

# RTS POWER CORPORATION LIMITED

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

The Bank of Rajasthan Limited, Jaipur  
State Bank of Bikaner & Jaipur, Kolkata  
Bank of Baroda, Jaipur  
IDBI Bank Limited, Jaipur  
Bank of India, Kolkata  
The Bank of Rajasthan Limited, Kolkata

### 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

### 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, 2235-3070/7270/7271

## NOTICE

**NOTICE** is hereby given that Sixty Second Annual General Meeting of Shareholders of the Company will be held at Hotel Lindsay, 8B Lindsay Street, Kolkata - 700087 on Thursday, 30th day of September, 2010 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, 2010 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 Sardul Singh Jain, 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 Bachhraj Begwani be and he is hereby appointed a Director of the Company.”

6. 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 2010-2011, 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.”

7. 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

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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 6,00,000 (Six lakh) Equity Shares of Rs. 10/- each at a price not lower than Rs. 58/- per Equity Share (including a Premium not lower than Rs. 48 /- per Share) for an amount in aggregate not lower than Rs. 3,48,00,000/- (Rupees Three crores fourty eight lakhs 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 and other independent investor, on the general terms and conditions given herein :

<b>Names of the Proposed Allottees</b>	<b>Number of Equity Shares</b>
RAJASTHAN TRANSFORMERS & SWITCHGEARS PVT. LTD.	2,00,000
SHARP INVESTMENTS LIMITED	4,00,000
<b>TOTAL</b>	<b>6,00,000</b>

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 30th August, 2010, 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 Allottees 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 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, 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”.

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

“**RESOLVED** that the Company hereby approves the increase/revision in the remuneration payable, which in the event of loss or inadequacy of profits in any Financial Year be treated as minimum remuneration, payable to Sri Rajendra Bhutoria as the Whole-time Director of the Company for the period from 1st April, 2010 till the expiry of his present tenure of office namely, upto 31st March, 2012 as set out in the Explanatory Statement annexed to the Notice convening this Meeting with liberty to the Board of Directors of the Company (‘the Board’) to further alter and vary the terms and conditions, including remuneration of his appointment, if necessary , in such manner as may be agreed to by and between the Board and Sri Rajendra Bhutoria, within the limits specified in the Companies Act, 1956 read with Schedule XIII thereto”.

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

“**RESOLVED** that in accordance with the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any of the Companies Act, 1956 (‘the Act’), read with Schedule XIII of the Act, or any amendment or re-enactment thereof, the Company hereby approves the re-appointment of Sri Abhay Bhutoria as Managing Director of the Company, for a further period of 5 (five) years with effect from 1st December, 2010, on such remuneration and upon such terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting, including the minimum remuneration to be paid in the event of loss or inadequacy of profit in any Financial Year, with liberty to the Board of Directors of the Company (the Board) to alter and vary the terms and conditions, including remuneration of the said appointment, if necessary, in such manner as may be agreed to by and between the Board and Sri Abhay Bhutoria, within the limits specified in the Act read with Schedule XIII thereto.”

10. 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 Section 314 and other applicable provisions, if any of the Companies Act, 1956 the Company hereby approves the increase in the remuneration payable to Sri Sharad Bhutoria as the Chief Executive Officer of the Company with effect from 1st April, 2010 as set out in the Explanatory Statement annexed herewith with liberty to the Board of Directors of the Company (the Board) to alter and vary the terms and conditions, including the remuneration, of his appointment, if necessary, in such manner as may be agreed to by and between the Board and Sri Sharad Bhutoria”.

**Registered Office :**  
56, Netaji Subhas Road  
Kolkata – 700 001  
Dated : 30th August, 2010

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 Friday, 24th day of September, 2010 to Thursday, 30th day of September, 2010, 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 13<sup>th</sup> 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 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 paid 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. **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.**
11. **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.**

An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 5 to 10 under Special Business is annexed hereto.

**BRIEF PROFILE OF DIRECTORS SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO THE CORPORATE GOVERNANCE CODE :**

<b>Name of the Director</b>	<b>Sri Sardul Singh Jain</b>
<b>Age</b>	75 years
<b>Qualifications</b>	B.Com, L.L.B
<b>Nature of expertise</b>	He is a B.Com, L.L.B and is on the Comapany's Board for a period of about 25 years. He has vast professional expertise in finance, taxation, legal and management for last five decades and is Members of the Board of various Companies within and outside the Group in his professional capacity.
<b>Date of First Appointment</b>	20.02.1985
<b>Name of the companies in which he holds Directorship of Boards</b>	Bhutoria Agrotech Limited Omni Holdings Limited Alliance Udyog Limited Alliance Mills South Private Limited East India Cotton Manufacturing Company Limited RGF Capital Markets Limited East India Udyog Limited Bhandari Sales Private Limited Sungrace Finvest Private Limited Hari Holdings Private Limited Sri Vindhyachal Multimex Private Limited Annapurna Savings & Finance Private Limited Lindsay Securities Private Limited Alfred Herbert (India) Limited Alfred Herbert Limited EITA India Limited Jalan Chemical Industries Private Limited Lodha Capital Markets Limited Baroda Agents & Trading Co. Private Limited
<b>Name of the Companies in which he holds Membership of Committees of Board</b>	Audit Committee Alfred Herbert (India) Limited - Chairman EITA India Limited - Member
<b>Professional Qualification</b>	L.L.B.
<b>No. of Shares held in the Company</b>	Nil

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

<b>Name of the Director</b>	<b>Sri Bachhraj Begwani</b>
<b>Age</b>	69 years
<b>Qualifications</b>	B. Com, L.L.B
<b>Nature of expertise</b>	About 14 years' experience in corporate Management and 38 years' experience in practice on Taxation matters.
<b>Date of First Appointment</b>	30.04.2010
<b>Name of the Companies in which he holds Directorship of Boards</b>	NIL
<b>Name of the Companies in which he holds Membership of Committees of Board</b>	NIL
<b>Professional Membership</b>	Member of Bar Council of West Bengal
<b>No. of Shares held in the Company</b>	NIL

**EXPLANATORY STATEMENT**

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

**Item No. 5 :**

Sri Bachhraj Begwani was appointed as an Additional Director of the Company by the Board of Directors of your Company (“the Board”) in its Meeting held on 30th April, 2010, 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 30th April, 2010.

Sri Bachhraj Begwani 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 Bachhraj Begwani as a Director of your Company.

Sri Begwani 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 Begwani is an Advocate by profession and has been in practice on Taxation matters for last 38 years.

Having regard to his background and experience the Board considers that the appointment of Sri Begwani 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 Begwani is concerned or interested in the Resolution.

**Item No. 6**

The 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, (Registration No. with ICAI being 000986C) were appointed the Branch Auditors for the Financial Year 2009-2010. 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 2010-2011.

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 2010-2011 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 is concerned or interested in this Resolution.

**Item No. 7 :**

For meeting additional fund requirements of your Company, your Board of Directors (“BOARD”) in its Meeting held on 30th August, 2010, 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 6,00,000 Nos. Equity Shares of Rs.10/- each of the Company for cash, at a price not lower than Rs. 58/- per Equity



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Share of Rs.10/- each of the Company (the "Shares") to the Company of the Promoters Group and other independent investor, for an aggregate value not lower than Rs. 3,48,00,000/- (Rupees Three Crores fourty eight lakhs only ).

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 of 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, 2010, the "Relevant Date" is 30th August, 2010.

"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. 58/- per Share approximately. As against this, the Shares are proposed to be issued at a price not lower than Rs. 58/- 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.



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. **Identities of the proposed allottees 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
<b>A. Company of the Promoters Group :</b>					
1.	M/s. Rajasthan Transformers & Switchgears Pvt. Ltd.	56, Netaji Subhas Road, 2nd Floor Kolkata-700001	1,87,300	2,00,000	4.97 %
<b>B. Independent Investor :</b>					
2.	M/s. Sharp Investments Limited	Sagar Estate, 2nd Floor 2, Clive Ghat Street Kolkata - 700001	7,40,000	4,00,000	14.64%
<b>TOTAL</b>			<b>9,27,300</b>	<b>6,00,000</b>	<b>19.61%</b>

(\*) Face Value Rs. 10/-

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

6. **The Company hereby undertakes that –**

- (a) 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.
- (b) 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 allottees.

The Shares to be allotted to the above Investors 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.

**Item No. 8 :**

Sri Rajendra Bhutoria was appointed as the Whole-time Director of the Company for a period of 5 (five) years with effect from 1st April, 2007, mainly to manage and control function of Head Office and Eastern India operations of the Company under the superintendence control and direction of the Board of Directors ('the Board') of the Company and the terms of his appointment are recorded in his Agreement dated 15th May, 2007, ('the Principal Agreement') with the Company in accordance with which Sri Rajendra Bhutoria was entitled to receive the following remuneration from the Company :

- (I) **Basic Salary** : At the rate of Rs.15,000/- (Rupees Fifteen thousand only) per month
- (II) **Perquisites –**
  - (a) **Electricity and Water** : Reimbursement of actual expenses incurred by Sri Bhutoria on Electricity and Water at his residence.
  - (b) **Club Fees** : Reimbursement of monthly subscription for membership of two Clubs. This will not include Admission and Life Membership Fees.
  - (c) **Car** : The Company will provide car with driver for his official and limited private use, perquisite value of which will be made as per Income Tax Rules.
  - (d) **Telephone** : Reimbursement of telephone bills at his residence.

His appointment and abovesaid remuneration as Whole-time Director were approved at the Annual General Meeting of the Company held on 28th September, 2007.

Since Sri Rajendra Bhutoria's appointment Eastern India operations of the Company has increased substantially which is largely attributable to his competence and to the sustained efforts that he has been making as Whole-time Director of the Company.

In view of Sri Rajendra Bhutoria's performance and capabilities the Remuneration Committee of the Board of Directors of the Company at its Meeting held on 20th August, 2010 and the Board at its Meeting held on 30th August, 2010 approved an increase/revision in the remuneration of Sri Rajendra Bhutoria in the manner and to the extent set out in the draft Supplemental Agreement to be entered into between the Company and Sri Rajendra Bhutoria in accordance with which, other terms and conditions of his appointment as contained in the Principal Agreement remaining the same, as from 1st April, 2010, his remuneration has been increased/ revised as follows :

- (I) **Basic Salary** : At the rate of Rs. 50,000/- (Rupees Fifty thousand only) per month.
- (II) **Provident Fund** : The Company's contribution towards Provident Fund at the rate applicable for statutory Provident Fund.
- (III) **Gratuity** : He will be entitled to Gratuity as per Payment of Gratuity Act, 1972.
- (IV) **Perquisites –**
  - (a) **Electricity and Water** : Reimbursement of actual expenses incurred by Sri Bhutoria on Electricity and Water at his residence.
  - (b) **Car** : The Company will provide car with driver for his official and limited private use, perquisite value of which will be made as per Income Tax Rules.
  - (c) **Telephone** : Reimbursement of bills of one telephone at his residence.
  - (d) **Medical Expenses** : Reimbursement of Medical Expenses of Rs. 15,000/- per year for self and his family.

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(V) In the event of absence or inadequacy of profits of the Company in any Financial Year during the residual term of Sri Bhutoria's appointment hereunder, he shall for that year receive the some remuneration as in Clauses I to IV herein above within the ceiling limits laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956 ('the Act').

The increase/revision in Sri Rajendra Bhutoria's remuneration requires the approval of the Members of the Company in General Meeting in terms of Section II of Part II and Paragraph 1 of Part III of Schedule XIII to the Act read with Section 310 of the Act and the payment to him of his remuneration so increased/ revised also requires the approval of the Members of the Company in General Meeting under Section 309 of the Act, which will be sought for in this Annual General Meeting of the Company.

The terms and conditions of Sri Rajendra Bhutoria's appointment as contained in the Principal Agreement and his remuneration as increased /revised in the Supplemental Agreement may be further varied, altered, increased, enhanced or widened from time to time, if necessary, by the Board as it may in its sole discretion deem fit without seeking further approval of the Shareholders of the Company within the maximum amount payable to the Whole-time Director in accordance with the Act and Schedule XIII thereto and accepted by Sri Bhutoria.

As required under Sub Paragraph (A) of Paragraph 1 of Section II of Part II of Schedule XIII of the Act, it is confirmed that :

- (i) The increased/revised Remuneration payable to Sri Bhutoria has been approved by a Resolution passed at a Meeting held on 20th August, 2010, by the Remuneration Committee of the Board of Directors of the Company.
- (ii) The Company has not defaulted in repayment of any of its debts (including Public Deposits) or Debentures or interest payable thereon for a continuous period of 30 days in the preceding Financial Year before such increase/revision in remuneration of Sri Bhutoria.

The Board considers that having regard to his background, experience and performance the increase/ revision in remuneration of Sri Bhutoria as Whole-time Director of the Company is justified. The Resolution set out in Item 8 of the convening Notice has to be considered accordingly and the Board recommends the same.

A copy of the Supplemental Agreement to be entered into between the Company and Sri Rajendra Bhutoria as referred hereinabove will be available for inspection by the Members of the Company at its Registered Office on any working day prior to the date of the Meeting during the usual business hours and will also be available at the Meeting.

No Director in the Company excepting Sri Rajendra Bhutoria is concerned or interested in the Resolution.

This may also be regarded as an abstract of the variation of terms of appointment of Sri Rajendra Bhutoria, Whole-time Director of the Company and Memorandum of Interest under Section 302 of the Act.

**Item No. 9 :**

Sri Abhay Bhutoria was re-appointed as the Managing Director of the Company for a period of 5 (five) years with effect from 1st December, 2005, after expiry of his earlier term of five years on 30th November, 2005, and his re-appointment and remuneration were approved at the Annual General Meeting of the Company held on 10th September, 2005. His present term as the Managing Director of the Company, therefore, will expire on 30th November, 2010.

Sri Abhay Bhutoria was appointed as the Managing Director of the Company for the first time from 1st December, 1995. Since Sri Bhutoria's last re-appointment as the Managing Director of the Company with

**RTS POWER CORPORATION LIMITED** |||

effect from 1st December, 2005, there has been tremendous growth in the business of the Company (the Company's Sales having been increased more than double during the last five Financial Years ended on 31st March, 2010) mainly because of his competence and successful effort in this regard.

In appreciation of the commendable work done by Sri Abhay Bhutoria as the Managing Director of the Company which is reflected in the performance and results of the Company during the last five years the Remuneration Committee of the Board of Directors of the Company at its Meeting held on 20th August, 2010, and the Board of Directors of the Company ('the Board') at its Meeting held on 30th August, 2010, have re-appointed, subject to the approval of the Members of the Company in its ensuing Annual General Meeting, Sri Abhay Bhutoria as the Managing Director of the Company for a further period of 5(five) years with effect from 1st December, 2010, mainly to manage and control the operations of the Company in Northern and Western India under the superintendence, control and direction of the Board on account of his very rich experience in the same position for last 15 years in the Company.

The terms and conditions of the re-appointment of Sri Abhay Bhutoria as the Company's Managing Director are embodied in the Agreement ('the Agreement') made between the Company and Sri Bhutoria, the material terms of which may be summarized as follows :

- [1] Sri Abhay Bhutoria shall be the Managing Director of the Company for a period of 5 (five) years with effect from 1st December, 2010.
- [2] Sri Bhutoria shall subject to the superintendence, control and direction of the Board of Directors of the Company have substantial powers of management and shall perform the duties and exercise the powers referable or in relation thereto and shall also perform such other duties and exercise such further powers as may from time to time be entrusted to or conferred upon him by the Board either alone or jointly with any other person or persons as the Board shall determine and shall devote the whole of his time and attention to the business and affairs of the Company and shall at all times obey and comply with the lawful orders from time to time of the Board and in all regards conform to and comply with the directions and regulations given and made by the Board in relation to the business or trade of the Company and to the best of his skill and ability serve and promote the interests of the Company.
- [3] In consideration of his services Sri Bhutoria shall be entitled to the following by way of remuneration:
  - (I) **Basic Salary** : At the rate of Rs. 75,000/-(Rupees Seventy five thousand only) per month.
  - (II) **Commission** : As approved by the Board based on the Net Profits of the Company of the relevant year computed in the manner laid down in Section 309(5) of the Companies Act, 1956 ('the Act'), subject to a maximum of 50% of his annual Basic Salary. Payment of such Commission will be at the sole discretion of the Board and cannot be claimed by the Appointee as his right to receive the same per year.
  - (III) **Provident Fund** : The Company's contribution towards Provident Fund at the rate applicable for statutory Provident Fund.
  - (IV) **Gratuity** : He will be entitled to Gratuity as per Payment of Gratuity Act, 1972.
  - (V) **Perquisites –**
    - (a) **Housing** : The Company shall provide furnished accommodation for his residential purpose for which 10% of his Basic Salary will be deducted by the Company. The Company shall also provide Electricity and Water free of cost at his residence. The valuation of such Perquisites will be made as per the Income Tax Rules, 1962.

- (b) **Car :** The Company will provide car with driver for his official and limited private use, perquisite value of which will be made as per Income Tax Rules.
- (c) **Telephone :** Reimbursement of bills of one telephone at his residence.
- (d) **Medical Expenses :** Reimbursement of Medical Expenses of Rs. 15,000/- per year for self and his family.

- [4] In the event of absence or inadequacy of profits of the Company in any Financial Year during the term of Sri Bhutoria's appointment hereunder, he shall for that year receive the same remuneration as in Clause 3 hereinabove within the ceiling limits laid down in Section II of Part II of Schedule XIII to the Act.
- [5] Sri Bhutoria shall not so long as he functions as the Managing Director of the Company, be entitled to receive any fee(s) for attending Meetings of the Board or Committee thereof.
- [6] Sri Bhutoria shall be entitled to reimbursement of other expenses actually and properly incurred by him in connection with the Company's business.

The Agreement, which provides for earlier termination inter alia by either party by giving or paying to the other three months' notice in writing or three months' salary in lieu of such notice, as the case may be, also sets out the mutual rights and obligations of the parties and other administrative details.

The terms and conditions of his service, including remuneration, may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its sole discretion deem fit without seeking further approval of the Shareholders of the Company within the maximum amount payable to the Managing Director in accordance with the Act and Schedule XIII thereto and accepted by Sri Bhutoria.

The appointment and remuneration of Sri Bhutoria as the Company's Managing Director require the approval of the Members of the Company in General Meeting by passing a Resolution in terms of Section II of Part II and Paragraph 1 of Part III of Schedule XIII to the Act read with Section 311 of the Act and the remuneration payable to him also requires the approval of the Members of the Company in General Meeting under Section 309 of the Act, which will be sought for in this Annual General Meeting of the Company.

The appointment of Sri Bhutoria on the terms proposed satisfies the conditions laid down in Parts I and II of Schedule XIII to the Act and the requisite Return in the prescribed Form (along with a Certificate under Paragraph (2) of Part III of the said Schedule) under Section 269 (2) of the Act has been filed with the Registrar of Companies, West Bengal.

As required under Sub Paragraph (A) of Paragraph 1 of Section II of Part II of Schedule XIII of the Act, it is confirmed that :

- (i) The Remuneration payable to Sri Bhutoria has been approved by a Resolution passed at a Meeting held on 20th August, 2010, by the Remuneration Committee of the Board of Directors of the Company.
- (ii) The Company has not defaulted in repayment of any of its debts (including Public Deposits) or Debentures or interest payable thereon for a continuous period of 30 days in the preceeding Financial Year before the date of appointment of Sri Bhutoria.

The Board considers that having regard to his background and long experience, the appointment and remuneration of Sri Bhutoria as Managing Director of the Company are justified. The Resolution set out in Item 9 of the convening Notice has to be considered accordingly and the Board recommends the same.

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A copy of the Agreement 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 Abhay Bhutoria is concerned or interested in the Resolution.

This may also be regarded as an abstract of the variation of terms of appointment of Sri Bhutoria as Managing Director of the Company and Memorandum of Interest under Section 302 of the Act.

**Item No. 10**

Sri Sharad Bhutoria, son of Sri Rajendra Bhutoria, Whole-time Director of the Company, was appointed as the Chief Executive Officer of the Company with effect from 1st April, 2007, and the terms of his appointment and remuneration were recorded in the letter dated 28th March, 2007, issued to him by the Company.

His appointment and remuneration as Chief Executive Officer of the Company were approved at the Annual General Meeting of the Company held on 28th September, 2007.

At the time Sri Sharad Bhutoria was so appointed as Chief Executive Officer of the Company the Company embarked on an expansion plan expecting substantial demand of the Company's products arising out of the Government's massive Power Generation Programme by relocation and modernization of its Factory at Salkia to Dhulagori, West Bengal with the intention that once the new modern Factory at Dhulagori is ready, the operations carried out at Salkia Factory will be shifted there. Sri Sharad Bhutoria was appointed as Chief Executive Officer of the Company to look after the Company's operations at its Salkia Factory at that time. At that time necessary foundation work was in progress for the Company's new Factory at Dhulagori and Sri Sharad Bhutoria was also given the charge for establishment of the said new Factory in view of the expanding business of the Company.

Now construction and installation of Plant and Machinery of the new modern Dhulagori Factory has been completed and the major part of the operations which was carried out at Salkia Factory has since been shifted to Dhulagori Factory. The Salkia Factory is now being used mainly for repair of Transformers and a small part of the Company's manufacturing activities. Sri Sharad Bhutoria has successfully discharged the assignment given to him since his abovesaid appointment from 1st April, 2007, and is now looking after operations both at Salkia and Dhulagori Factory.

In appreciation of his competence and the sustained effort which he has been making since his appointment as Chief Executive Officer of the Company during the last three years the Board of Directors of the Company in its Meeting held on 31st March, 2010, decided to increase his remuneration with effect from 1st April, 2010, subject to the approval of the Members of the Company in its ensuing Annual General Meeting, as follows, while other existing terms of his appointment and remuneration remaining the same :

1. His Salary will be increased from Rs 20,000/- per month to Rs 40,000/- per month
2. The Company's contribution towards Provident Fund, which is related to his Salary, will also simultaneously increase at the rate applicable for statutory Provident Fund.
3. He will be entitled to Gratuity as per Payment of Gratuity Act, 1972.
4. He will be entitled to reimbursement of Medical Expenses of Rs. 15,000/- per year for self and his family.

The abovementioned increase in remuneration of Sri Sharad Bhutoria, the Company's Chief Executive Officer with effect from 1st April, 2010, are embodied in the letter issued to him by the Company on 31st March, 2010.



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The terms and conditions of his service, including his remuneration, may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its sole discretion deem fit without seeking further approval of the shareholders of the Company and accepted by Sri Bhutoria.

The abovesaid increase in remuneration of Sri Bhutoria as the Company's Chief Executive Officer require the approval of the Members of the Company in General Meeting by passing a Special Resolution in General Meeting under Section 314 of the Companies Act, 1956, read with Director's Relatives (Office or Place of Profit) Rules, 2003, which will be sought for in this Annual General Meeting of the Company.

The Board considers that the abovesaid increase in remuneration of Sri Bhutoria as Chief Executive Officer of the Company are justified. The Resolution set out in Item 10 of the convening Notice has to be considered accordingly and the Board recommends the same.

A copy of the Company's letter dated 31st March, 2010 issued to Sri Bhutoria 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 Rajendra Bhutoria is concerned or interested in the Resolution.

**Registered Office :**  
56, Netaji Subhas Road  
Kolkata – 700 001  
Dated : 30th August, 2010

By Order of the Board

**J. BISWAS**  
*Company Secretary*

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have the pleasure in presenting their 62nd 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, 2010 :

<b>Financial Results</b>	(Rs. in Lacs)			
	<b>2009-2010</b>		<b>2008-2009</b>	
<b>Total Income</b>	<b>10332.54</b>		<b>11673.41</b>	
<b>Total Expenditure</b>	<b>10106.82</b>		<b>11362.48</b>	
<b>Profit before Tax</b>	<b>225.72</b>		<b>310.93</b>	
Less : - Provision for Current Tax	<b>52.00</b>		122.88	
- Deferred Tax Charged / (Credit)	<b>22.77</b>		(9.00)	
- Fringe Benefit Tax	<b>-</b>		4.88	118.76
<b>Profit after Tax</b>	<b>150.95</b>		<b>192.17</b>	
Add : Profit Brought Forward	<b>769.51</b>		<b>619.39</b>	
	<b>920.46</b>		<b>811.56</b>	
Less : - Proposed Dividend (Final)	<b>35.94</b>		35.94	
- Corporate Dividend Tax on Dividend	<b>5.97</b>	<b>41.91</b>	6.11	42.05
<b>Balance Carried to the Balance Sheet</b>	<b>878.55</b>		<b>769.51</b>	

**DIVIDEND**

Considering the overall performance of your Company and taking a positive future outlook, the Board is pleased to recommend payment of a Dividend for the year ended on 31st March, 2010 @ 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, 2010. 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**

Your Company has achieved this year a gross sales of Rs. 101.43 Crores as compared to Rs. 123.36 Crores in the previous year amidst stiff competition. Deferment in taking deliveries and delay in inspection on the part of the customers and Electricity companies in particular has resulted in such lower turnover . As a result , the Profit Before Tax of Rs. 2.26 Crores in this year is less than that of Rs. 3.11 Crores in the last year . Although sale of Transformers and accessories (8151 Nos.) are higher this year compared to that of the last year(6692 Nos.) , but in view of cut –throat competition resulting in lesser selling prices so also the margins, your Company could perform as above despite all odds .

The Cable and Conductor Unit is looking up and your Company is penetrating into new customer base with the target to achieve higher sales in this segment. Your Company is increasing its capacity for manufacture of Dry Type Transformers at its newly built-up Dhulagori Factory. Further expansion of Dhulagori Factory is under process and during the year under review Rs 19.16 lacs has been spent for acquisition of further Assets and Rs 65.12 lacs has been spent for expansion of Building there. The source of finance for such expenditure is partly from internal accruals and partly by way of borrowings.

**FUTURE OUTLOOK**

The Ministry of Power has set a goal of providing power to the entire country by 2012. It aims to provide reliable and quality power for India's entire population at an optimum cost. To achieve this, the Ministry has formulated numerous strategies, such as the power generation strategy, the transmission and distribution strategy and the regulation strategy. The 11th Five year Plan has set a goal to electrify 115000 villages and 23.4 million households. In order to meet its aim of providing electricity to everyone by 2012, an estimated investment of \$150 billion will be required to meet the electricity installed capacity expansion plans as well as to build a robust transmission and distribution network.

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.

According to ITMA (Indian Transformer Manufacturers Association), the Ministry of Power has revised generation capacity addition from 78,000 MW to 90,000 MW in the 11th Plan period entailing 1,50,000 MVA transformation capacity per year requiring supply of Transformers & its Accessories, Laminations & Stampings, Switchgear & Control Gears, Insulating materials, Insulators, Winding Wires, Conductors & Accessories, Instruments, measuring, Indicating & Testing Equipments, Cables & Accessories, Capacitors, Transmission Line Towers, Switch-Yard & Substation Equipments and Software Services to the Power Sector.

IEEMA (Indian Electrical and Electronics Manufacturers Association) says the Transformer Industry in India has been in the forefront for over 50 years and has a well matured technology base upto 800KV class. Keeping pace with the developments the world over, it has attained the status of 'world class' over the period.

In the global market, performance of the Indian product is acknowledged as technically at par with the leading international companies. Looking at the present state of Transformer Industry in India, it can be seen that implementation of Accelerated Power Development Reform Programme (APDRP) and introduction of Accelerated Rural Electrification Programme (AREP) are contributory to the increased business potential for the Industry.

All these should translate a growing demand for Power and Distribution Transformers, Cables and Conductors in the market which your Company has been serving.

Your Company is planning to venture into HT Power Cable Project .The feasibility study of this Project is being conducted. Your Company is also exploring the possibility to develop export market by setting up Transformer factories abroad , various options for which are being weighed. In addition to its existing Wind Mill at Dhule , Maharashtra , your Company has also set up another Wind Mill at Barmer, Rajasthan.

**PREFERENTIAL ISSUE OF SHARES**

For meeting additional fund requirements of your Company, your Board of Directors in its Meeting held on 30th August, 2010, 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 6,00,000 Nos. Equity Shares of Rs.10/- each of the Company for cash, at a price not lower than Rs. 58/- per Equity Share to the Company of the Promoters Group and other Independent Investor, for an aggregate value not lower than Rs. 3,48,00,000/- (Rupees Three Crores forty eight lakhs only ).

**CORPORATE GOVERNANCE**

A separate Report on Corporate Governance in format as prescribed in the Listing Agreement 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.

**PUBLIC DEPOSITS**

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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.

**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. 297.92 lacs
  - Store & Spare Parts Rs. 3.19 lacs
- 2. Expenditure in Foreign Currency –
  - Foreign Travelling Rs. 0.70 lacs
  - Professional Fees Rs. 0.48 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 2010-2011.

**DIRECTORS**

Sri Sardul Singh Jain, Director of the Company will retire by rotation and being eligible, offers himself for re-appointment.

Sri Bachhraj Begwani has been appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 30th April, 2010. 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.

Sri Rajendra Bhutoria was appointed as the Whole-time Director of the Company for a period of 5 (five) years with effect from 1st April, 2007, mainly to manage and control function of Head Office and Eastern India operations of the Company under the superintendence control and direction of the Board of Directors of the Company and the terms of his appointment, including his remuneration, are recorded in his Agreement dated 15th May, 2007 with the Company.

His appointment and remuneration as Whole-time Director were approved by the Members at the Annual General Meeting of the Company held on 28th September, 2007.

Since Sri Rajendra Bhutoria's appointment Eastern India operations of the Company has increased substantially which is largely attributable to his competence and to the sustained efforts that he has been making as Whole-time Director of the Company.

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In view of Sri Rajendra Bhutoria's performance and capabilities the Remuneration Committee of the Board of Directors of the Company at its Meeting held on 20th August, 2010 and the Board at its Meeting held on 30th August, 2010 approved an increase/revision in the remuneration of Sri Rajendra Bhutoria with effect from 1st April, 2010 in the manner and to the extent set out in the draft Supplemental Agreement to be entered into between the Company and Sri Rajendra Bhutoria.

His previous remuneration and the increased/revised remuneration with effect from 1st April, 2010 both have been given in detail in the Explanatory Statement attached to the convening Notice of the ensuing Annual General Meeting.

The increase/revision in Sri Rajendra Bhutoria's remuneration requires the approval of the Members of the Company in General Meeting in terms of Section II of Part II and Paragraph 1 of Part III of Schedule XIII to the Companies Act, 1956 ('the Act') read with Section 310 of the Act and the payment to him of his remuneration so increased/revised also requires the approval of the Members of the Company in General Meeting under Section 309 of the Act, which will be sought for in the ensuing Annual General Meeting of the Company.

Sri Abhay Bhutoria was re-appointed as the Managing Director of the Company for a period of 5 (five) years with effect from 1st December, 2005 after expiry of his earlier term of five years on 30th November, 2005 and his re-appointment and remuneration were approved by the Members at the Annual General Meeting of the Company held on 10th September, 2005. His present term as the Managing Director of the Company, therefore, will expire on 30th November, 2010.

Sri Abhay Bhutoria was appointed as the Managing Director of the Company for the first time from 1st December, 1995. Since Sri Bhutoria's last re-appointment as the Managing Director of the Company with effect from 1st December, 2005 there has been tremendous growth in the business of the Company (the Company's Sales having been increased more than double during the last five Financial Years ended on 31st March, 2010) mainly because of his competence and successful effort in this regard.

In appreciation of the commendable work done by Sri Abhay Bhutoria as the Managing Director of the Company which is reflected in the performance and results of the Company during the last five years the Remuneration Committee of the Board of Directors of the Company at its Meeting held on 20th August, 2010 and the Board of Directors of the Company ('the Board') at its Meeting held on 30th August, 2010 have re-appointed, subject to the approval of the Members of the Company in its ensuing Annual General Meeting, Sri Abhay Bhutoria as the Managing Director of the Company for a further period of 5 (five) years with effect from 1st December, 2010 mainly to manage and control the operations of the Company in Northern and Western India under the superintendence, control and direction of the Board on account of his very rich experience in the same position for last 15 years in the Company.

His existing remuneration and the proposed remuneration on such re-appointment with effect from 1st December, 2010 both have been given in detail in the Explanatory Statement attached to the Notice convening the ensuing Annual General Meeting.

The re-appointment and remuneration of Sri Bhutoria as the Company's Managing Director require the approval of the Members of the Company in General Meeting by passing a Resolution in terms of Section II of Part II and Paragraph 1 of Part III of Schedule XIII to the Act read with Section 311 of the Act and the remuneration payable to him also requires the approval of the Members of the Company in General Meeting under Section 309 of the Act, which will be sought for in the forthcoming Annual General Meeting of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm 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 Companies Act, 1956 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 has been recommended by the Audit Committee of the Board of Directors for holding office till the conclusion of the next Annual General Meeting with a remuneration to be fixed by the aforesaid Committee in consultation with them.

**BRANCH AUDITOR**

Your Company has Branch Offices and Units at Jaipur-Rajasthan, Agra-U.P and Dhule-Maharashtra. M/s. N. C. Dhadda & Co., Chartered Accountants, were appointed the Branch Auditors for the Financial Year 2009-2010. It is proposed to re-appoint M/s. N. C. Dhadda & Co., Chartered Accountants, as Branch Auditors for the Jaipur, Barmer, Agra and Dhule Offices and Units for the Financial Year 2010-2011 at a remuneration to be fixed by the Audit Committee of the Board of Directors in consultation with them.

**APPRECIATION**

Your Directors take this opportunity to express their whole-hearted appreciation for the unstinted support and co-operation received from Banks, State Electricity Boards, Government and Semi Government Authorities, Power Utilities, other customers and Shareholders during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the sincere and devoted services that the Executives, Staffs and Workers at all levels have rendered to your Company.

**Registered office :**  
56, Netaji Subhas Road  
Place : Kolkata - 700 001  
Dated : 30th August, 2010

**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 the 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) The Board is at present 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. At present sixty percent of the Board consists of Non-Executive Directors and sixty percent of the Board are Independent Directors. The composition of the Board satisfies the conditions that the Listing Agreement of the Stock Exchanges have laid down in this regard as on 31st March, 2010. The details of the Directors as on 31st March, 2010 and attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) 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	10	Yes
Sri Rajendra Bhutoria	Executive/Promoter/Vice Chairman & Whole Time Director	10	Yes
Sri Abhay Bhutoria	Executive/Promoter/Managing Director	5	No
Sri L. K. Patawari	Non-Executive /Independent	10	Yes

**Note :** Sri Bachraj Begwani has been appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 30th April, 2010. 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/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, 2010.

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

**RTS POWER CORPORATION LIMITED** |||

(c) Details of Board Meetings held during the period from 1st April, 2009 to 31st March, 2010 :

Serial No.	Date
1	30.04.2009
2	05.06.2009
3	31.07.2009
4	21.08.2009
5	21.08.2009
6	27.08.2009
7	31.10.2009
8	30.01.2010
9	16.02.2010
10	31.03.2010

The gap between two Meetings did not exceed three 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.

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 16th September, 2009. 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 31st March, 2010, 8 (eight) Meetings were held on 30/04/2009, 31/07/2009, 21/08/2009, 26/08/2009, 31/10/2009, 30/01/2010, 16/02/2010 and 31/03/2010.

The gap between two Meetings did not exceed four months.

Composition of the Audit Committee and the attendance of the Members during 2009-2010 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>	8	8
2.	Sri Rajendra Bhutoria, <i>Member</i>	8	8
3.	Sri Loon Karan Patawari, <i>Member</i>	8	8

**Remuneration Committee :**

1. The Board of Directors in its Meeting held on 30th April, 2010 has constituted Remuneration Committee of the Board of Directors comprising 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. Mr J. Biswas, Company Secretary will act as the Secretary of the Committee.

Brief description of terms of reference of the Remuneration Committee :

To determine on behalf of the Board of Directors and 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.

The Committee met for the first time on 31st May, 2010 when all the Members of the Committee were present. The Company Secretary acted as Secretary of the Committee.

The Committee further met on 20th August, 2010 and –

- (i) reviewed Sri Rajendra Bhutoria's existing remuneration and recommended and approved the increase/revision of remuneration of Sri Bhutoria, the Whole-time Director of your Company with effect from 1st April, 2010, subject to the final approval of the Board of Directors of your Company and approval of the Members of the Company in its ensuing Annual General Meeting, in view of his performance and capabilities; and
- (ii) recommended and approved re-appointment of Sri Abhay Bhutoria, subject to the approval of the Board of Directors of your Company and approval of the Members of the Company in its ensuing Annual General Meeting, as the Managing Director of your Company for a further period of 5 (five) years with effect from 1st December, 2010 in appreciation of the commendable work done by him in the same capacity which is reflected in the performance and results of the Company during the last five years

on the terms and conditions, including their respective remuneration, as set out in detail in the Explanatory Statement annexed to the Notice convening the ensuing Annual General Meeting of your Company.

**RTS POWER CORPORATION LIMITED** |

2(a) Payment of Remuneration to Sri Rajendra Bhutoria, the 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 upto 31st March, 2010 (before the aforesaid revision w.e.f. 1st April, 2010) mainly comprises of –

- (i) **Salary** : Rs. 15,000/- per month.
- (ii) **Perquisites** : Rs. 26,400/- during the Financial Year 2009-2010.
  - Service Contract – 5 (five) years from 1st April, 2007.
  - Notice Period – 3 (Three) months.
  - Stock Option – Nil
  - Severance Fee – Nil

2(b) Payment of Remuneration to Sri Abhay Bhutoria, the 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 upto 31st March, 2010 (before the aforesaid re-appointment and revision w.e.f 1st December, 2010) mainly comprises of –

- (i) **Salary** : Rs. 25,000/- per month.
- (ii) **Contribution to Provident Fund** : Rs 36,000/- per annum.
- (ii) **Perquisites** : Rs. 60,000/- during the Financial Year 2009-2010.
  - Service Contract – 5 (five) years from 1st December, 2005.
  - 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 31.03.2010.
- 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.

Brief description of terms of reference of the Shareholders'/Investors' Grievance Committee:

- 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 2009-2010 three Meetings of the Shareholders'/Investors' Grievance Committee were held on 20/04/2009, 09/09/2009 and 30/01/2010 and the attendance of the Members were as follows :

**RTS POWER CORPORATION LIMITED** |||||

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.

No. of Shareholders complaints received during the year 2009-2010	NIL
No. of Complaints resolved to the satisfaction of Shareholders as on 31st March, 2010	NIL
No. of pending Share Transfers as on 31st March, 2010	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
59th	2007	Hotel Lindsay 8B Lindsay Street Kolkata - 700 087	28.09.2007	10.00 A.M.	One
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

The Special Resolution passed at the 59th Annual General Meeting was 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 2009-2010. 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

**RTS POWER CORPORATION LIMITED** |||

Company for non-compliance of any requirement related to capital Markets in the last three years.

- (c) A Statement in summary form of transactions with related parties in the ordinary course of business has been periodically placed before the Audit Committee.
- (d) The Company follows Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and in the preparation of financial statements has not adopted a treatment different from that prescribed in any Accounting Standard.
- (e) 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.
- (g) CEO/CFO Certificate as required in terms of the Listing Agreements has duly been submitted to the Board.
- (h) 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/emails 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 Results are sent to the Stock Exchanges where the Company's Shares are listed. The Company does not have a Website. 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 Results were mainly published in the Business Standard in its all-India editions and Economic Times, Mumbai (in English) and Dainik Lipi, Kolkata (in Bengali).

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

**General Shareholders Information**

**ANNUAL GENERAL MEETING**

Day, Date and Time : Thursday, the 30th day of September, 2010 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 2010 – June 2010 Quarterly Results	Within 31st July, 2010 (Held)
July 2010 – September 2010 Quarterly Results	Within 31st October, 2010
October 2010 – December 2010 Quarterly Results	Within 31st January, 2011
January 2011 – March 2011 Quarterly Results	Within 30th April, 2011

**Date of Book Closure**

The dates of Book Closure are from Friday, 24th day of September, 2010 to Thursday, 30th day of September, 2010, both days inclusive.

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**Dividend Payment and Date :**

The Dividend, if declared, shall be paid/credited on or before 29th day of October, 2010.

**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.

Annual Listing Fees of Bombay Stock Exchange and Calcutta Stock Exchange have been paid upto the Financial Year 2010-2011.

**ISIN Number for NSDL and CDSL :**

ISIN No. – INE005C01017

**Market Price Data :**

Market Price Data (High/Low) during each month in the year 2009-2010.

Month	B S E			C S E		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April'09	73.00	59.40	260039	N.T	N.T	N.T
May'09	88.75	58.65	228509	N.T	N.T	N.T
June'09	90.95	63.50	214191	N.T	N.T	N.T
July'09	84.00	65.55	84452	N.T	N.T	N.T
August'09	78.00	65.05	128365	N.T	N.T	N.T
September'09	85.30	72.00	133069	N.T	N.T	N.T
October'09	80.90	64.00	50607	N.T	N.T	N.T
November'09	77.00	60.10	49381	N.T	N.T	N.T
December'09	86.45	66.50	116947	N.T	N.T	N.T
January'10	81.00	64.65	125685	N.T	N.T	N.T
February'10	76.00	62.05	41701	N.T	N.T	N.T
March'10	68.10	55.00	121679	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, 2009	63.70	N.T
31st March, 2010	62.50	N.T
Change	(1.833%)	N.T.
<b>Indices</b>		
1st April, 2009	9745.77	4193.46
31st March, 2010	17527.77	7373.21
Change	79.850%	75.826%

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, 2235-7270/7271/3070

Fax : (033) 2215-6823

**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 31.03.2010**

Category	No. of Shares	% of Total
<b>A. PROMOTERS' HOLDING</b>		
<b>1. PROMOTERS</b>		
INDIAN PROMOTERS	29,95,298	41.668
FOREIGN PROMOTERS	NIL	NIL
<b>2. PERSON ACTING IN CONCERT</b>	NIL	NIL
<b>SUB - TOTAL</b>	<b>29,95,298</b>	<b>41.668</b>
<b>B. NON-PROMOTERS' HOLDINGS</b>		
<b>3. INSTITUTIONAL INVESTORS</b>		
a) MUTUAL FUNDS & UTI	NIL	NIL
b) BANKS, FIs, INSURANCE COS. (CENTRAL/STATE GOVT. INSTITUTIONS/ NON-GOVT. INSTITUTIONS )	NIL	NIL
c) FIIs	2,43,986	3.394
<b>SUB - TOTAL</b>	<b>2,43,986</b>	<b>3.394</b>
<b>4. OTHERS</b>		
a) PRIVATE CORPORATE BODIES	31,12,757	43.302
b) INDIAN PUBLIC	6,57,817	9.151
c) NRIs/OCBs	3,911	0.054
d) ANY OTHER - CLEARING MEMBERS	1,74,731	2.431
<b>SUB - TOTAL</b>	<b>39,49,216</b>	<b>54.938</b>
<b>GRAND - TOTAL</b>	<b>71,88,500</b>	<b>100.000</b>

Note : Total Foreign Shareholding

NIL

NIL

**Distribution of Share Holding by number of shares held as on 31st day of March, 2010**

No. of Equity Shares held	Total No. of Shares	% of Holding	No. of Shareholders	% of Shareholders
Upto - 500	2,77,273	3.8572	2,400	91.1508
501 - 1000	83,808	1.1659	106	4.0258
1001 - 5000	1,85,065	2.5745	81	3.0763
5001 - 10000	53,897	0.7498	8	0.3038
10001 - 50000	5,94,437	8.2693	21	0.7976
50001 - 100000	6,40,372	8.9083	8	0.3038
100001 - And Above	53,53,648	74.4750	9	0.3419
<b>TOTAL</b>	<b>71,88,500</b>	<b>100.000</b>	<b>2,633</b>	<b>100.000</b>

**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, 2010, about 99.88% 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 2009-2010 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 - 700 001**  
**Phone : (033) 2234-3576 ; 2235-7270/7271/3070**  
**Fax : (033) 22156823**

In case any Shareholder is not satisfied with the response or do not get any response within 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, 2010

**For and on behalf of the Board of Directors**  
**SARDUL SINGH JAIN**  
*Chairman*

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**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 2009-2010.

**Registered Office :**  
56, Netaji Subhas Road  
Kolkata - 700 001  
Dated : 30th day of August, 2010

**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, 2010, 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 have to state that as per the records maintained by the Shareholders'/Investors' Grievance Committee, as on 31st March 2010 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, 2010

**Mohit Bhuteria**  
*Partner*  
Membership No. 56832

## Management Discussion and Analysis

### Industry Structure and Developments

India has a huge population and one of the world's highest GDP growth rates. Because of this, demand for power is growing quickly, which is translating to a wide area of growth opportunities in all segments of the Power Sector. India is in the process of building several ultra mega Power Projects of 4,000 MW installed capacity, augmenting its transmission and distribution network.

Your Company is manufacturing Power & Distribution Transformers of various capacities which are major and indispensable machinery/equipment for generation, transmission and distribution of power 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.

Transformers play an important role in the power industry. The worldwide power savings potential of switching to high efficiency Transformers is estimated to be 300 TWh. This savings potential is not only technically advantageous, but also brings economic and environmental benefits. Taking the full life cycle cost into account, selecting high efficiency Transformers is often an economically sound investment decision despite their higher purchase price. Increasing efficiency of rural Transformers can produce significant environmental benefits. A 25% loaded 100 KVA high efficiency Transformer saves almost 37 tons of greenhouse gas emissions over its 30 year lifetime. Around the world, over 260 million Distribution Transformers are in use, many of which are in rural areas.

The health of the Transformer Industry is closely related to the Power Generation Distribution Sector. The major customers in India for Transformers are the SEBs, utilities, Sub-station Contractors and industries. The Transformer Industry in India has evolved and now has a well-matured technology base upon 800 KV class. India has a field-proven technology & capacity to manufacture a wide range of Power Transformers, Distribution Transformers and other types of Special Transformers for welding, traction, furnace, etc. Today, about 95% of the Transformers installed in the Indian Power Network are of indigenous origin. Energy efficient Transformers with low losses and low noise levels can be available to meet international requirements. The Industry over the period has matured into reliable suppliers of all types of Transformers.

Your Company too, being in the Transformer, Cable & Conductor Industry plays an important role in the growth of Power Sector of the country.

### Opportunities and threats

The Ministry of Power has set a goal of providing power to the entire country by 2012. It aims to provide reliable and quality power for India's entire population at an optimum cost. To achieve this, the Ministry has formulated numerous strategies, such as the power generation strategy, the transmission and distribution strategy and the regulation strategy. The 11th Five year Plan has set a goal to electrify 1,15,000 villages and 23.4 million households. In order to meet its aim of providing electricity to everyone by 2012, an estimated investment of \$150 billion will be required to meet the electricity installed capacity expansion plans as well as to build a robust transmission and distribution network.

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.

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, 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.

**Segment-wise or Product-wise Performance :**

	PRODUCTION		SALE	
	Year ended 31.3.2010	Year ended 31.3.2009	Year ended 31.3.2010	Year ended 31.3.2009
<b>1. Transformers, Transformer Parts and Accessories</b>	8387 Nos. 37826.47 Kgs	7055 Nos.& 10412.2 Kgs	8606 Nos. & 37826 Kgs	7021 Nos.& 10412.2 Kgs
<b>2. Cables &amp; Conductors</b>	11353.953 km.	163 Nos & 16270.17Km	95 Nos. & 11745.939 km	464 Nos & 16120.72 km
<b>3. Wind Energy</b>	2358281 KWH	1840979 KWH	2358281 KWH	1840979 KWH

**Outlook**

According to ITMA (Indian Transformer Manufacturers Association), the Ministry of Power has revised generation capacity addition from 78,000 MW to 90,000 MW in the 11th Plan period entailing 1,50,000 MVA transformation capacity per year requiring supply of Transformers & its Accessories, Laminations & Stampings, Switchgear & Control Gears, Insulating materials, Insulators, Winding Wires, Conductors & Accessories, Instruments, measuring, Indicating & Testing Equipments, Cables & Accessories, Capacitors, Transmission Line Towers, Switch-Yard & Substation Equipments and Software Services to the Power Sector.

IEEMA (Indian Electrical and Electronics Manufacturers Association) says the Transformer Industry in India has been in the forefront for over 50 years and has a well matured technology base upto 800KV class. Keeping pace with the developments the world over, it has attained the status of 'world class' over the period.

In the global market, performance of the Indian product is acknowledged as technically at par with the leading international companies. Looking at the present state of Transformer Industry in India, it can be seen that implementation of Accelerated Power Development Reform Programme (APDRP) and introduction of Accelerated Rural Electrification Programme (AREP) are contributory to the increased business potential for the Industry.

All these should translate a growing demand for Power and Distribution Transformers, Cables & Conductors in the market which your Company has been serving.

Your Companies Cable & Conductors unit is now fully operational. It will for the boost the turnover of your Company. The Production of Wond Core Type Transformers/Dry Type Transformers was stabilised and your Company is receving regular orders. Your Company Dhulagori Factory is now fully operational and is under the process of further expansion.

Your Company is planning to venture into HT Power Cable Project .The feasibility study of the Project is being conducted. Your Company is also exploring the possibility to develop export market by setting up Transformer factories abroad , various options for which are being weighed. In addition to its existing Wind Mill at Dhule, Maharashtra , your Company has also set up another Wind Mill at Barmer, Rajasthan.

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**

Your Company is exposed to external business risks, internal and financial risks. External business risks arise out of cyclical nature of demand in Transformer Industry, entry of new players and a spate of expansions by various companies in the Transformer Industry for manufacturing different types of Transformers. Internal risks basically cover operational efficiency and ability to withstand competition. Inordinate delay in payment by various State Electricity Boards and fluctuation in Raw Material prices, being financial risks, have major impact on the working of your Company.

**RTS POWER CORPORATION LIMITED** |||

Your Company has taken adequate policy measures and action plans to safeguard all these risks.

**Internal Control Systems and their Adequacy**

Your Company has in place adequate systems of internal control commensurate with its size and nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.

A firm of Chartered Accountants conducts Internal Audit of your Company. The Audit Committee reviews Audit Reports submitted by the Internal Auditors. Suggestions for improvement are considered and Audit Committee follows up the implementation of corrective actions. The Committee also meets the Company's statutory Auditors to ascertain, inter alia, their views on the adequacy of internal control systems in your Company and keeps the Board of Directors informed of its major observations from time to time.

**Financial Performance**

(Rs in Lacs)

<b>PARTICULARS</b>	<b>Year Ended 31. 03. 2010</b>	<b>Year Ended 31. 03. 2009</b>
<b>Total Income</b>	10332.54	11673.41
<b>Total Expenditure</b>	10106.82	11362.48
<b>Profit Before Tax (PBT)</b>	225.72	310.93
<b>Profit After Tax (PAT)</b>	150.95	192.17

**Operational Performance :**

Your Company has achieved this year a gross sales of Rs. 101.43 Crores as compared to Rs. 123.36 Crores in the previous year amidst stiff competition .Deferment in taking deliveries and delay in inspection on the part of the customers and Electricity companies mainly has resulted in such lower turnover . As a result , the Profit Before Tax of Rs 2.26 Crores in this year is less than that of Rs 3.11 Crores in the last year. Although sale of Transformers and accessories (8151 Nos.) are higher this year compared to that of the last year (6692 Nos.) , but in view of cut –throat competition resulting in lesser selling prices so also the margins, your Company could perform as above despite all odds .

The Cable and Conductor Unit is looking up and your Company is penetrating into new customer base with the target to achieve higher sales in this segment .Your Company is increasing its capacity for manufacture of Dry Type Transformers at its newly built-up Dhulagori Factory .Further expansion of Dhulagori Factory is under process and during the year under review Rs 19.16 lacs has been spent for acquisition of further Assets and Rs 65.12 lacs has been spent for expansion of Building there .The source of finance for such expenditure is partly from internal accruals and partly by way of borrowings.

**Human Resources Development/Industrial Relations**

Employee Relations scenario of your Company continues to be excellent.

Your Company would like to record its appreciation of the wholehearted support and dedication from employees at all levels numbering 121 as on 31st March, 2010 in maintaining its smooth operation and functioning during the period under review.

**Registered Office :**  
56, Netaji Subhas Road  
Kolkata - 700 001  
Dated : 30th August, 2010

**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, 2010 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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, 2010
    - 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, 2010

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

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### 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 one party and thirteen companies covered in the register maintained under Section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs. 1671.15 Lacs & the year-end balance as such loan taken was Rs. 1247.59 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.
- 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.

**RTS POWER CORPORATION LIMITED** |||

- 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.  
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.
- 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.
- 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/ societies.
- 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 not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money through a public issue during the year.
- 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 : 21<sup>st</sup> August, 2009

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

**BALANCE SHEET as at 31st March, 2010**

	Schedule No.	As at 31.03.2010		As at 31.03.2009	
		Rs.	P.	Rs.	P.
<b>SOURCES OF FUNDS</b>					
<b>A) SHARE HOLDERS FUNDS</b>					
Share Capital	1	71,885,000.00		71,885,000	
Reserve & Surplus	2	313,647,185.22		302,743,608	
<b>TOTAL</b>	<b>(A)</b>	<b>385,532,185.22</b>		<b>374,628,608</b>	
<b>B) LOAN FUNDS</b>					
Secured Loans	3	215,328,706.05		245,571,632	
Unsecured Loans	4	142,561,345.00		106,674,695	
<b>TOTAL</b>	<b>(B)</b>	<b>357,890,051.05</b>		<b>352,246,327</b>	
<b>C) DEFERRED TAX LIABILITY</b>					
<b>TOTAL</b>	<b>(C)</b>	16,039,000.00		13,762,000	
<b>TOTAL</b>	<b>(A+B+C)</b>	<b>759,461,236.27</b>		<b>740,636,935</b>	
<b>APPLICATION OF FUNDS</b>					
<b>A) Fixed Assets</b>					
Gross Block	5	271,437,252.51		223,834,316	
Less : Depreciation		106,074,200.76		91,044,404	
Net Block		165,363,051.75		132,789,912	
Capital Work-in- Progress		5,606,264.97		260,000	
		<b>170,969,316.72</b>		133,049,912	
<b>B) Investments</b>					
	6	371,500.00		371,500	
<b>C) Current Assets, Loans And Advances :</b>					
Inventories	7	257,210,577.26		246,214,569	
Sundry Debtors	8	605,671,484.60		509,523,659	
Cash & Bank Balances	9	58,415,495.53		110,412,135	
Loans & Advances	10	41,831,346.13		30,523,943	
	<b>(A)</b>	<b>963,128,903.52</b>		896,674,306	
<b>D) Less : Current Liabilities &amp; Provisions</b>					
	<b>(B)</b>	375,008,483.97		289,458,783	
<b>Net Current Assets</b>	<b>(A-B)</b>	<b>588,120,419.55</b>		607,215,523	
<b>TOTAL :</b>		<b>759,461,236.27</b>		<b>740,636,935</b>	
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, 2010

**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, 2010**

	Schedule No.	Year ended 31.03.2010		Year ended 31.03.2009	
		Rs.	P.	Rs.	P.
<b>INCOME</b>					
Sales - Turnover	12	1,014,344,645.43		1,233,635,493	
<b>Less : Excise Duty</b>		80,241,607.16		145,534,452	
		934,103,038.27		1,088,101,041	
Job Charges	13	84,107,544.80		66,556,174	
Other Income	14	15,043,859.80		12,683,680	
Increase/(Decrease) in Stock	15	(17,411,150.97)		37,246,047	
		<b>1,015,843,291.90</b>		<b>1,204,586,942</b>	
<b>EXPENDITURE</b>					
Manufacturing & Other Expenses	16	925,396,369.82		1,108,300,029	
Interest & Financial Expenses	17	52,344,403.07		50,512,097	
Depreciation	5	15,530,731.49		14,681,242	
		<b>993,271,504.38</b>		<b>1,173,493,368</b>	
<b>Profit/(loss) Before Tax</b>		22,571,787.52		31,093,574	
<b>Less : Provision for Current Tax</b>		5,200,000.00		12,288,000	
Deferred Tax Charged/(Credit)		2,277,000.00		(900,000)	
Fringe Benefit Tax		—		488,500	
<b>Profit/(loss) After Tax</b>		<b>15,094,787.52</b>		<b>19,217,074</b>	
<b>Add : Profit/(Loss) Brought Forward</b>		76,950,838.70		61,938,858	
		<b>92,045,626.22</b>		<b>81,155,932</b>	
Less : Proposed Dividend		3,594,250.00		3,594,250	
Corporate Dividend Tax		596,960.00		610,843	
<b>Balance Carried to Balance Sheet</b>		<b>87,854,416.22</b>		<b>76,950,839</b>	
5Basic/diluted Earning Per Share (Refer Note No.8 in Schedule 19)			2.10		2.67
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, 2010

**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 12 annexed to & forming part of Balance Sheet as at 31st March, 2010

	<b>As at 31.03.2010</b>	<b>As at 31.03.2009</b>
	<b>Rs. P.</b>	<b>Rs. P.</b>
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised :</b> 1,20,00,000 Equity Shares of Rs. 10/- each	<b>120,000,000.00</b>	120,000,000.00
<b>Issued, Subscribed &amp; Paid-up :</b> 71,88,500 (31/03/08 71,88,500) Equity Shares of Rs.10/- each fully paid-up in cash	<b>71,885,000.00</b>	71,885,000.00
	<b>71,885,000.00</b>	<b>71,885,000.00</b>
<b>SCHEDULE - 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Share Forfeited</b> - As per last Account	<b>15,500.00</b>	15,500.00
<b>Generator Subsidy Reserve</b> - As per last Account	<b>61,000.00</b>	61,000.00
<b>Rajasthan State Investment Subsidy</b> - As per last Account	<b>521,505.00</b>	521,505.00
<b>Securities Premium Account</b> - As per last Account	<b>2,15,605,500.00</b>	215,605,500.00
<b>General Reserve</b> - As per last Account Profit & Loss Account	<b>95,89,264.00</b> <b>87,854,416.22</b>	9,589,264.00 7,69,50,838.70
	<b>313,647,185.22</b>	<b>302,743,608</b>
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
<b>From Banks :</b>		
i) On Cash Credit Account	141,776,722.08	134,680,720.58
ii) Working Capital Term Loan	—	50,113,014.00
iii) Bill discounting	10,355,759.00	11,341,059.00
iv) Term Loan : (The above loans are secured by hypothecation of all present and future movable Plant & Machinery, Stock and Book Debts and other current assets and hypothecation of all fixed assets and equitable mortgage of some immovable properties and personally guarantee by two directors.)	61,227,994.11	48,633,368.71
v) On Auto Loan Account : (Secured against hypothecation of Motor Car & personal guarantee of two Directors) (Term Loan, Auto Loan and Working Capital Term Loan - Due within one year Rs 128.28 lacs, 31/03/08 Rs 17.87 lacs)	1,966,230.86	803,469.94
	<b>215,328,706.05</b>	245,571,632.23
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS :</b>		
From Bodies Corporate (Short Term)	139,827,822.00	100,755,859.00
From Rajasthan State Govt. (Under Sales Tax Deferment Scheme)	1,614,049.00	4,844,049.00
From Directors (Short Term)	1,119,474.00	1,074,787.00
	<b>142,561,345.00</b>	<b>106,674,695.00</b>

**SCHEDULE - 5  
FIXED ASSETS**

**Schedule '5' of Fixed Assets Annexed to and Forming Part of Balance Sheet As on 31st March, 2010**

PARTICULARS	GROSS BLOCK			D E P R E C I A T I O N			NET BLOCK			
	As on 31.03.09 Rs.	Addition Rs.	Deduction Rs.	Total As on 31.03.10 Rs.	Up to 31.03.09 Rs.	For the year Rs.	Deduction Rs.	Total Up to 31.03.10 Rs.	As on 31.03.10 Rs.	As on 31.03.09 Rs.
LAND (LEASE HOLD)	3564274.58	0.00	0.00	3564274.58	0.00	0.00	0.00	0.00	3564274.58	3564275
LAND (FREE HOLD)	9145628.70	7760846.00	0.00	16906474.70	0.00	0.00	0.00	0.00	16906474.70	9145629
BUILDING	46568714.16	0.00	0.00	46568714.16	15447680.92	2527092.00	0.00	17974772.92	28593941.24	31121033
BUILDING OFFICE	5784336.37	0.00	0.00	5784336.37	408293.00	268498.00	0.00	676791.00	5107545.37	5376043
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)	74219474.24	1267452.00	55000.00	75431926.24	36212537.64	5391331.00	7759.00	41596109.64	33835816.60	38006937
OIL STORING TANK	2688060.74	0.00	0.00	2688060.74	2234587.74	63078.00	0.00	2297665.74	390395.00	453473
WIND TURBINE GENERATOR	54196340.00	35862000.00	0.00	90058340.00	19695164.00	5214814.00	0.00	24909978.00	65148362.00	34501176
HANDLING EQUIPMENTS	6825919.69	0.00	0.00	6825919.69	3693541.41	435714.00	0.00	4129255.41	2696664.28	3132378
RESEARCH & DEVELOPMENT EQUIPMENTS	846886.04	0.00	0.00	846886.04	745393.04	11415.00	0.00	756808.04	90078.00	101493
DIES & TOOLS	47062.62	0.00	47062.62	0.00	45535.62	1527.00	47062.62	0.00	0.00	1527
AUXILIARY MACHINERY	368818.57	10800.00	0.00	379618.57	289086.57	18860.00	0.00	307946.57	71672.00	79732
FIRE EXTINGUISHER	120080.68	0.00	0.00	120080.68	93123.68	3750.00	0.00	96873.68	23207.00	26957
FURNITURE & FIXTURE	2330706.99	12620.00	0.00	2343326.99	1439680.99	161575.00	0.00	1601255.99	742071.00	891026
TYPE WRITER	119117.74	0.00	104827.35	14290.39	113694.74	5190.00	104827.35	14057.39	233.00	5423
GENERATOR	1129852.93	0.00	0.00	1129852.93	478217.65	90643.00	0.00	568860.65	560992.28	651635
TUBE WELL	608895.60	0.00	0.00	608895.60	243873.60	36634.00	0.00	280507.60	328388.00	365022
TELEVISION	61390.00	7400.00	50000.00	18790.00	54792.00	6657.00	50000.00	11449.00	7341.00	6598
AIR CONDITIONER	1019812.97	121000.00	0.00	1140812.97	547551.97	79111.00	0.00	626662.97	514150.00	472261
COMPUTER	2674164.78	174619.00	0.00	2848783.78	2337906.78	172152.00	0.00	2510058.78	338725.00	336258
OFFICE EQUIPMENT	761083.50	145691.00	0.00	906774.50	518101.50	68126.49	0.00	586227.99	320546.51	242982
ELECTRIC INSTALLATION	3543278.89	811908.00	0.00	4355186.89	2068889.70	281261.00	0.00	2350150.70	2005036.19	1474389
VEHICLES	6556892.37	2120156.00	250000.00	8427048.37	3989063.37	665215.00	63445.00	4590833.37	3836215.00	2567829
FAX MACHINE	154748.32	5575.00	51816.00	108507.32	124714.32	4971.00	51816.00	77869.32	30638.00	30034
WATER COOLER	58108.00	28500.00	35728.00	50880.00	52070.00	7280.00	35728.00	23622.00	27258.00	6038
REFRIGERATOR	82956.00	9100.00	0.00	92056.00	40054.00	7023.00	0.00	47077.00	44979.00	42902
CLOSE CIRCUIT TELEVISION	192362.00	0.00	93497.00	98865.00	86493.00	7230.00	93497.00	226.00	98639.00	105869
TEMPO	46800.00	0.00	46800.00	0.00	46006.00	794.00	46800.00	0.00	0.00	794
EPBX SYSTEM	70150.00	0.00	0.00	70150.00	38351.00	790.00	0.00	39141.00	31009.00	31799
<b>T O T A L</b>	<b>223834316.48</b>	<b>48337667.00</b>	<b>734730.97</b>	<b>271437252.51</b>	<b>91044404.24</b>	<b>15530731.49</b>	<b>500934.97</b>	<b>106074200.76</b>	<b>165363051.75</b>	<b>132789912</b>
As at 31.03.2009 (Rounded off)	185484107	38763431	413222	223834316	76627091	14681242	263929	91044404	132789912	

RTS POWER CORPORATION LIMITED |||

	As at 31.03.2010		As at 31.03.2009	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - 6</b>				
<b>INVESTMENTS [Long Term (at Cost) Unquoted]</b>				
National Saving Certificate (Deposited with Government Departments)	21,500.00		21,500.00	
In Equity Shares; (Trade)				
35,000 (35,000) Equity Shares of Bhutoria				
Agrotech Limited of Rs. 10/- each fully paid-up in cash	350,000.00		350,000.00	
	<b>371,500.00</b>		<b>371,500.00</b>	

<b>SCHEDULE - 7</b>				
<b>INVENTORIES</b>				
(As per inventories taken, valued and certified by the management)				
Stores & Spares	15,821,847.79		10,548,490	
Raw Materials (including Goods in Transit)	61,299,364.47		36,784,641	
Work-in-process	140,471,492		132,825,523	
Finished Goods (Including lying with parties Rs.6110887/-)	38,600,893		64,514,980	
Scrap	1,016,980		1,540,935	
	<b>257,210,577.26</b>		<b>246,214,568.51</b>	

<b>SCHEDULE - 8</b>				
<b>SUNDRY DEBTORS</b>				
(Unsecured considered good)				
Debts outstanding for a period exceeding six months	168,025,187		80,287,851	
Other Debts	437,646,296.67		429,235,808	
	<b>605,671,484.60</b>		<b>509,523,659</b>	

<b>SCHEDULE - 9</b>				
<b>CASH &amp; BANK BALANCES</b>				
Cash in hand	1,462,736		481,312	
Balance with Scheduled Banks :				
In Current Account	851,456.95		66,213,141	
In Unpaid Dividend Account	159,017.39		146,483	
In Fixed Deposit Account (Receipt lodged with Bank)	55,840,507		43,527,706	
Interest accrued on Fixed Deposit	101,778		43,493.00	
	<b>58,415,495.53</b>		<b>110,412,135</b>	

	As at 31.03.2010		As at 31.03.2009	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - 10</b>				
<b>LOANS &amp; ADVANCES</b>				
(Unsecured considered good)				
Advances recoverable in cash or in kind or for value to be received	4,006,885.88		3,714,946	
Advance - Capital Items	4,140,000.00		1,100,000	
Security Deposits	7,433,175.29		5,310,546	
Earnest Money	10,119,067		10,083,663	
Balance with Excise & Sales Tax Department	11,387,159.80		10,314,788.34	
Advance Income Tax (Net of Provision)	4,745,058.16		—	
	<b>41,831,346.13</b>		<b>30,523,943</b>	

**SCHEDULE - 11**  
**CURRENT LIABILITIES & PROVISIONS**

<b>(A) Current Liabilities</b>				
<b>Sundry Creditors</b>				
Total Outstanding dues of Micro & Small Enterprises	1,111,913.40		1,209,113	
Total Outstanding dues of Creditors other than Micro and Small Enterprises	314,805,674.76		256,926,263	
Bills Payable	2,689,502.00		—	
Unclaimed Dividend	159,017.39		146,483	
(Amount due for transfer to Investor Education & Protection Fund Rs Nil)				
Other Liabilities	44,649,355.42		15,478,956	
	<b>363,415,462.97</b>		<b>273,760,815</b>	
<b>(B) Provisions :</b>				
Provision for Taxation (Net)	—		4,359,257	
Provision for Fringe Benefit Tax (Net)	115,283.00		480,702	
Provision for Proposed Dividend	3,594,250.00		3,594,250	
Provision for Corporate Dividend Tax	596,960.00		610,843	
Provision for Gratuity	6,605,000		5,988,000	
Provision for Leave Encashment	681,528.00		664,916	
	<b>11,593,021.00</b>		<b>15,697,967.84</b>	
<b>Total (A+B)</b>	<b>375,008,483.97</b>		<b>289,458,782.68</b>	

**SCHEDULES** 13 to 18 annexed to & forming part of Profit & Loss Account for the year ended 31st March, 2010

	Year ended 31.03.2010 Rs. P.	Year ended 31.03.2009 Rs. P.
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**SCHEDULE - 12**

**SALES : TURNOVER**

Sales	1,014,344,645.43	1,233,635,493
	<b>1,014,344,645.43</b>	<b>1,233,635,493</b>

**SCHEDULE - 13**

**JOB CHARGES**

Job Charges ( Gross TDS Rs 920552/- Previous Year Rs.1264525/-)	84,107,544.80	66,556,174
	<b>684,107,544.80</b>	<b>66,556,174</b>

**SCHEDULE - 14**

**OTHER INCOME**

Interest (Gross TDS Rs 438454/- Previous Year Rs.636077/-)		
From Bank on fixed deposits	4,087,429	3,410,738
From Others - Sundry Debtors etc	3,414,129.00	1,192,394
Profit on sale of fixed assets	—	42,323
Miscellaneous Income (Gross TDS Rs 60261/- Previous Year Rs.NIL)	4,551,422.20	4,255,993
Man Power Charges	—	541,480
Generation Gurantee Claim for earlier years	—	2,755,143.00
Foreign Exchange Fluctuation	2,990,879.60	—
Generation Gurantee Claim	—	393,592
Liability no longer required written back	—	92,017
	<b>15,043,859.80</b>	<b>12,683,680</b>

**SCHEDULE - 15**

**INCREASE/DECREASE IN STOCK**

**Closing Stock**

Finished Goods	38,600,893	64,514,980
Work-in-process	140,471,492.00	132,825,523
Scrap & Replaced materials	1,016,980.00	1,540,935
<b>(A) :</b>	<b>180,089,365.00</b>	<b>198,881,438</b>

**Less : Opening Stock**

Finished Goods	64,514,980.31	50,977,948
Work-in-process	132,825,522.66	110,197,336
Empty Drums	—	20,492
Scrap & Replaced materials	1,540,935.00	2,053,660
<b>(B) :</b>	<b>198,881,437.97</b>	<b>163,249,436</b>

**(A-B) :**

Less : Excise Duty on Inventories (Net)	(18,792,072.97)	35,632,002
	(1,380,922.00)	(1,614,045)

**Increase/(Decrease) in Stock**

	<b>(17,411,150.97)</b>	<b>37,246,047</b>
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## SCHEDULE – 19

(Annexed to and forming part of Balance Sheet as at 31st March, 2009 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. 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.

##### c. 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.

##### d. 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.

##### e. 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.

##### f. REVENUE RECOGNITION

Sales include excise duty but does not include VAT collected.

##### g. 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.

**h. 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.

**i. EARNINGS PER SHARE**

The earnings is 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 computing Basic –EPS is the weighted average number of shares outstanding during the year.

**j. TAXATION**

Tax expenses for the year, comprising, current tax, fringe benefit tax and deferred tax are included in determining the net profit for the year. A provision is made for the current tax and fringe benefit 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 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.

**k. IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**l. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurements are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. 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 Enterprises Development Act, 2006 given in Schedule 12 - Current Liabilities & Provision is based on details regarding the status of the suppliers obtained by the company. This has been realised upon by the auditors.

3. Sales include inter branch transfers amounting to Rs. NIL (Previous year Rs. 1183.38 lacs). In the opinion of the management the impact of such transfer on the financial statements will be revenue neutral.

**4. EMPLOYEE BENEFITS**

(a) The Company had adopted the Accounting Standard (AS) 15 on "Employee Benefits" effective 1st April, 2007 pursuant to which under transitional provisions, an amount Rs. 1371264/- (including related tax effect of Rs. 347856/-) had been added to Revenue Reserves as at 1st April, 2007.

**(b) 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	2008-09	2007-08
Contribution to Employees' Provident Fund and Family Pension Fund	9.07	9.23

**(c) Defined Benefit Plans - Gratuity** (Rs.In Lacs)

Particulars	2008-09	2007-08
<b>(i) Changes in the Present Value of Obligation</b>		
(a) Present Value of Obligation as at April 1, 2008	54.46	48.35
(b) Interest Cost	8.41	4.11
(c) Past Service Cost	-	-
(d) Current Service Cost	3.69	3.82
(e) Curtailment Cost/(Credit)	-	-
(f) Settlement Cost/(Credit)	-	-
(g) Benefits Paid	-	(3.29)
(h) Actuarial (Gain)/Loss	(6.68)	1.47
(l) Present Value of Obligation as at Mar 31, 2009	59.88	54.46
<b>(ii) Changes in the Fair value of Plan Assets</b>		
(a) Present Value of Plan Assets as at April 1, 2008		
(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, 2009		
<b>(iii) Amount recognised in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>		
(a) Present Value of Funded Obligation as at Mar 31, 2009	-	-
(b) Fair Value of Plan Assets as at Mar 31, 2009	-	-
(c) Funded (Asset)/Liability recognised in the Balance Sheet	-	-
(d) Present Value of Unfunded Obligation as at Mar 31, 2009	59.88	54.46
(e) Unrecognised Past Service Cost	-	-
(f) Unrecognised Actuarial (Gains)/Losses	-	-
(g) Unfunded Net Liability recognised in the Balance Sheet	59.88	54.46

(iv) Expenses recognised in the Profit and Loss Account		
(a) Current Service Cost	3.69	3.82
(b) Past Service Cost	-	-
(c) Interest Cost	8.41	4.11
(d) Expected Return on Plan Assets	-	-
(e) Curtailment Cost/(Credit)	-	-
(f) Settlement Cost/(Credit)	-	-
(g) Net actuarial (Gain)/Loss	(6.68)	1.47
(h) Employees' Contribution	-	-
(l) Total Expenses recognised in the Profit and Loss Account	5.42	9.40
(v) Percentage of each Category of Plan Assets to total		
Fair Value of Plan Assets as at Mar 31, 2009		
(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.

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

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

(e) Following are the Principal Actuarial Assumptions used as at the balance sheet date :

PARTICULARS	2008-09	2007-08
(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%

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

(g) Retirement age : 58 years

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

(i) Key management personnel :

Shri Rajendra Bhutoria  
Shri Abhay Bhutoria

(ii) Directors / Relatives of Key Management Personnel :

Shri S. S. Jain  
Shri L. K. Patawari  
Shri Sharad Bhutoria

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(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.

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	Directors/Relative of key management personnel	Enterprises where key management personnel have significant influence
<b>(A) Expenditure</b>			
<b>Interest</b>			
Bhutoria Brothers Ltd.			1,725,003.00 (1,492,629)
BLB Cables & Conductors (P) Ltd.			- (2,021,095)
Abhay Transformers Pvt Ltd.			22,586.00 (39,633)
Bhutoria Transformers & Rectifiers Pvt Ltd.			- (1,259,691)
Kalinga Petrochemicals (P) Ltd.			617,000.00 (684,618)
<b>Rent</b>			
Bhutoria Properties			2,160.00 (2,160)
Bhutoria Brothers Ltd.			108,000.00 (108,000)
<b>Salary &amp; Benefits</b>			
Sharad Bhutoria		268,800.00 (240,000)	
<b>Power Consumption</b>			
Bhutoria Brothers Ltd.			845,226.00 (778,444)
<b>Purchase</b>			
Bhutoria Transformers & Rectifiers Pvt Ltd.			26,720,026.00 (-)
Abhay Transformers Pvt Ltd.			3,242,878.00 (269,511)
<b>Remuneration</b>			
Rajendra Bhutoria	180,000.00 (180,000)		
Abhay Bhutoria	396,000.00 (396,000)		

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Nature of Transaction	Key Management Personnel	Directors/Relative of key management personnel	Enterprises where key management personnel have significant influence
<b>(B) Income</b>			
<b>Sales</b>			
Abhay Transformers Pvt Ltd.			11,912,236.00 (9,233,281)
Bhutoria Transformers & Rectifiers Pvt Ltd.			- (1,417,966)
<b>(C) Unsecured Loan</b>			
<b>Taken during the year</b>			
Bhutoria Brothers Ltd.			27,814,853.00 (27,735,353)
BLB Cables & Conductors (P) Ltd.			5,675,000.00 (42,679,432)
Abhay Transformers Pvt Ltd.			5,600,000.00 (16,550,000)
Bhutoria Transformers & Rectifiers Pvt Ltd.			- (3,135,000)
Kalinga Petrochemicals (P) Ltd.			4,545,000.00 (17,500,000)
Howrah Warehouse Pvt Ltd.			300,000.00 (100,000)
Bhutoria Investments Pvt Ltd.			- (39,385,000)
<b>Repaid during the year</b>			
Bhutoria Brothers Ltd.			7,800,000.00 (42,600,000)
BLB Cables & Conductors (P) Ltd.			179,749.00 (64,870,000)
Abhay Transformers Pvt Ltd.			5,617,933.00 (16,581,469)
Bhutoria Transformers & Rectifiers Pvt Ltd.			- (20,102,995)
Kalinga Petrochemicals (P) Ltd.			19,963,587.00 (5,594,814)
Howrah Warehouse Pvt Ltd.			- (300,000)
Bhutoria Investments Pvt Ltd.			- (85,746,547)
<b>Balance as at the year end (Cr)</b>			
Bhutoria Brothers Ltd.			33,769,652.00 (12,385,147)
BLB Cables & Conductors (P) Ltd.			7,100,000.00 (1,604,749)
Kalinga Petrochemicals (P) Ltd.			1,814,898.00 (16,743,587)
Howrah Warehouse Pvt Ltd.			900,000.00 (600,000)

Nature of Transaction	Key Management Personnel	Directors/Relative of key management personnel	Enterprises where key management personnel have significant influence
<b>(D) Sundry Creditors</b>			
Balance as at year end (Cr)			
Bhutoria Transformers & Rectifiers Pvt Ltd.			16,425,694.00 (-)
Abhay Transformers Pvt Ltd.			- (109,980)
<b>(E) Equity Shares Issued</b> (On conversion of Warrants at a premium of Rs. 86/- per Share)			
Bhutoria Transformers & Rectifiers Pvt Ltd.			- (28,800,000)
<b>(F) Loans &amp; Advances (Dr)</b>			
Balance as at year end (Dr)			
Sharad Bhutoria		40,000.00 (-)	

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

	Opening	Charged/ (Credited) the P/L a/c	Closing
	(Rs.)	(Rs.)	(Rs.)
<b>Deferred Tax Liability</b> Tax impact of difference between carrying amount of fixed assets as per books of account and as per income tax			
<b>( A )</b>	167.44	(7.21)	160.23
	167.44	(7.21)	160.23
<b>Deferred Tax Assets</b> Expenses charged to revenue in the books and allowed in Income Tax on payment basis.			
<b>( B )</b>	20.82	1.79	22.61
	20.82	1.79	22.61
<b>Net Deferred Tax Liability ( A - B )</b>	146.62	(9.00)	137.62

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

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

8. **EARNING PER SHARE**

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Net Profit/(loss) attributable to Shareholders (Rs.)	19,217,074	21,707,550
Weighted average number of Equity Shares in issue	7,188,500	5,232,336
Basic Earning Per Share of Rs. 10/ each (in Rs.)	2.67	4.15

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

9. **Contingent liabilities not provided for in respect of :**

A.	Bank Guarantee Outstanding	<b>Rs. 1939.99 Lacs</b> (Rs. 1172.46 Lacs)
B.	Unexpired Letter of Credit	Rs. 35.10 Lacs (Rs. 105.35 Lacs)

10. (a) **Value of Imports Calculated on CIF Basis**

Raw materials	<b>Rs. 724.31 Lacs</b> (Rs. 273.08 Lacs)
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11. Estimated amount of contracts remaining to be executed on capital account not provided for Rs.58.90 Lacs (Net of Advance) (31.03.08 Rs. 26.32 Lacs).

12. (a) **Details of Expenditure allocated to Fixed Asset**

Particulars	Amount (Rs)
Cost of Steel, Cement, Sand & Civil Work	16,502,523
Carriage Inward	94,203
Other Expenses	181,317
Interest on Term Loan	483,396
	<b>17,261,439</b>

(b) **Details of Capital Work in Progress**

Particulars	2008-09 Amount (Rs.)	2007-08 Amount (Rs.)
Capital Item	<b>260,000</b>	-
Building & Civil Work		8,857,945
Professional Charges		99,000
Other Expenses		522,296
Interest on Term Loan		23,574
	<b>260,000</b>	9,502,815
Add : Opening Capital WIP	<b>10,047,890</b>	545,075
	<b>10,307,890</b>	10,047,890
Less : Allocated to Fixed Assets	<b>10,047,890</b>	-
Balance Capital Work in Progress	<b>260,000</b>	10,047,890

13. **Expenditure in Foreign Currency**

Foreign Exchange Fluctuation	<b>Rs. 71,17,430</b> (Rs. 250,331)
Foreign Travelling	- (Rs. 130,731)

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

15. Quantitative Information in respect of 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	7055 Nos & 10412.2 Kgs (7348 Nos.)
Semi-Finished Transformers	Not Applicable	(NIL)
Transformer Oil	Not Applicable	NIL (NIL)
Wind Energy	1.25MW (1.25MW)	1840979 KWH (1944345 KWH)
Cable Conductor	Not Applicable	163 Nos, 16270.17 Km (2286 Nos, 8158 Km & 664 Mtr)

Licensed Capacity : Not Applicable

**Note :** Licensed & installed capacity have been certified by the management & relied upon by the auditors.

1 Nos. of Transformer were self consumed.

**(B) Particulars of Finished Goods Sold**

Description	Qty.	Value (Rs.)
Transformers & Accessories	6692 Nos (7414 Nos)	936,662,273 (809,632,304)
Wind Energy	1840979 KWH (1944345 KWH)	1,840,979 (7,095,602)
Cable Conductor	464 Nos , 16120.72 Km (2468 Nos, 8211 Km & 686 Mtr)	263,389,487 (165,453,328)
Semi-Finished Transformers	329 Nos & 10412.2 Kgs (268 Nos.)	25,632,545 (8,093,114)

**(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	290 (356)	40,047,354 (46,597,674)	323 (290)	46,073,755 (40,047,354)
Cable Conductor	1102 Nos 645 Km (1284 Nos, 698 Km & 22 Mtr)	10,930,594 (4,152,190)	801 Nos, 794.45 Km (1102 Nos & 645 Km)	18,441,224 (10,930,594)
<b>Total</b>		<b>50,977,948</b> (50,749,864)		<b>64,514,979</b> (50,977,948)



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

	Quantity	Value (Rs.)
Transformer parts/accessories	<b>281 Nos.</b> (774 Nos. & 582 Kg)	<b>4,892,431</b> (2,505,747)

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

**(E) Raw/Packing Materials Consumed**

	Unit	Quantity	Amount (Rs.)
Copper Conductor	Kgs.	<b>699590.62</b> (735,050.86)	<b>218,551,668</b> (264,640,158)
Aluminium Conductor	Kgs.	<b>1888595.30</b> (1,248,712.28)	<b>201,570,477</b> (152,986,485)
Lamination	Kgs.	<b>1316663.53</b> (1,573,191.05)	<b>236,729,416</b> (253,604,780)
Transformer Oil	Ltrs	<b>1,579,880.50</b> (1,700,410.50)	<b>78,756,178</b> (58,419,708)
Tank Materials	Kgs.	-	<b>94,801,084</b> (76,875,614)
Others(Including Packing Material)		-	<b>82,197,708</b> (35,540,785)
<b>Total</b>			<b>912,606,531</b> (842,067,531)

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

Description	Raw/Packing Materials		Stores	
	Value	%	Value	%
Indegenous	<b>823,535,213</b> (820,647,956)	<b>90.24</b> (97)	<b>61,282,194</b> (58,151,674)	<b>100.00</b> (100)
Imported	<b>89,071,318</b> (21,419,575)	<b>9.76</b> (3)	<b>0</b> NIL	<b>0</b> (-)
Total	<b>912,606,531</b> (842,067,531)	<b>100.00</b> (100)	<b>61,282,194</b> (58,151,674)	<b>100.00</b> (100)

16. **Disclosure of Loans/Advances and Investments in its own shares by listed companies, their subsidiaries, associate etc. (as certified by the management)**

<b>Particulars</b>	<b>Outstanding Balance as on 31/03/2009 (Rs. in Lacs)</b>	<b>Maximum Balance outstanding during the year (Rs. in Lacs)</b>
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 advanced in the nature of Loans where there is		
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
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 companies and subsidiary companies when the company has made a loan or advance in the nature of loan	NIL	NIL

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

<b>Particulars</b>	<b>2008-09 (Rs.)</b>	<b>2007-08 (Rs.)</b>
Salary	<b>300,000.00</b>	300,000
Contribution to Provident Fund	<b>36,000.00</b>	36,000
Value of Perquisites	<b>60,000.00</b>	60,000
<b>Total</b>	<b>396,000.00</b>	396,000

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

<b>Particulars</b>	<b>2008-09 (Rs.)</b>	<b>2007-08 (Rs.)</b>
Salary	<b>180,000.00</b>	180,000
<b>Total</b>	<b>180,000.00</b>	180,000

18. The Company has not deposited Interim Dividend of Rs. 35.94 lacs declared on 30/4/2008 in a separate bank account within the stipulated period of five days from the date of declaration as prescribed under Section 205(1A) of the Companies Act, 1956, there being a delay of 92 days.

19. The Company has entered into transactions with M/s Bhutoria Transformers & Rectifiers (P) Ltd. a party covered in the Register maintained under Section 301 of the Companies Act, 1956, in excess of limits of price and value approved by the Board of Directors and Central Government under Section 297, the value exceeding being Rs. 204.40 lacs.

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

<b>I. Registration Details</b>		
Registration No.		16105
State Code		21
Balance Sheet Date		31.03.2009
<b>II. Capital raised during the Year (Amount in Rs. Thousand)</b>		
Public Issue		NIL
Right Issue		NIL
Bonus Issue		NIL
Private Placement		NIL
<b>III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)</b>		
Total Liabilities		1,030,096
Total Assets		1,030,096
<b>Sources of Funds :</b>		
Paid-up Capital		71,885
Reserves & Surplus		302,744
Secured Loans		245,572
Unsecured Loans		106,675
Deferred Tax Liability		13,762
<b>Application of Funds :</b>		
Net Fixed Assets		133,050
Investments		372
Net Current Assets		607,216
<b>IV. Performance of Company (Amount in Rs. Thousand)</b>		
Turnover (Including other Income)		1,312,875
Total Expenditure		1,281,782
Profit/(Loss) Before Tax		31,094
Profit/(Loss) After Tax		19,217
Earning Per share in Rs.		2.67
<b>V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)</b>		
Item Code No. (ITC Code)	: 85042100	
Product Description	: Electrical Transformers having a Power handling 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 : 21<sup>st</sup> August, 2009

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

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH  
2009 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

	<u>2008-09</u>	<u>2007-08</u>
	Rs. in lacs	Rs. in lacs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extra Ordinary Items	<b>310.93</b>	340.26
<b>Adjustment for :</b>		
Depreciation	<b>146.81</b>	134.41
Interest on borrowings	<b>505.12</b>	409.75
Interest Income	<b>(46.03)</b>	(69.58)
Adjustment for transitional provisions of AS - 15	-	13.71
Loss on Sale of Fixed Assets	<b>0.07</b>	0.95
Profit on Sale of Fixed Assets	<b>(0.42)</b>	(0.87)
	<b>605.54</b>	488.37
Operating Profit before Working Capital Change	<b>916.47</b>	828.63
<b>Adjustment for :</b>		
Trade & Other Receivable	<b>(192.54)</b>	(1,993.73)
Inventories	<b>(178.44)</b>	(241.65)
Trade Payable	<b>(244.99)</b>	1,252.39
(982.99)		
Cash generated from operations	<b>300.51</b>	(154.36)
Direct Tax paid/refund (including interest)	<b>(97.15)</b>	(133.17)
Net Cash from/(used in) Operating activities <b>(A)</b>	<b>203.37</b>	(287.53)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to Fixed Assets/Capital work in progress (Net of Refund)	<b>(300.76)</b>	5.71
Sale of Fixed Assets	<b>1.85</b>	1.98
Interest received	<b>46.03</b>	69.58
Net Cash Flow from Investing activities <b>(B)</b>	<b>(252.87)</b>	77.27
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/Repayment of Long Term borrowings (net)	<b>(96.41)</b>	(81.52)
Proceeds/Repayment of Short Term borrowings (net)	<b>1,305.50</b>	(848.12)
Proceeds from Issue of Warrant	-	-
Proceeds from Issue of Shares	-	1,728.00
Interest Paid	<b>(505.12)</b>	(409.75)
Dividend Paid	<b>(71.54)</b>	(25.60)
Corporate Dividend Tax Paid	<b>(12.22)</b>	(4.41)
Net Cash used in Finance Activity <b>(C)</b>	<b>620.22</b>	358.60
Net Increase in Cash & Cash equivalent <b>(A + B + C)</b>	<b>570.71</b>	148.34
Cash & Cash equivalents (Opening)	<b>533.41</b>	385.07
Cash & Cash equivalents (Closing)	<b>1,104.12</b>	533.41

**Notes :**

- Cash Flow Statement has been prepared under "Indirect Method" as per AS - 3 "Cash Flow Statements".
- Cash and Cash equivalents includes Rs. 435.28 Lacs (Rs. 334.16 Lacs) lying in Fixed Deposit with Bank under

As per our Report of even date  
For **A. C. BHUTERIA & CO.**  
Chartered Accountants  
**Mohit Bhuteria**  
Partner  
Place : Kolkata  
Dated : 21<sup>st</sup> August, 2009

**S. S. Jain**  
Chairman

**R. Bhutoria**  
Vice Chairman & Wholetime Director

**Abhay Bhutoria**  
Managing Director

**L. K. Patawari**  
Director

**J. Biswas**  
Company Secretary

## DETAILS OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	31.03.2008		31.03.2007	
	Rs.	P.	Rs.	P.
<b>Trade &amp; Other Receivables</b>				
Sundry Debtors	4,785.52		2,828.22	
Advances recoverable in cash or in kind or for value to be received	48.82		22.54	
Security Deposits	50.61		56.65	
Earnest Money	79.89		41.30	
Insurance Claim Receivable	53.47		53.47	
Loans & Advances	-		-	
Balance with Excise Department	178.64		201.04	
	<b>(A)</b>	<b>5,196.94</b>	<b>(B)</b>	<b>3,203.21</b>
Net Increase in Trade & Other Receivables	<b>(B-A)</b>	<b>(1,993.73)</b>		
<b>Trade Payable</b>				
Current Liabilities	2,987.52		1,732.42	
Less : Interest accrued but not due	-		-	
Less : Unclaimed Dividend	1.11		0.78	
Less : Creditors for Capital Goods	-		-	
	<b>2,986.41</b>		<b>1,731.64</b>	
Provisions for Gratuity	54.46		58.59	
Provisions for Leave Encashment	6.79		5.04	
	<b>(A)</b>	<b>3,047.66</b>	<b>(B)</b>	<b>1,795.27</b>
Net Decrease in Trade Payables	<b>(A-B)</b>	<b>1,252.39</b>		
<b>Tax paid to/refund from IT Department</b>				
Opening Provision for Tax (net)	27.60		30.60	
Provision for Tax for the current year	124.58		76.28	
Income Tax for Earlier Year	(1.23)		0.48	
Closing Provision for Tax (net)	17.78		27.60	
Net Tax Paid	<b>133.17</b>		<b>79.76</b>	
Opening CDT	4.41		3.64	
CDT for the Year	12.22		8.05	
Closing Provision for CDT	12.22		4.41	
	<b>4.41</b>		<b>7.28</b>	
<b>Proceeds/Repayment of Long Term borrowings (net)</b>				
Auto Loan	17.79		19.70	
Term Loan	537.47		580.28	
From Rajasthan State Govt.	83.96		120.76	
	<b>(A)</b>	<b>639.22</b>	<b>(B)</b>	<b>720.74</b>
Loan Received during the year	<b>(A-B)</b>	<b>(81.52)</b>		

	31.03.2008		31.03.2007	
	Rs.	P.	Rs.	P.
<b>Proceeds/Repayment of Short Term borrowings (Net)</b>				
Working Capital	11.06		201.59	
Short Term Loan	-		-	
Cash Credit	1,247.28		852.39	
Packing Credit	-		-	
Unsecured Loan from Body Corporate	415.81		1,403.88	
Corporate Loan	-		-	
Bill Discounting	-		64.42	
	<b>(A)</b>	<b>1,674.15</b>	<b>(B)</b>	<b>2,522.27</b>
Loan received during the year	<b>(A-B)</b>	<b>(848.12)</b>		
<b>Inventories</b>		<b>2,283.70</b>		<b>2,042.05</b>
	<b>(A-B)</b>	<b>(241.65)</b>		
<b>Interest Paid</b>				
Opening Interest Accrued	-		-	
Add : Interest during the year	409.75		356.34	
Less : Closing interest accrued	-		-	
		<b>409.75</b>		<b>356.34</b>
<b>Dividend Paid</b>				
Opening Proposed Dividend	25.93		25.93	
Add : Opening Unclaimed Dividend	0.78		-	
Add : Provision during the year	71.89		51.89	
Less : Unclaimed Dividend	1.11		0.78	
Less : Closing Balance	71.89		25.93	
		<b>25.60</b>		<b>51.11</b>
<b>Addition to Fixed Assets</b>				
Addition during the Year	183.00		318.48	
Add : Addition to CWIP	95.03		5.45	
Add : Creditors for Capital Goods (Opening)	-		439.28	
Add : Advance Capital Items	(283.74)		283.74	
Less : Transferred from CWIP	-		-	
		<b>(5.71)</b>		<b>1,046.95</b>

**Statement Showing Sources/Application of Short/Loan Term Funds in Terms of Para 4(XVII) of the Companies (Auditors Report) Order, 2003, for the year ended 31.03.2008**

(Rs. in Lacs)

**LONG TERM FUNDS**

Capital	718.85
Reserve & Surplus	2,877.32
Sales Tax Loan	83.96
Secured Loan	30.24
Deferred Tax Liability	146.62
	<u>3,856.98</u>

**LONG TERM APPLICATIONS**

Fixed Assets	1,088.57
Capital Work-in-Progress	100.48
Investments	3.72
Long Term Funds for meeting working capital	2,664.22
	<u>3,856.98</u>

**SHORT TERM FUNDS**

Secured Loans	1,783.35
Unsecured Loans	415.81
Current Liabilities & Provisions	3,150.66
Long Term Funds for meeting working capital	2,664.22
	<u>8,014.04</u>

**SHORT TERM APPLICATIONS**

Current Assets, Loans & Advances	8,014.04
	<u>8,014.04</u>

Certified that the above Statement is based on figures from the financial statements for the year ended 31st March, 2008 & Short term/Long term sources/application stated above is true & Correct.

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As per our Report of even date  
For **A. C. BHUTERIA & CO.**  
*Chartered Accountants*  
**Mohit Bhuteria**  
*Partner*  
Place : Kolkata  
Dated : 1st August, 2008

**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 60th Annual General Meeting of the above named Company at Hotel Lindsay, 8B Lindsay Street, Kolkata 700 087, on Wednesday, the 16th day of September, 2009 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.

..... Cut here.....

**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/We ..... S/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. ....

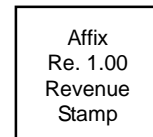
residing at ..... as my/our Proxy to attend and vote for me/us and

on my/our behalf at the Sixtieth Annual General Meeting of the Company to be held on Wednesday, the

16th September, 2009 at 10.00 A.M. at Hotel Lindsay, Kolkata - 700 087 and at any adjournment thereof.

Signed this ..... day of ..... 2009

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)