Company continues to maintain an excellent industrial relations scenario.

Registered Office :
56, Netaji Subhas Road
Kolkata - 700 001
Dated : 30th August, 2011

For and on behalf of the Board of Directors

S. S. JAIN
Chairman

AUDITORS' REPORT

- 1) We have audited the attached Balance Sheet of **RTS POWER CORPORATION LIMITED** ("the Company") as at 31st March, 2011 and also the annexed Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order as far as applicable:
- 4) Further to above -
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
 - iii) The Branch Auditor's Report of branches not visited by us, have been properly dealt with in preparing our report.
 - iv) The Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of accounts of the Company.
 - v) In our opinion, the Profit and Loss Account, Balance Sheet and Cash Flow Statement comply with the mandatory Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable.
 - vi) On the basis of written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
 - vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies & notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011

RTS POWER CORPORATION LIMITED |||

b) In the case of the Profit & Loss Account, of the Profit for the year ended on that date

A N D

c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date

2, India Exchange Place
Kolkata - 700 001
Dated : 30th August, 2011

For **A. C. Bhuteria & Co.**
Chartered Accountants
Firm Registration No. 303105E
Mohit Bhuteria
Partner
Membership No. 56832

ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN OUR REPORT OF EVEN DATE

- i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The management has physically verified fixed assets during the year-end and no discrepancy was noticed on such verification. In our opinion the frequency of verification is reasonable. There was no substantial disposal of fixed assets during the year.
- ii) Physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. The Company is maintaining proper records of inventory. Discrepancies noticed on physical verification as compared to books records, which were not material, have been properly dealt with in the books of accounts.
- iii) a) As informed , the Company has not granted any loan, secured or unsecured, to companies, firms or parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- b) The Company has taken unsecured loan from a party and fifteen companies covered in the register maintained under Section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs. 1725.05 Lacs & the year-end balance as such loan taken was Rs. 1157.58 Lacs.
- c) In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions on which loan has been taken from companies and a party listed in register maintained under Section 301 of the Companies Act 1956 are not prima facie, prejudicial to the interest of the Company.
- d) The Company is regular in repayment of principal as per stipulations, wherever made and is regular in payment of Interest.
- e) There is no overdue amount of loan taken from or granted to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and nature of its business for purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.

RTS POWER CORPORATION LIMITED |||

- v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been duly entered in the register required to be maintained under the Section.
- b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. 5,00,000/- in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except in cases where comparison could not be made in absence of similar transactions with other parties.
- vi) In our opinion & according to the information & explanations given to us, the Company has not accepted any deposit from public during the year.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) We are informed that maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act 1956.
- ix) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, customs duty, service tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, service tax or cess were in arrears, as at the close of the year for a period of more than six months from the date they became payable except for sum of Rs. 54737/- on account of Service Tax.
- b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax and cess, which have not been deposited on account of any dispute except the following.

Name of Statute	Nature of Dues	Amount (Rs.)	Period	From where dispute is pending
Rajasthan Tax on Entry of Goods in Local Area Act, 1999	Entry Tax	24,40,383 50% amount deposited on 26-05-2011 Rs. 12,20,192/-	1-10-2009 to 31-03-2011	Rajasthan High Court Stayed 50% hence 50% deposited on 26-05-2011.
Rajasthan Tax on Entry of Goods in Local Area Act, 1999	Entry Tax	13,07,431 50% amount deposited on 26-05-2011 Rs. 6,53,716/-	1-10-2009 to 31-03-2011	Rajasthan High Court Stayed 50% hence 50% deposited on 26-05-2011.

- x) The Company does not have any accumulated losses. The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to banks or financial institutions. The Company has no debenture holders.

RTS POWER CORPORATION LIMITED |

- xii) As informed and explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund /nidhi/mutual benefit fund/society.
- xiv) The Company does not have any dealing or trading in shares, securities, debentures or other investments, and accordingly Clause 4 (xiv) of the Order is not applicable.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) Term loans obtained by the Company were applied for the purpose for which the loans were obtained.
- xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- xviii) The Company has made preferential allotment of 2,00,000 Equity Shares of Rs. 10/- each to a company covered in the Register maintained under Section 301 of the Companies Act, 1956. The Equity Shares have been issued based on the price determined as per SEBI Guidelines and are therefore not prejudicial to the interest of the Company.
- xix) The Company has not issued any debentures during the year.
- xx) The company has disclosed the end use of money raised by issue of Equity Shares on Preferential basis and the same has been verified by us. (Refer Note No. 19 in Schedule No. 18).
- xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor we have been informed of any such case by the management.

2, India Exchange Place
Place : Kolkata - 700 001
Dated : 30th August, 2011

For **A. C. BHUTERIA & CO.**
Chartered Accountants
Firm Registration No. 303105E
Mohit Bhuteria
Partner
Membership No. 56832

BALANCE SHEET as at 31st March, 2011

	Schedule No.	As at 31.03.2011 Rs. P.	As at 31.03.2010 Rs.
SOURCES OF FUNDS			
A) SHARE HOLDERS FUNDS			
Share Capital	1	77,885,000.00	71,885,000
Reserve & Surplus	2	358,002,951.04	313,647,185
TOTAL	(A)	435,887,951.04	385,532,185
B) LOAN FUNDS			
Secured Loans	3	215,017,552.64	215,328,706
Unsecured Loans	4	127,600,148.00	142,561,345
TOTAL	(B)	342,617,700.64	357,890,051
C) DEFERRED TAX LIABILITY			
TOTAL	(C)	18,249,000.00	16,039,000
TOTAL	(A+B+C)	796,754,651.68	759,461,236
APPLICATION OF FUNDS			
A) Fixed Assets			
Gross Block	5	296,055,438.49	271,437,253
Less : Depreciation		124,392,855.76	106,074,201
Net Block		171,662,582.73	165,363,052
Capital Work-in- Progress		2,783,233.59	5,606,265
		174,445,816.32	170,969,317
B) Investments			
	6	371,500.00	371,500
C) Current Assets, Loans And Advances :			
Inventories	7	308,228,439.24	257,210,577
Sundry Debtors	8	692,248,696.53	605,671,484
Cash & Bank Balances	9	62,048,892.99	58,415,495
Loans & Advances	10	54,350,815.02	41,831,346
	(A)	1,116,876,843.78	963,128,902
D) Less : Current Liabilities & Provisions			
	(B)	494,939,508.42	375,008,483
Net Current Assets	(A-B)	621,937,335.36	588,120,419
TOTAL :		796,754,651.68	759,461,236
Significant Accounting Policies & Notes to the Accounts	18		

Schedules referred to above form an Integral part of the Balance Sheet

As per our Report of even date
For **A. C. BHUTERIA & CO.**
Chartered Accountants
Mohit Bhuteria
Partner
Place : Kolkata
Dated : 30th August, 2011

S. S. Jain
Chairman
R. Bhutoria
Vice Chairman & Wholetime Director
L. K. Patawari
Director
Abhay Bhutoria
Managing Director
J. Biswas
Company Secretary

PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011

	Schedule No.	Year ended 31.03.2011		Year ended 31.03.2010
		Rs.	P.	Rs.
INCOME				
Sales - Turnover	12	1,366,239,681.97		1,014,344,645
Less : Excise Duty		134,731,854.55		80,241,607
		1,231,507,827.42		934,103,038
Job Charges	13	101,417,596.82		84,107,545
Other Income	14	8,217,695.22		15,043,860
Increase/(Decrease) in Stock	15	44,217,733.65		(17,411,151)
		1,385,360,853.11		1,015,843,292
EXPENDITURE				
Manufacturing & Other Expenses	16	1,272,474,545.78		925,396,370
Interest & Financial Expenses	17	61,912,422.35		52,344,403
Depreciation	5	19,304,235.00		15,530,731
		1,353,691,203.13		993,271,504
Profit/(loss) Before Tax		31,669,649.98		22,571,788
Less : Provision for Current Tax		8,000,000.00		5,200,000
Deferred Tax Charged/(Credit)		2,210,000.00		2,277,000
Income Tax for Earlier Years		1,377,889.16		—
Profit/(loss) After Tax		20,081,760.82		15,094,788
Add : Profit/(Loss) Brought Forward		87,854,416.22		76,950,838
		107,936,177.04		92,045,626
Less : Proposed Dividend		3,894,250.00		3,594,250
Corporate Dividend Tax		631,745.00		596,960
Balance Carried to Balance Sheet		103,410,182.04		87,854,416
Basic/diluted Earning Per Share (Refer Note No.7 in Schedule 18)			2.69	2.10
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	18			

Schedules referred to above form an Integral part of the Profit & Loss Account.

As per our Report of even date
For **A. C. BHUTERIA & CO.**
Chartered Accountants
Mohit Bhuteria
Partner
Place : Kolkata
Dated : 30th August, 2011

S. S. Jain
Chairman
R. Bhutoria
Vice Chairman & Wholetime Director
L. K. Patawari
Director
Abhay Bhutoria
Managing Director
J. Biswas
Company Secretary

SCHEDULES 1 to 11 annexed to & forming part of Balance Sheet as at 31st March, 2011

	As at 31.03.2011 Rs. P.	As at 31.03.2010 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised : 1,20,00,000 Equity Shares of Rs. 10/- each	120,000,000.00	120,000,000
Issued, Subscribed & Paid-up : 77,88,500 (31/03/10 71,88,500) Equity Shares of Rs.10/- each fully paid-up in cash	77,885,000.00	71,885,000
	77,885,000.00	71,885,000
SCHEDULE - 2		
RESERVES AND SURPLUS		
Share Forfeited - As per last Account	15,500.00	15,500
Generator Subsidy Reserve - As per last Account	61,000.00	61,000
Rajasthan State Investment Subsidy - As per last Account	521,505.00	521,505
Securities Premium Account - As per last Account	2,15,605,500.00	215,605,500
Addition during the year	<u>28,800,000.00</u>	-
General Reserve - As per last Account	9,589,264.00	9,589,264
Profit & Loss Account	103,410,182.04	87,854,416
	358,002,951.04	313,647,185
SCHEDULE - 3		
SECURED LOANS		
From Banks :		
i) On Cash Credit Account	135,279,870.74	141,778,722
ii) Bill discounting	27,221,269.00	10,355,759
iii) Term Loan : (The above loans are secured by hypothecation of all present and future movable Fixed Assets, Stock and Book Debts and other current assets and equitable mortgage of some immovable properties and personal guarantee by two directors.)	46,059,357.56	61,227,994
iv) On Auto Loan Account : (Secured against hypothecation of Motor Car) (Term Loan & Auto Loan - Due within one year Rs 166.06 lacs, 31/03/10 Rs 130.60 lacs)	1,549,613.61	1,966,231
From Body Corporates :		
i) Term Loan (Secured against both present & future, hypothecation of Fixed assets and movable assets of Dhulagori unit.) (Due within one year Rs. 17.08 Lacs, P.Y. Rs. Nil)	4,520,735.00	-
ii) On Auto Loan Account (Secured against hypothecation of Motor Car) (Due within one year Rs. 1.00 Lac, P.Y. Rs. Nil)	386,706.73	-
	215,017,552.64	215,328,706
SCHEDULE - 4		
UNSECURED LOANS :		
From Bodies Corporate (Short Term)	126,173,787.00	139,827,822
From Rajasthan State Govt. (Under Sales Tax Deferment Scheme) (Sales Tax Deferment Scheme Due within one year Rs. Nil. As at 31.3.10 Rs. 16.14 lacs)	-	1,614,049
From Directors (Short Term)	1,426,361.00	1,119,474
	127,600,148.00	142,561,345

**SCHEDULE - 5
FIXED ASSETS**

Schedule '5' of Fixed Assets Annexed to and Forming Part of Balance Sheet As on 31st March, 2011

P A R T I C U L A R S	G R O S S B L O C K			D E P R E C I A T I O N			N E T B L O C K			
	As on 01.04.10 Rs.	Addition Rs.	Deduction Rs.	Total As on 31.03.11 Rs.	Up to 31.03.10 Rs.	For the year Rs.	Deduction Rs.	Total Up to 31.03.11 Rs.	As on 31.03.11 Rs.	As on 31.03.10 Rs.
LAND (LEASE HOLD)	3564274.58	1316903.00	0.00	4881177.58	0.00	0.00	0.00	0.00	4881177.58	3564275
LAND (FREE HOLD)	16906474.70	6669138.00	0.00	23575612.70	0.00	0.00	0.00	0.00	23575612.70	16906475
BUILDING	46568714.16	12836509.00	0.00	59405223.16	17974772.92	2635324.00	0.00	20610096.92	38795126.24	28593941
BUILDING OFFICE	5784336.37	0.00	0.00	5784336.37	676791.00	255073.00	0.00	931864.00	4852472.37	5107545
BUILDING TIME SHARE	48400.00	0.00	0.00	48400.00	0.00	0.00	0.00	0.00	48400.00	48400
PLANT & MACHINERY (MAIN)	75431926.24	2942935.98	0.00	78374862.22	41596109.64	4883164.00	0.00	46479273.64	31895588.58	33835816
OIL STORING TANK	2688060.74	0.00	0.00	2688060.74	2297665.74	54304.00	0.00	2351969.74	336091.00	390395
WIND TURBINE GENERATOR	90058340.00	0.00	0.00	90058340.00	24909978.00	9062137.00	0.00	33972115.00	56086225.00	65148362
HANDLING EQUIPMENTS	6825919.69	456674.00	0.00	7282593.69	4129255.41	428779.00	0.00	4558034.41	2724559.28	2696664
RESEARCH & DEVELOPMENT EQUIPMENTS	846886.04	147735.00	0.00	994621.04	756808.04	19435.00	0.00	776243.04	218378.00	90078
AUXILIARY MACHINERY	379618.57	115160.00	0.00	494778.57	307946.57	14154.00	0.00	322100.57	172678.00	71672
FIRE EXTINGUISHER	120080.68	0.00	0.00	120080.68	96873.68	3228.00	0.00	100101.68	19979.00	23207
FURNITURE & FIXTURE	2343326.99	13920.00	0.00	2357246.99	1601255.99	136480.00	0.00	1737735.99	619511.00	742071
TYPE WRITER	14290.39	0.00	0.00	14290.39	14057.39	32.00	0.00	14089.39	201.00	233
GENERATOR	1129852.93	0.00	0.00	1129852.93	568860.65	78033.00	0.00	646893.65	482959.28	560992
TUBE WELL	608895.60	0.00	0.00	608895.60	280507.60	32952.00	0.00	313459.60	295436.00	328388
TELEVISION	18790.00	0.00	0.00	18790.00	11449.00	1056.00	0.00	12505.00	6285.00	7341
AIR CONDITIONER	1140812.97	63800.00	0.00	1204612.97	626662.97	79451.00	0.00	706113.97	498499.00	514150
COMPUTER	2848783.78	209690.00	0.00	3058473.78	2510058.78	173257.00	0.00	2683315.78	375158.00	338725
OFFICE EQUIPMENT	906774.50	129254.00	0.00	1036028.50	586227.99	81313.00	0.00	667540.99	368487.51	320547
ELECTRIC INSTALLATION	4355186.89	11106.00	0.00	4366292.89	2350150.70	280185.00	0.00	2630335.70	1735957.19	2005036
VEHICLES	8427048.37	596990.00	1570584.00	7453454.37	4590833.37	954069.00	985580.00	4559322.37	2894132.00	3836215
FAX MACHINE	108507.32	0.00	0.00	108507.32	77869.32	2147.00	0.00	80016.32	28491.00	30638
WATER COOLER	50880.00	0.00	0.00	50880.00	23622.00	3792.00	0.00	27414.00	23466.00	27258
REFRIGERATOR	92056.00	678955.00	0.00	771011.00	47077.00	125210.00	0.00	172287.00	598724.00	44979
CLOSE CIRCUIT TELEVISION	98865.00	0.00	0.00	98865.00	226.00	0.00	0.00	226.00	98639.00	98639
EPBX SYSTEM	70150.00	0.00	0.00	70150.00	39141.00	660.00	0.00	39801.00	30349.00	31009
T O T A L	271437252.51	26188769.98	1570584.00	296055438.49	106074200.76	19304235.00	985580.00	124392855.76	171662582.73	165363051
As at 31.03.2010 (Rounded off)	223834316	48337667	734731	271437253	91044404	15530731	500935	106074201	165363052	

RTS POWER CORPORATION LIMITED |||

	As at 31.03.2011	As at 31.03.2010
	Rs. P.	Rs.
SCHEDULE - 6		
INVESTMENTS (Long Term - at Cost Unquoted) (Non-Trade)		
National Saving Certificate (Deposited with Government Departments)	21,500.00	21,500
In Equity Shares :		
35,000 (35,000) Equity Shares of Bhutoria Agrotech Limited of Rs. 10/- each fully paid-up in cash	350,000.00	350,000
	371,500.00	371,500

SCHEDULE - 7

INVENTORIES

(As per inventories taken, valued and certified by the management)

Stores & Spares	15,863,237.88	15,821,848
Raw Materials (including Goods in Transit)	63,470,729.71	61,299,364
Work-in-process	141,362,963.65	140,471,492
Finished Goods	86,163,924.00	38,600,893
Scrap	1,367,584.00	1,016,980
	308,228,439.24	257,210,577

SCHEDULE - 8

SUNDRY DEBTORS

(Unsecured considered good)

Debts outstanding for a period exceeding six months	197,886,118.03	168,025,188
Other Debts	494,362,578.50	437,646,296
	692,248,696.53	605,671,484

SCHEDULE - 9

CASH & BANK BALANCES

Cash in hand	676,919.19	1,462,736
Balance with Scheduled Banks :		
In Current Account	2,510,157.43	851,457
In Unpaid Dividend Account	178,739.37	159,017
In Fixed Deposit Account (Receipt lodged with Bank)	58,549,725.00	55,840,507
Interest accrued on Fixed Deposit	133,352.00	101,778
	62,048,892.99	58,415,495

RTS POWER CORPORATION LIMITED |||

	As at 31.03.2011		As at 31.03.2010
	Rs.	P.	Rs.
SCHEDULE - 10			
LOANS & ADVANCES			
(Unsecured considered good)			
Advances recoverable in cash or in kind or for value to be received	4,806,573.22		4,006,886
Advance - Capital Items		-	4,140,000
Security Deposits	8,759,959.29		7,433,175
Earnest Money Deposits	10,346,878.00		10,119,067
Balance with Excise, Sales Tax etc.	25,247,270.51		11,387,160
Advance Income Tax (Net of Provision)	5,174,129.00		4,745,058
Advance Fringe Benefit Tax (Net of Provision)	16,005.00		-
	54,350,815.02		41,831,346

SCHEDULE - 11
CURRENT LIABILITIES & PROVISIONS

(A) Current Liabilities			
Sundry Creditors			
Total Outstanding dues of Micro & Small Enterprises	1,525,622.00		1,111,913
Total Outstanding dues of Creditors other than Micro and Small Enterprises	468,119,563.35		314,805,675
Bills Payable		-	2,689,502
Unclaimed Dividend	178,739.37		159,017
(Amount due for transfer to Investor Education & Protection Fund Rs Nil)			
Other Liabilities	12,241,364.70		44,649,355
	482,065,289.42		363,415,462
(B) Provisions :			
Provision for Fringe Benefit Tax (Net)		-	115,283
Provision for Proposed Dividend	3,894,250.00		3,594,250
Provision for Corporate Dividend Tax	631,745.00		596,960
Provision for Gratuity	7,701,273.00		6,605,000
Provision for Leave Encashment	646,951.00		681,528
	12,874,219.00		11,593,021
Total (A+B)	494,939,508.42		375,008,483

As per our Report of even date
For **A. C. BHUTERIA & CO.**
Chartered Accountants
Mohit Bhuteria
Partner
Place : Kolkata
Dated : 30th August, 2011

S. S. Jain
Chairman
R. Bhutoria
Vice Chairman & Wholetime Director
Abhay Bhutoria
Managing Director
L. K. Patawari
Director
J. Biswas
Company Secretary

SCHEDULES 12 to 17 annexed to & forming part of Profit & Loss Account for the year ended 31st March, 2011

	Year ended 31.03.2011 Rs. P.	Year ended 31.03.2010 Rs.
SCHEDULE - 12		
SALES : TURNOVER		
Sales (Gross TDS Rs. 627100/- Previous Year Rs. Nil)	1,366,239,681.97	1,014,344,645
	<u>1,366,239,681.97</u>	<u>1,014,344,645</u>
SCHEDULE - 13		
JOB CHARGES		
Job Charges (Gross TDS Rs 2339187/- Previous Year Rs. 920552/-)	101,417,596.82	84,107,545
	<u>101,417,596.82</u>	<u>84,107,545</u>
SCHEDULE - 14		
OTHER INCOME		
Interest (Gross TDS Rs 432939/- Previous Year Rs.438454/-)	4,539,033.67	4,087,429
From Bank on fixed deposits	1,276,151.00	3,414,129
From Others - Sundry Debtors etc	2,243,468.64	4,551,422
Miscellaneous Income (Gross TDS Rs.20600/- Previous Year Rs.266740/-)	159,041.91	2,990,880
Foreign Exchange Fluctuation	8,217,695.22	15,043,860
	<u>8,217,695.22</u>	<u>15,043,860</u>
SCHEDULE - 15		
INCREASE/DECREASE IN STOCK		
Closing Stock		
Finished Goods	86,163,924.00	38,600,893
Work-in-process	141,362,963.65	140,471,492
Scrap & Replaced materials	1,367,584.00	1,016,980
(A) :	<u>228,894,471.65</u>	<u>180,089,365</u>
Less : Opening Stock		
Finished Goods	38,600,893.00	64,514,980
Work-in-process	140,471,492.00	132,825,523
Scrap & Replaced materials	1,016,980.00	1,540,935
(B) :	<u>180,089,365.00</u>	<u>198,881,438</u>
(A-B) :	48,805,106.65	(18,792,073)
Less : Excise Duty on Inventories (Net)	(C) 4,587,373.00	(1,380,922)
Increase/(Decrease) in Stock (A-B-C)	<u>44,217,733.65</u>	<u>(17,411,151)</u>

SCHEDULE – 18

(Annexed to and forming part of Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date)

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the Historical Cost Convention on the basis of a going concern. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

b. USE OF ESTIMATES

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets & liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

c. FIXED ASSETS

Fixed Assets are stated at their original cost less accumulated depreciation. Cost includes attributable expenses, pre-operational expenses, financing costs during the period of construction for qualifying assets and excludes Cenvat benefit enjoyed, if any.

d. DEPRECIATION :

Depreciation is provided on Written Down Value Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. No amortization is provided in respect of Leasehold Land.

e. INVESTMENT

Long Term investments are valued at cost. Provision is made for diminution in value of investments, if the same is considered to be other than temporary in nature.

f. INVENTORIES

- (i) Raw materials, Stores & Spare Parts, Work-in-Process and Finished Goods are valued at lower of cost and net realizable value. Cost of raw material and stores & spare parts are ascertained on FIFO method basis. Cost of work-in-process and finished goods are ascertained on absorption cost basis incorporating cost of material on weighted average basis.
- (ii) Scrap, empty drums and replaced material are valued at net realizable value.
- (iii) Excise Duty on inventories of finished goods as at the year end are provided for and included in the valuation of the said inventories of finished goods

g. REVENUE RECOGNITION

Sales include excise duty but does not include VAT/ CST collected.

h. EMPLOYEE BENEFITS

(i) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like Salary, wages, short term compensated absences and bonus, are recognized as expenses in the period in which the employee renders the related service.

(ii) Post- Employment Benefits

(a) Defined Contribution Plans

The Company has Defined Contribution Plans for post employment benefits in the form

of Provident/Family Pension Fund for all employees which are administered by Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution plans are charged to the Profit and Loss Account as and when incurred.

(b) **Defined Benefit Plans**

Non-Funded Plan: The Company has a defined benefit plan for post-employment benefit in the form of Gratuity. Liability for the above defined benefit plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

- (iii) Termination benefits are recognised as an expense as and when incurred.
- (iv) The actuarial gains and losses arising during the year are recognised in the Profit and Loss Account.

i. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted for at exchange rates prevailing on the date of the transaction. Foreign currency assets and liabilities (monetary items-trade receivables / trade payables) at the year-end are accounted for at year-end exchange rates and differences, if any are adjusted in the Profit & Loss Account. Exchange differences arising on settlement of monetary items(trade receivables / trade payables) are recognised as income or expense in the period in which they arise.

j. EARNINGS PER SHARE

The earnings in ascertaining the Company's EPS comprises the net profit/loss after tax and includes the post tax effect of any extra ordinary items. The number of shares used in computing Basic – EPS is the weighted average number of equity shares outstanding during the year.

k. TAXATION

Tax expenses for the year, comprising, current tax and deferred tax, are included in determining the net profit for the year. A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantively enacted tax rates. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

l. IMPAIRMENT OF ASSETS

Impairment is ascertained at each Balance Sheet date in respect of Cash Generating units and impairment loss is recognised whenever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

m. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.

- 2. The amount due to suppliers covered under the Micro Small & Medium Enterprises Development Act, 2006 given in Schedule 11 - Current Liabilities & Provisions is based on details regarding the status of the suppliers obtained by the company. This has been relied upon by the Auditors. There is no interest paid or payable to such enterprises.

3. EMPLOYEE BENEFITS

(a) Post Retirement Benefits :

Defined Contribution Plans

The Company has recognised the following amounts in the Profit and Loss Account for the year:
(Rs.in Lacs)

Particulars	2010-11	2009-10
Contribution to Employees' Provident Fund and Family Pension Fund	18.07	10.52

(b) Defined Benefit Plans - Gratuity

(Rs.in Lacs)

Particulars	2010-11	2009-10
(i) Changes in the Present Value of Obligation		
(a) Present Value of Obligation as at April 1,2010	66.05	59.88
(b) Interest Cost	10.04	9.05
(c) Past Service Cost	-	-
(d) Current Service Cost	5.01	3.86
(e) Curtailment Cost/(Credit)	-	-
(f) Settlement Cost/(Credit)	-	-
(g) Benefits Paid	(6.21)	(4.07)
(h) Actuarial (Gain)/Loss	2.13	(2.67)
(l) Present Value of Obligation as at Mar 31, 2011	77.02	66.05
(ii) Changes in the Fair value of Plan Assets		
(a) Present Value of Plan Assets as at April 1, 2010		
(b) Expected Return on Plan Assets		
(c) Actuarial Gain/(Loss)		
(d) Employers' Contributions		
(e) Employees' Contributions		
(f) Benefits Paid		
(g) Fair Value of Plan Assets as at Mar 31, 2011	N.A., as Gratuity benefit is not funded.	N.A., as Gratuity benefit is not funded.
(iii) Amount recognised in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
(a) Present Value of Funded Obligation as at Mar 31, 2011	-	-
(b) Fair Value of Plan Assets as at Mar 31, 2011	-	-
(c) Funded (Asset)/Liability recognised in the Balance Sheet	-	-
(d) Present Value of Unfunded Obligation as at Mar 31, 2011	77.02	66.05
(e) Unrecognised Past Service Cost	-	-
(f) Unrecognised Actuarial (Gains)/Losses	-	-
(g) Unfunded Net Liability recognised in the Balance Sheet	77.02	66.05

(iv) Expenses recognised in the Profit and Loss Account		
(a) Current Service Cost	5.01	3.86
(b) Past Service Cost	-	-
(c) Interest Cost	10.04	9.05
(d) Expected Return on Plan Assets	-	-
(e) Curtailment Cost/(Credit)	-	-
(f) Settlement Cost/(Credit)	-	-
(g) Net actuarial (Gain)/Loss	2.13	(2.67)
(h) Employees' Contribution	-	-
(l) Total Expenses recognised in the Profit and Loss Account	17.18	10.24
(v) Percentage of each Category of Plan Assets to total		
Fair Value of Plan Assets as at Mar 31, 2011		
(a) Government of India Securities	N.A.	N.A.
(b) Corporate Bonds	N.A.	N.A.
(c) Special Deposit Scheme	N.A.	N.A.
(d) Equity Shares of Listed Companies	N.A.	N.A.
(e) Property	N.A.	N.A.
(f) Insurer Managed Funds	N.A.	N.A.
(g) Others	N.A.	N.A.

(c) **The Actual Return on Plan Assets is as follows (Rs.)**

Actual return on plan assets N.A. N.A.

(d) **Following are the Principal Actuarial Assumptions used as at the Balance Sheet date :**

PARTICULARS	2010-11	2009-10
(a) Interest Rate	-	-
(b) Discount Rate	7.50%	7.50%
(c) Expected Rate of Return on Plan Assets	-	-
(d) Salary Escalation Rate	5.00%	5.00%

(e) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

(f) Retirement age : 58 years

4. Related party disclosures (where transactions have taken place)

(i) **Key Management Personnel :**

Shri Rajendra Bhutoria
Shri Abhay Bhutoria

(ii) **Relatives of Key Management Personnel :**

Shri Sharad Bhutoria

RTS POWER CORPORATION LIMITED |||

- (iii) Enterprises where key management personnel have significant influence :
- | | |
|---|--|
| Bhutoria Brothers Ltd. | Abhay Transformers Pvt. Ltd. |
| Kalinga Petrochemicals Pvt. Ltd. | Bhutoria Transformers & Rectifiers Pvt. Ltd. |
| BLB Cables & Conductors Pvt Ltd. | Bhutoria Properties |
| Bhutoria Investments Pvt. Ltd. | Howrah Warehouse Pvt. Ltd. |
| Rajasthan Transformers & Switchgears (P) Ltd. | Bhutoria Agrotech Ltd. |
| Ladnun Agricultural Farms Pvt. Ltd. | |

Related party relationship in terms of AS-18-“Related Party Disclosures” have been identified by the management and relied upon by the Auditors. There are no related parties where control exists in terms of AS-18.

- (iv) The following transactions were carried out with the related parties in the ordinary course of business :
(Rupees)

Nature of Transaction	Key Management Personnel	Relative of key management personnel	Enterprises where key management personnel have significant influence
(A) Expenditure			
Interest			
Bhutoria Brothers Ltd.			2,713,158 (2,299,658)
BLB Cables & Conductors (P) Ltd.			607,045 (685,755)
Abhay Transformers Pvt Ltd.			303,053 (1,455,287)
Rajasthan Transformers & Switchgears Pvt. Ltd.			3,974,967 (3,605,535)
Bhutoria Agrotech Ltd.			75,377 (13,712)
Bhutoria Transformers & Rectifiers Pvt. Ltd.			54,066 (-)
Bhutoria Investments Pvt. Ltd.			125,943 (37,705)
Kalinga Petrochemicals (P) Ltd.			471,586 (271,643)
Rent			
Bhutoria Properties			2,160 (2,160)
Bhutoria Transformers & Rectifiers Pvt. Ltd.			300,000 (-)
Bhutoria Brothers Ltd.			168,000 (108,000)
Salary & Benefits			
Sharad Bhutoria		537,600 (268,800)	
Power Consumption			
Bhutoria Brothers Ltd.			312,945 (303,636)
Purchase			
Bhutoria Transformers & Rectifiers Pvt Ltd.			- (16,818,589)
Abhay Transformers Pvt. Ltd.			14,328,848 (804,078)
Remuneration			
Rajendra Bhutoria	711,600 (206,400)		
Abhay Bhutoria	660,000.00 (396,000)		
Reimbursement of Expenses			
Abhay Transformers Pvt. Ltd.			- (94,852)

(Rupees)

Nature of Transaction	Key Management Personnel	Relative of key management personnel	Enterprises where key management personnel have significant influence
(B) Income			
Sales			
Abhay Transformers Pvt Ltd.			14,797,714 (12,034,470)
(C) Unsecured Loan			
Taken during the year :			
Bhutoria Brothers Ltd.			7,914,652 (5,330,348)
BLB Cables & Conductors (P) Ltd.			1,090,000 (2,175,000)
Abhay Transformers Pvt Ltd			15,902,750 (32,000,000)
Rajasthan Transformers & Switchgears Pvt Ltd.			14,745,000 (24,890,000)
Ladnun Agricultural Farms (P) Ltd			2,200,000 (1,350,000)
Bhutoria Agrotech Ltd			1,900,000 (325,000)
Kalinga Petrochemicals (P) Ltd.			550,000 (7,085,102)
Howrah Warehouse Pvt Ltd.			500,000 (350,000)
Bhutoria Investments Pvt Ltd.			845,000 (850,000)
Bhutoria Transformer & Rectifiers Pvt. Ltd.			6,868,000 (-)
Repaid during the year :			
Bhutoria Brothers Ltd.			2,784,344 (1,800,000)
BLB Cables & Conductors (P) Ltd.			8,438,519 (3,090,000)
Abhay Transformers Pvt Ltd.			1,790,978 (31,302,750)
Rajasthan Transformers & Switchgears Pvt Ltd.			45,189,981 (6,093,296)
Kalinga Petrochemicals (P) Ltd.			344,479 (1,150,000)
Howrah Warehouse Pvt. Ltd.			200,000 (-)
Bhutoria Agrotech Ltd.			17,341 (-)
Bhutoria Investments Pvt. Ltd.			3,934 (-)
Bhutoria Transformers & Rectifiers Pvt. Ltd.			4,000,000 (-)
Ladnun Agricultural Farms (P) Ltd.			800,000 (700,000)

(Rupees)

Nature of Transaction	Key Management Personnel	Relative of key management personnel	Enterprises where key management personnel have significant influence
Balance as at the year end (Cr) :			
Bhutoria Brothers Ltd.			46,941,842 (39,369,692)
BLB Cables & Conductors (P) Ltd.			- (6,802,179)
Kalinga Petrochemicals (P) Ltd.			8,624,427 (7,994,479)
Abhay Transformers Pvt Ltd.			272,748 (2,007,008)
Rajasthan Transformers & Switchgears Pvt Ltd.			17,517,470 (44,384,981)
Bhutoria Agrotech Ltd.			2,287,839 (337,341)
Bhutoria Investments Pvt Ltd.			1,838,349 (883,934)
Ladnun Agricultural Farms (P) Ltd.			2,050,000 (650,000)
Bhutoria Transformers & Rectifiers Pvt. Ltd.			2,916,659 (-)
Howrah Warehouse Pvt Ltd.			1,550,000 (1,250,000)
(D) Sundry Debtors			
Balance as at year end (Dr)			
Abhay Transformers Pvt. Ltd.			2,552,096 (-)
(E) Sundry Creditors			
Balance as at year end (Cr)			
Bhutoria Transformers & Rectifiers Pvt. Ltd.			- (16,425,694)

5. (a) Break up of deferred tax assets and liabilities and reconciliation of current years deferred tax charge.

	Opening	Charged/ (Credited) the P/L a/c	Closing
	(Rs.)	(Rs.)	(Rs.)
Deferred Tax Liability			
Tax impact of difference between carrying amount of fixed assets as per books of account and as per income tax	184.54	25.68	210.22
(A)	184.54	25.68	210.22
Deferred Tax Assets			
Expenses charged to revenue in the books and allowed in Income Tax on payment basis.	24.15	(3.58)	27.73
(B)	24.15	(3.58)	27.73
Net Deferred Tax Liability (A - B)	160.39	22.10	182.49

RTS POWER CORPORATION LIMITED |||

(b) Deferred tax assets and liability has been off set as they relate to taxes on income levied by the same governing taxation laws.

6. The Company has only one reportable segment i.e Manufacturing of goods / equipment for transmission & distribution within the power sector.

7. EARNING PER SHARE

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Net Profit/(Loss) attributable to Equity Shareholders (Rs.)	20,081,761	15,094,788
Weighted average number of Equity Shares in issue	7,469,596	7,188,500
Basic Earning Per Share of Rs. 10/ each (in Rs.)	2.69	2.10

The Company does not have any outstanding dilutive potential Equity Share. Consequently the basic and diluted earnings per share of the Company remain the same.

8. Contingent liabilities not provided for in respect of :

A. Bank Guarantee Outstanding & Unexpired Letter of Credit	Rs. 2582.17 Lacs (Rs. 2021.81 Lacs)
--	---

9. Value of Imports Calculated on CIF Basis

(a) Raw materials	Rs. 331.56 Lacs (Rs. 297.92 Lacs)
(b) Stores & Spare Parts	- (Rs. 3.19 Lacs)

10. Estimated amount of contracts remaining to be executed on capital account not provided for Rs.Nil Lacs (Net of Advance) (31.03.10 Rs. 15.10 Lacs).

11. Expenditure in Foreign Currency (Paid or Payable) (Amount Rs.)

Foreign Exchange Fluctuation	126,084 (-)
Foreign Travelling	171,624.72 (70,200)
Professional Fees	- (48,132)

12. Previous year's figures have been regrouped/rearranged wherever considered necessary.

13. Quantitative Information in respect of capacities Goods Manufactured, Sold, Consumption of Raw Materials & Stock of Finished Goods :

(A) Particulars in respect of capacity and goods manufactured

Description	Installed Capacity	Actual Production
Transformers & Accessories	Not Applicable	10998 Nos (7932 Nos)
Transformer Parts & Accessories	Not Applicable	420 Nos & 27698.55 Kgs (455 Nos & 37826.47 Kgs)
Wind Energy	1.25 MW (1.25 MW)	2899297 KWH (2358281 KWH)
Cable Conductor	Not Applicable	15097.144 Km (11353.953 Km)

Licensed Capacity : Not Applicable

Note : Licensed & installed capacity have been certified by the management & relied upon by the Auditors being a technical matter.

Nil (Previous year 1 No.) of Transformer were self consumed.

(B) Particulars of Finished Goods Sold

Description	Qty.	Value (Rs.)
Transformers & Accessories	9989 Nos. (8151 Nos)	1,007,896,057 (761,507,489)
Wind Energy	2899297 KWH (2358281 KWH)	11,885,527 (9,363,211)
Cable Conductor	35 Nos, 15279.94 Km (95 Nos, 11745.939 Km)	294,077,198 (226,350,657)

(C) Particulars in respect of opening and closing stock of finished goods

	Opening Stock		Closing Stock	
	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)
Transformers	104 (323)	28,688,112 (46,073,755)	1113 (104)	75,061,385 (28,688,112)
Cable Conductor	706 Nos, 597.328 Km (801 Nos, 794.45 Km)	9,912,780 (18,441,225)	671 Nos, 414.532 Km (706 Nos, 597.328 Km)	11,102,539 (9,912,781)
Total		38,600,892 (64,514,980)		86,163,924 (38,600,893)

(D) Particulars of Semi-Finished goods purchased/consumed

Purchased/Consumed	Quantity	Value (Rs.)
Transformer Parts / Accessories	4939 Nos. 36006 Kgs (1065 Nos. 2900.60 Kgs)	22,362,635 (4,780,311)

Note : The above includes Transformers parts/accessories used for self consumption.

Sold

	Quantity	Value (Rs.)
Transformer Parts/Accessories	579 Nos & 22376.55 Kg & 106 Sets (455 Nos & 37826 Kg)	8,507,694 (8,220,826)

(E) Raw/Packing Materials Consumed

	Unit	Quantity	Amount (Rs.)
Copper Conductor	Kgs.	624,686,415 (596,997)	257,690,956 (204,574,393)
Aluminium Conductor	Kgs.	2,592,186,047 (1,650,456)	321,474,869 (173,519,806)
Lamination	Kgs.	1,745,866,700 (1,321,301)	179,339,727 (194,430,559)
Transformer Oil	Ltrs.	2,423,017,570 (1,815,071)	126,038,602 (66,813,259)
Tank Materials	Kgs.	-	92,347,670 (74,224,758)
Others (Including Packing Material)			87,511,164 (47,829,410)
Total			1,064,402,988 (761,392,185)

(F) Details of Consumption of Indigenous & Imported Raw/Packing Materials & Stores

Description	Raw/Packing Materials		Stores	
	Value	%	Value	%
Indigenous	1,030,360,698 (731,417,341)	96.80 (96)	76,142,216 (58,975,198)	100.00 (100)
Imported	34,042,290 (29,974,844)	3.20 (4)	- (366,426)	0.00 (-)
Total	1,064,402,988 (761,392,185)	100.00 (100)	76,142,216 (59,341,624)	100.00 (100)

14. Disclosure of Loans/ Advances and investments in its own shares by listed companies, their subsidiaries, associates, etc.(as certified by the management)

Particulars	Outstanding Balance as on 31/03/2011 (Rs. in Lacs)	Maximum Balance outstanding during the year (Rs. in Lacs)
i) Loans and advances in the nature of loans to subsidiaries	NIL	NIL
ii) Loans and advances in the nature of loans to associates	NIL	NIL
iii) Loans and advances in the nature of Loans where there is	NIL	NIL
a) No repayment schedule or repayment beyond seven years	NIL	NIL
b) No interest or interest below Section 372A of the Companies Act, 1956	NIL	NIL

Particulars	Outstanding Balance as on 31/03/2011 (Rs. in Lacs)	Maximum Balance outstanding during the year (Rs. in Lacs)
iv) Loans & Advances in the nature of loans to firms/companies in which directors are interested	NIL	NIL
v) Investment by loans in the shares of parent company and subsidiary company when the company has made a loan or advance in the nature of loan	NIL	NIL

15. a) **Remuneration to Managing Director :**

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
Salary	500,000	300,000
Contribution to Provident Fund	60,000	36,000
Value of Perquisites	100,000	60,000
Total	660,000	396,000

b) **Remuneration to Whole time Director :**

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
Salary	600,000	180,000
Contribution to Provident fund	72,000	-
Value of Perquisites	39,600	26,400
Total	711,600	206,400

16. **Remittance in foreign currencies for dividends :**

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to which remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of Non Resident Shareholders. The particulars of dividends payable to Non Residents Shareholders which were declared during the year, are as under :

Particulars	Current Year	Previous Year
(I) Number of Shareholders	23	27
(II) Number of Ordinary Shares held by them	85,547	248,395
(III) Gross Amount of Dividends (Rs)	Rs 42,774	Rs 124,197

17. Foreign Currency Forward Contracts :

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations in some cases. The Company does not use forward contracts for speculative purposes.

Outstanding Short Term Forward Exchange Contracts entered into by the Company on account of payables :

As at	No of Contracts	US Dollar Equivalent	INR Equivalent (Rs)
31/03/2011	–	–	–
31/03/2010	3	60000	2689800

- 18. Interest received from others includes a sum of Rs.Nil/- received from debtors on award of arbitration.(Prev.Yr. Rs. 3207173/-)
- 19. 600000 Equity Shares of Rs.10/- each were allotted on 12th Oct. 2010 to a Promoter & an Independent Investor at a price of Rs.58/- per Equity share.The Proceeds of the issue amounting to Rs.348 lacs has been utilised for repayment of unsecured loan and other working capital requirements.
- 20. Sundry Debtors includes Rs. 25.52 Lacs (31.03.2010 Rs. Nil) due from Abhay Transformers Pvt.Ltd. a company in which directors are interested.

21. Information required as per Part IV of Schedule VI of the Companies Act, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details	
Registration No.	16105
State Code	21
Balance Sheet Date	31.03.2011
II. Capital raised during the Year (Amount in Rs. Thousand)	
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	6000
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)	
Total Liabilities	1,291,694
Total Assets	1,291,694
Sources of Funds :	
Paid-up Capital	77,885
Reserves & Surplus	358,003
Secured Loans	215,018
Unsecured Loans	127,600
Deferred Tax Liability	18,249
Application of Funds :	
Net Fixed Assets	174,446
Investments	372
Net Current Assets	621,937
IV. Performance of the Company (Amount in Rs. Thousand)	
Turnover (Including other Income)	1,475,875
Total Expenditure	1,444,205
Profit/(Loss) Before Tax	31,670
Profit/(Loss) After Tax	20,082
Earning Per share in Rs.	2.69
V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)	
Item Code No. (ITC Code)	: 85042100
Product Description	: Electrical Transformers having a Power handling capacity not exceeding 650 KVA
Item Code No. (ITC Code)	: 85042200
Product Description	: Electrical Transformers having a Power handling capacity exceeding 650 KVA but not exceeding 10000 KVA
Item Code No. (ITC Code)	: 76141000
Product Description	: Acsr Conductor

As per our Report of even date
For **A. C. BHUTERIA & CO.**
Chartered Accountants
Mohit Bhuteria
Partner
Place : Kolkata
Dated : 30th August, 2011

	S. S. Jain Chairman
R. Bhutoria Vice Chairman & Wholetime Director	Abhay Bhutoria Managing Director
L. K. Patawari Director	J. Biswas Company Secretary

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH 2011 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	2010-11 Rs. in lacs	2009-10 Rs. in lacs
(A) Cash Flow from Operating Activities :		
Net Profit before tax and extra Ordinary Items	316.70	225.72
Adjustment for :		
Depreciation	193.04	155.31
Interest on borrowings	619.12	523.44
Interest Income	(58.15)	(75.02)
Loss on Sale of Fixed Assets	0.64	0.41
Profit on Sale of Fixed Assets	-	-
	<u>754.65</u>	<u>604.14</u>
Operating Profit before Working Capital Change	1,071.35	829.86
Adjustment for Working Capital :		
Trade & Other Receivable	(1,027.93)	(996.70)
Inventories	(510.17)	(109.97)
Trade Payable	1,196.92	902.76
	<u>(341.19)</u>	<u>(203.91)</u>
Cash generated from operations	730.16	625.95
Direct Tax paid/refund (including interest)	(99.38)	(146.70)
Net Cash from /(used in) Operating activities	(A) <u>630.78</u>	<u>479.25</u>
(B) Cash Flow From Investing Activities :		
Addition to Fixed Assets/Capital Work in progress (Net of Refund)	(192.26)	(567.24)
Sale of Fixed Assets	5.19	1.93
Interest received	58.15	75.02
Net Cash Flow from (used in) Investing activities	(B) <u>(128.92)</u>	<u>(490.29)</u>
(C) Cash Flow from Financing Activities :		
Issue of Equity Shares	348.00	-
Proceeds / (Repayment) of Long Term borrowings (net)	(122.92)	(105.28)
Proceeds / (Repayment) of Short Term borrowings (net)	(29.79)	(48.84)
Interest paid	(619.12)	(523.44)
Dividend Paid	(35.75)	(35.82)
Corporate Dividend Tax Paid	(5.96)	(6.11)
Net Cash used in Finance Activity	(C) <u>(465.54)</u>	<u>(508.93)</u>
Net Increase in Cash & Cash equivalent	(A+B+C) <u>(36.33)</u>	<u>(519.97)</u>
Cash & Cash equivalents (Opening)	584.15	1,104.12
Cash & Cash equivalents (Closing)	<u>620.48</u>	<u>584.15</u>

Notes :

- Cash Flow Statement has been prepared under "Indirect Method" as per Accounting Standard AS - 3 "Cash Flow Statements" notified under the Companies (Accounting Standards) Rules, 2006.
- Cash and Cash equivalents includes Rs. 586.83 lacs (Rs. 559.42 lacs) lying in Fixed Deposit with Bank under lien and Rs. 1.79 lacs (Rs. 1.59 lacs) in Unpaid Dividend Account.

As per our Report of even date
For **A. C. BHUTERIA & CO.**
Chartered Accountants
Mohit Bhuteria
Partner
Place : Kolkata
Dated : 30th August, 2011

S. S. Jain
Chairman
R. Bhutoria
Vice Chairman & Wholetime Director
Abhay Bhutoria
Managing Director
L. K. Patawari
Director
J. Biswas
Company Secretary

RTS POWER CORPORATION LIMITED |||

**STATEMENT SHOWING SOURCES/APPLICATION OF SHORT/LONG TERM FUNDS IN TERMS OF
PARA 4(XVII) OF THE COMPANIES(AUDITORS REPORT) ORDER, 2003 FOR THE YEAR ENDED
31/03/2011.**

PARTICULARS	Rs. In Lacs
LONG TERM FUNDS :	
Capital	778.85
Reserve & Surplus	3,580.03
Sales Tax Loan	-
Secured Loan	476.09
Deferred Tax Liability	182.49
	<hr/>
	5,017.46
LONG TERM APPLICATIONS :	
Fixed Assets	1,716.63
Capital Work In Progress	27.83
Investments	3.72
Long Term Funds for meeting working capital	3,269.29
	<hr/>
	5,017.46
SHORT TERM FUNDS :	
Secured Loans	1,674.09
Unsecured Loans	1,276.00
Current Liabilities & Provisions	4,949.40
Long Term Funds for working capital	3,269.29
	<hr/>
	11,168.77
SHORT TERM APPILCATIONS :	
Current Assets, Loans & Advances	11,168.77
	<hr/>
	11,168.77

Certified that the above Statement is based on figures from the financial statements for the year ended 31st March, 2011 & Short term / Long term sources / application stated above is true & Correct.

As per our Report of even date
For **A. C. BHUTERIA & CO.**
Chartered Accountants
Mohit Bhuteria
Partner
Place : Kolkata
Dated : 30st August, 2011

R. Bhutoria
Vice Chairman & Wholetime Director

L. K. Patawari
Director

S. S. Jain
Chairman

Abhay Bhutoria
Managing Director

J. Biswas
Company Secretary

RTS POWER CORPORATION LIMITED

Registered Office : 56, Netaji Subhas Road, Kolkata - 700 001

ATTENDANCE SLIP

(to be completed, signed and handed over at the entrance of the Meeting Hall)

DP ID Client ID :

Registered Folio No. No of Shares held

I/We hereby record my/our presence at the 63rd Annual General Meeting of the above named Company at Hotel Lindsay, 8B Lindsay Street, Kolkata 700 087, on Friday, the 30th day of September, 2011 at 10.00 A.M.

Name of Member/Proxy (in Block Letters) :

.....

Signature of Member / Proxy

Notes :

1. Members attending the Meeting in person or by proxy are requested to complete the Attendance Slip and handover the same at the entrance of the Meeting Hall.
2. Members are also requested to bring their copies of Annual Report to the Meeting as no extra copies will be available for distribution in the Meeting.

RTS POWER CORPORATION LIMITED

Registered Office : 56, Netaji Subhas Road, Kolkata - 700 001

PROXY FORM

DP ID Client ID :

Registered Folio No. No of Shares held

I/WeS/o, D/o, W/o

residing at being a

Member/Members of the abovenamed Company hereby appoint Mr./Ms.

residing at or failing him/her Mr./Ms.

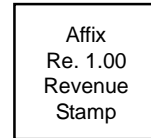
residing at as my/our Proxy to attend and vote for me/us and

on my/our behalf at the 63rd Annual General Meeting of the Company to be held on Friday, the 30th

September, 2011 at 10.00 A.M. at Hotel Lindsay, Kolkata - 700 087 and at any adjournment thereof.

Signed this day of 2011

NOTE : This Proxy Form in order to be effective should be duly stamped, completed and signed and must reach the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



Signature
(Please sign across the Stamp)