

65th *Annual Report 2012-2013*



RTS POWER CORPORATION LIMITED

Mortal in Life - immortal memory



Late Surendra Bhutoria (1961-1995)

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Sri J. Biswas

AUDITORS

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

BANKERS

State Bank of Bikaner & Jaipur
ICICI Bank Limited
Bank of Baroda
Canara Bank
Oriental Bank of Commerce

REGISTERED OFFICE

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

PLANTS

1. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & Distribution Transformers Unit
C-174, Road No 9J Vishwakarma Industrial Area
Chomu Road, Jaipur - 302013 (Rajasthan)
2. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & EHV Division Unit - 132 KV Class Transformers
E-346, Road No. 16, Vishwakarma Industrial Area
Jaipur - 302013 (Rajasthan)
3. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Distribution Transformers Division
F 139 to 142 Udyog Vihar, Jetpura, Jaipur (Rajasthan)
4. RTS Power Corporation Limited
Transformer & Speciality Oil Unit
A-25, 26 Riico Industrial Area, Kaladera
Chomu, Jaipur, (Rajasthan)
5. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & Distribution Transformers Unit
Near 14 KM Mile Stone, Mathura Road
P.O. Artoni, Agra - 282007 (U.P.)
6. RTS Power Corporation Limited
Power & Distribution Transformers Unit
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-700001
PHONE : (033) 2234-3576, 2235-7270/7271/3070 Fax No (033) 2215-6823
E-mail: nichetechpl@nichetechpl.com

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NOTICE

NOTICE is hereby given that Sixty Fifth Annual General Meeting of Shareholders of the Company will be held at Hotel Lindsay, 8B Lindsay Street, Kolkata - 700 087 on Friday, 27th day of September, 2013 at 10.00 A.M to transact the following business :

1. To receive, consider and adopt the Statement of Profit & Loss of the Company for the year ended 31st March, 2013 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 appoint a Director in place of Sri Ram Lal Saini, who retires by rotation, and, being eligible, offers himself for re-appointment.
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 are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Audit Committee of the Board of Directors of the Company in consultation with them."

SPECIAL BUSINESS

5. 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 2013-2014, in consultation with the statutory Auditors of the Company, at a remuneration to be fixed by the Audit Committee of the Board of Directors of the Company in consultation with such person."

Registered Office :
56, Netaji Subhas Road
Kolkata - 700 001
Dated : 23rd August, 2013

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 Monday, 23rd day of September, 2013 to Friday, 27th day of September, 2013, both days inclusive.
3. Mr. J. Biswas, Company Secretary is the Compliance Officer in terms of Clause 47 (a) 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 Registrar & Share Transfer Agent M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata-700001 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 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 DP ID and Client ID Numbers on the Attendance Slip.**
6. **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 so as to enable the Company to keep the information or clarifications / explanations ready.**
7. Pursuant to Section 205 A(5) of the Companies Act,1956 all Unpaid or Unclaimed Dividends for and upto and including the Company's Financial Year 2004-2005 ended on 31st March 2005 has been transferred to the " Investor Education and Protection Fund ".
8. Pursuant to the provisions of Section 205A of the Companies Act,1956 as amended , Dividend which remains Unpaid or Unclaimed for a period of 7 (seven) years is required to be transferred to the "Investor Education and Protection Fund " (IEPF) of the Central Government. Members who have not encashed their Dividend Warrants (including Warrants for Interim Dividend, wherever applicable) for the Financial Years from 2005-2006 to 2010-2011 are requested to send their claims to the Company immediately along with unencashed Dividend Warrants lying with them. It may also be noted that once the Unclaimed Dividend is transferred to the IEPF as above, no claim shall lie in respect thereof.
9. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 5 under Special Business is annexed hereto.

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

Name of the Director	Sri Sardul Singh Jain
Age	78 years
Qualifications	B. Com, L.L.B
Nature of expertise	He is a B Com, L.L.B and is on the Company's Board for a period of about 28 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.
Date of First Appointment	20.02.1985
Name of the companies in which he holds Directorship of Boards	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 Sungrace Finvest Private Limited Hari Holdings Private Limited Sri Vindhyaachal 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 Pvt. Limited Lodha Capital Markets Limited Baroda Agents & Trading Co. Pvt. Ltd.
Name of the companies in which he holds Membership of Committees of Board	Audit Committee - Alfred Herbert (India) Limited -Chairman EITA India Limited-Member
Professional Qualification	L.L.B
No of Shares held in the Company	Nil

Note : Disclosure of relationship between Directors inter-se as required under Sub-Clause (ia) of Clause (G) of Part IV of the Corporate Governance Code — No relationship

RTS POWER CORPORATION LIMITED

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

Name of the Director	Sri Ram Lal Saini
Age	59 years
Qualifications	M. Com. FCA
Nature of expertise	About 34 years' experience in Accounting, Auditing, Budgeting, Banking operations, Project and Working Capital Financing and Management for Hotels as well as Manufacturing Industries. Has been rendering Consultancy Services to the Company on Accounting and Auditing matters for last 26 years
Date of First Appointment	14th May,2011
Name of the companies in which he holds Directorship of Boards	NIL
Name of the companies in which he holds Membership of Committees of Board	NIL
Professional Membership	Fellow Member of the Institute of Chartered Accountants of India
No of Shares held in the Company	160

Note : Disclosure of relationship between Directors inter-se as required under Sub-Clause (ia) of Clause (G) of Part IV of the Corporate Governance Code — No relationship

EXPLANATORY STATEMENT

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

Item No 5

The Company has Branch Offices and Units at Jaipur-Rajasthan, Barmer - Rajasthan , Agra-U.P and Dhule-Maharashtra. M/s. Jain Shrimal & Co, Chartered Accountants, (Registration No with ICAI being 001704C) were appointed the Branch Auditors for the Financial Year 2012-2013. It is proposed to reappoint M/s. Jain Shrimal & 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 2013-2014.

The Shareholders' approval is, therefore, sought for the appointment of M/s. Jain Shrimal & 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 2013-2014 and to authorize the Audit Committee of the Board of Directors to determine the remuneration payable in consultation with them.

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

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

Registered Office :
56, Netaji Subhas Road
Kolkata - 700 001
Dated : 23rd August, 2013

By Order of the Board

J. Biswas
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have the pleasure in presenting their 65th Annual Report on the business and operations of your Company and the audited Financial Statements of your Company for the year ended 31st March, 2013 :

FINANCIAL RESULTS	(₹ In Lacs)	
	2012-2013	2011 - 2012
Total Income	10,292.89	13,754.46
Total Expenditure	10,600.52	13,603.27
Profit/(Loss) Before Tax	(307.63)	151.19
Less :		
Provision for Current Tax	—	65.40
Deferred Tax (Credit)	(97.93)	(15.48)
Income Tax for Earlier Years	—	0.99
	—	97.93
Profit/(Loss) After Tax	(209.70)	100.28
Add : Profit Brought Forward	1,134.38	1,034.10
Balance Carried to Reserves & Surplus	924.68	1,134.38

DIVIDEND

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

OPERATIONAL REVIEW

The Total Revenue during the year was ₹ 102.93 Crores as against ₹137.54 Crores during the previous year, representing a downfall during the year by 25.16%, mainly due to Cable & Conductors Sales decreased from ₹ 57.32 Crores approximately in last year to ₹ 20.36 Crores approximately this year i.e. a decrease of about ₹ 37 Crores (65%).Mushroom growth and unhealthy competition from various Transformer Manufacturing Units in unorganized sector is posing problems to organized sector, like your Company, resulting in very low selling prices and your Company is not in a position to sell Transformers at such lower prices.

The Loss for this year is ₹ 3.08 Crores, whereas there was Profit before Tax of ₹ 1.51 Crores in the last year. Many factors have contributed towards such reversal of profitability, namely, lower selling prices, so also the margins, continuous abnormal price hike of major raw materials both in India and abroad, unexpected delay in payments by Electricity Boards, etc. As a result of abnormal delay in payments by the Company's Customers and to meet the additional Working Capital requirements and maintain cash flow position of your Company arising out of such delay in payments by Customers, the Company's borrowings have substantially increased. Increase in Finance Costs comprising of Interest Expenses and other borrowing costs by about ₹ 1.85 Crores this year compared to last year has also largely contributed towards such fall in profitability of your Company.

Salkia & Dhulagori Factory

The Members are aware that the Company has built up a new state of art Factory on its own land at Dhulagori in 2008 and all the production activities which were earlier carried on at its old rented Factory at Salkia have been shifted in phases from time to time during the last five years to such new Factory at Dhulagori. Side by side Dhulagori Factory has also been expanded on a continuous basis after it was set up five years ago. Now the Salkia Unit, so far being utilised mainly for repairs of Transformers after the main operations of the said Unit was shifted to Dhulagori Unit in 2008 as said above, has been closed after the close of the business on 31st March, 2013 and the Company's entire manufacturing and repairing activities in Eastern India are being carried out in Dhulagori Unit with effect from 1st April, 2013. This has been done for better, efficient and economical management of manufacturing as well as repairing operations of the Company at one place.

However, manufacturing operations at the Company's other Factories at Jaipur and Agra are continuing as before.

FUTURE OUTLOOK

The Government of India's plan of electrifying each and every village in rural areas will boost the demand of Distribution Transformers. Your Company with technical expertise and various manufacturing set-ups are trying to take share of such future growth in Power Sector in our Country.

But, mushroom growth and unhealthy competition from various Transformer manufacturing Units in unorganized Sector is posing problems to organized Sector, like your Company, resulting in under utilization of production capacities and therefore, the selling prices are under pressure, so as the margins.

Your Company's Cable and Conductor Unit is now fully operational. It contributes to the Turnover of your Company. But due to lower selling prices, margin has become low and profitability in this segment has also reduced because of downfall in sales. Your Company cannot sell Cables & Conductors at such lower prices. The Production of Dry Type Transformers has stabilized and your Company is receiving regular Orders. Your Company's Dhulagori Factory is now fully operational and is under the process of continuous expansion.

Your Company is continuously exploring the possibility to develop export market. Its continued effort in this regard has been fruitful as your Company has made some exports this year. Your Company is also planning to set up Transformer Factories abroad to achieve further exports in coming years.

In addition to its existing Wind Mill at Dhule, Maharashtra, your Company has also set up another Wind Mill at Barmer, Rajasthan.

CORPORATE GOVERNANCE

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

PUBLIC DEPOSITS

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

PARTICULARS OF EMPLOYEES

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Your Directors have nothing to report in the matter of Technology Absorption since your Company has neither hired nor imported any technology from outside sources.

Your Company has made export business and Foreign Exchange earnings (FOB) during this year was ₹ 39.14 Lacs. The Foreign Exchange outgo during this year was as follows :

1. Value of Imports calculated on CIF basis - Raw Materials	₹	74.85	lacs
2. Expenditure in Foreign Currency (Paid or Payable)			
Foreign Travelling	₹	0.53	lacs
Foreign Exchange Fluctuation (on settlement of dues)	₹	1.69	lacs
Interest Expense	₹	0.02	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 2013-2014.

DIRECTORS

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

Sri Ram Lal Saini, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

AUDITORS

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

BRANCH AUDITORS

Your Company has Branch Offices and Units at Jaipur - Rajasthan, Barmer - Rajasthan, Agra - U.P and Dhule-Maharashtra. M/s. Jain Shrimal & Co., Chartered Accountants, Jaipur, Rajasthan were appointed the Branch Auditors for the Financial Year 2012-2013. It is proposed to re-appoint M/s. Jain Shrimal & Co., Chartered Accountants, as Branch Auditors for the Jaipur, Barmer, Agra and Dhule Branch Offices and Units for the Financial Year 2013-2014 at a remuneration to be fixed by the Audit Committee of the Board of Directors in consultation with them.

COST AUDITORS

M/s. K. G. Goyal & Associates, Cost Accountants, Jaipur, Rajasthan were appointed as Cost Auditors of the Company with due approval of the Central Government for conducting audit of Cost Accounts of the Company for the Financial Year 2012-13 in pursuance of the Order No 52/26/CAB/2010 dated 24th January, 2012 issued by the Ministry of Corporate Affairs, Cost Audit Branch.

RTS POWER CORPORATION LIMITED

They have filed Compliance Report for the Company for the period 1st April, 2011 to 31st March,2012 in Form A XBRL on 10th May, 2013.

They have also been re-appointed as Cost Auditors of the Company for the Financial Year 2013-14 with due approval of the Central Government.

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.

For and on behalf of the Board of Directors

Registered Office :
56, Netaji Subhas Road
Kolkata - 700001
Dated : 23rd August, 2013

S. S. JAIN
Chairman

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

Your Company believes in adopting and adhering to the best recognized Corporate Governance practices. Your Company has infused the philosophy of Corporate Governance into all its activities. The philosophy of Corporate Governance is an important tool for Shareholder protection and maximization of their long term values. Your Company's core values of quality consciousness, customer satisfaction, fairness in dealings, adopting transparent accounting policies, following superior Board practices, consistent consideration for all its stakeholders serve as the means for implementing its philosophy of Corporate Governance in letter and spirit. Your Company complies with Corporate Governance Systems not as a mere structure or statutory guidelines, but as a way of corporate life.

Board of Directors

- (a) As on 31st March, 2013, the Board is headed by Non-Executive Chairman, Sri S. S. Jain and comprises of five other Directors (one Vice Chairman & Whole Time Director, one Managing Director and three 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. About sixty seven percent of the Board consists of Non-Executive Directors and fifty percent of the Board are Independent Directors. As on 31st March, 2013 the composition of the Board satisfies the conditions that the Listing Agreement of the Stock Exchanges have laid down in this regard. The details of the Directors as on 31st March, 2013 and attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) held during the Financial Year ended on 31st March, 2013 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	14	Yes
Sri Rajendra Bhutoria	Executive / Promoter / Vice Chairman & Whole Time Director	12	Yes
Sri Abhay Bhutoria	Executive / Promoter / Managing Director	5	Yes
Sri L. K. Patawari	Non-Executive/Independent	11	Yes
Sri Bachhraj Begwani	Non-Executive/Independent	13	Yes
Sri Ram Lal Saini	Non-Executive/ Non-Independent	2	Yes

- (b) Number of other Board of Directors or Board Committees where Directors of your Company are Directors / Members / Chairman as on 31st March, 2013 :

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	18	1	1
Sri Rajendra Bhutoria	10	Nil	Nil
Sri Abhay Bhutoria	2	Nil	Nil
Sri L. K. Patawari	1	Nil	Nil
Sri Bachhraj Begwani	Nil	Nil	Nil
Sri Ram Lal Saini	Nil	Nil	Nil

RTS POWER CORPORATION LIMITED

(c) Details of Board Meetings held during the period from 1st April, 2012 to 31st March, 2013 :

Serial No	Date
1	14.04.2012
2	15.05.2012
3	01.06.2012
4	25.07.2012
5	14.08.2012
6	25.08.2012
7	29.08.2012
8	29.08.2012
9	27.09.2012
10	14.11.2012
11	03.12.2012
12	14.02.2013
13	22.02.2013
14	30.03.2013

The gap between two Meetings did not exceed four months.

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

(e) Independent Directors :

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

- Do not have any material pecuniary relationships or transactions with the Company ,its promoters, its Directors ,its senior management and its associates which may affect the independence of the Directors
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board
- Have not been an Executive of the Company in the immediately preceding three Financial Years
- Are not partners or executives or were not partners or executives during the preceding three years of the :
 - Statutory Audit Firm or the Internal Audit Firm that is associated with the Company
 - Legal Firm (s) and Consulting Firm(s) that have a material association with the Company
- Are not material suppliers ,service providers or customers or lessors or lessees of the Company ,which may affect independence of the Directors
- Are not substantial Shareholders of the Company i.e.do not own two percent or more of the block of voting shares in the Company
- Are not less than 21 years of age

Audit Committee

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

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

As on 31st March, 2013 the Audit Committee comprises of three Non-Executive Independent Directors, Sri S. S. Jain , Chairman, Sri L.K. Patawari and Sri Bachhraj Begwani 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 28 th September, 2012. All the Members of the Committee are financially literate and have accounting and related financial management expertise.

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

During the Financial Year ended on 31st March, 2013, 6 (Six) Meetings were held on 15.05.2012, 23.07.2012, 14.08.2012, 29.08.2012, 14.11.2012 and 14.02.2013.

The gap between two Meetings did not exceed four months.

Composition of the Audit Committee and the attendance of the Members during the Financial Year ended on 31st March,2013 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, Chairman	6	6
2	Sri Rajendra Bhutoria, Member	6	6
3	Sri Loon Karan Patawari, Member	6	5
4	Sri Bachhraj Begwani , Member	6	6

Remuneration Committee

1. Remuneration Committee of the Board of Directors comprises of three Non-Executive Directors ,all of them being Independent Directors .The Members of the Committee are Sri S. S. Jain (Chairman), Sri L. K. Patawari and Sri B. Begwani . Sri J. Biswas, Company Secretary acts as the Secretary of the Committee. The Committee discharges the role as specified under Part II, Section II of Schedule XIII of the Companies Act, 1956 and in compliance with Clause 49 of the Listing Agreements with Stock Exchanges.

Brief description of terms of reference of the Remuneration Committee :

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

The Committee approves :

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

The Committee met on 23rd August, 2012 and recommended and approved terms and conditions , including remuneration, for re-appointment of Sri Rajendra Bhutoria, subject to the approval of the Board of Directors of your Company and approval of the Members of the Company, as the Whole-time Director of your Company for a further period of 5(five) years with effect from 1st April,2012 in view of his performance and capabilities.

- 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 Remuneration Committee, the Board and Shareholders. His remuneration structure mainly comprises of -
 - (i) Salary : ₹ 6,00,000/- per annum
 - (ii) Contribution to Provident Fund : ₹ 72,000/- per annum
 - (iii) Perquisites : ₹ 39,600/- during the Financial Year 2012-2013
 - Service Contract - 5 (five) years from 1st April 2012
 - 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.

RTS POWER CORPORATION LIMITED

- 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 Remuneration Committee, the Board and Shareholders. His remuneration structure mainly comprises of -
- | | | |
|-------------------------------------|---|--|
| (i) Salary | : | ₹ 9,00,000/- per annum |
| (ii) Contribution to Provident Fund | : | ₹ 1,08,000/- per annum |
| (ii) Perquisites | : | ₹ 2,34,600/- during the Financial Year 2012-2013 |
| Service Contract | - | 5 (five) years from 1st December 2010 |
| Notice Period | - | 3 (Three) months |
| Stock Option | - | Nil |
| Severance Fee | - | Nil |

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

3. No remuneration is paid to any Non-Executive Director except to Sri R L Saini who gets Fee of ₹ 6 Lacs per annum for rendering consultancy services to the Company on Accounting and Auditing matters in his professional capacity. They do not get 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 31.03.2013 except by Sri R.L.Saini who held 160 Equity Shares of ₹ 10/- each fully paid up in the Company as on that date.
5. Other than what has been stated above, there has been no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company during the year.

Shareholders' / Investors' Grievance Committee

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

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

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

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

During the Financial Year 2012-2013 three Meetings of the Shareholders'/Investors' Grievance Committee were held on 14th July, 2012, 11th January, 2013 and 13th March, 2013 and the attendance of the Members were as follows :

Sl. No.	Name of Directors who are Members of the Shareholders' / Investors' Grievance Committee	No. of Meetings held	No. of Meetings Attended
1	Sri Loon Karan Patawari, Chairman	3	3
2	Sri S.S.Jain , Member	3	3
3	Sri Rajendra Bhutoria, Member	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 2012-2013	NIL
No of Complaints not resolved to the satisfaction of Shareholders as on 31st March, 2013	NIL
No of pending Complaints as on 31st March, 2013	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
62nd	2010	Hotel Lindsay 8B Lindsay Street, Kolkata-700087	30.09.2010	10.00 A.M.	Two
63rd	2011	Hotel Lindsay 8B Lindsay Street, Kolkata-700087	30.09.2011	10.00 A.M.	Two
64th	2012	Hotel Lindsay 8B Lindsay Street, Kolkata-700087	28.09.2012	10.00 A.M.	One

The Special Resolution passed at the 64th 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 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 Notes attached to the Accounts 2012-2013. There is no transaction of a material nature with any of the related parties which are in conflict with the interests of the Company or which are not in the normal course of business.
- There has neither been instance of non-compliance of any legal requirement nor has there been any instance of Stock Exchanges / SEBI / any statutory authority imposing penalties or strictures on the Company for any major non-compliance of any requirement related to capital Markets in the last three years.
- A Statement in summary form of transactions with related parties in the ordinary course of business has been periodically placed before the Audit Committee.
- The Company follows Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and in the preparation of financial statements the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- The Company has laid down a process of assessing risk management. The scope of Audit Committee includes review of the Company's financial and risk management policies.
- CEO / CFO Certificate as required in terms of the Listing Agreements has duly been submitted to the Board.
- The non-mandatory requirements, to the extent followed / pursued by the Company, have been stated in this Report.

RTS POWER CORPORATION LIMITED

- (h) There is no inter-se relationship between Directors except Sri Abhay Bhutoria, Managing Director and Sri Rajendra Bhutoria, Vice -Chairman and Whole-time Director who are cousin brothers .

Means of Communication

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

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

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

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

General Shareholders Information

ANNUAL GENERAL MEETING

Day, Date and Time	:	Friday, the 27th day of September,2013 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 2013 - June 2013 Quarterly Results	Within 14th August, 2013 (Held)
July 2013 - September 2013 Quarterly Results	Within 14th November ,2013
October 2013 - December 2013 Quarterly Results	Within 14th February ,2014
January 2014 - March 2014 Quarterly Results & Financial Year 2013-14 audited Annual Results	Within 15th May, 2014

Date of Book Closure

The dates of Book Closure are from Monday, 23rd day of September, 2013 to Friday, 27th day of September, 2013, both days inclusive, for the Annual General Meeting .

ISIN Number for NSDL and CDSL

ISIN No. - INE005C01017

Stock Code and Existing Listing on Stock Exchanges

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

Note

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

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

Market Price Data

Market Price Data (High/Low) during each month in the year 2012-13

Month	B S E			C S E		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April 2012	23.90	19.60	3,111	N.T	N.T	N.T
May 2012	22.25	18.00	19,902	N.T	N.T	N.T
June 2012	23.75	19.30	31,369	N.T	N.T	N.T
July 2012	25.35	18.50	25,116	N.T	N.T	N.T
August 2012	23.80	17.30	10,681	N.T	N.T	N.T
September 2012	19.25	15.50	26,674	N.T	N.T	N.T
October 2012	20.10	16.80	21,166	N.T	N.T	N.T
November 2012	18.80	16.85	12,472	N.T	N.T	N.T
December 2012	19.50	16.80	8,644	N.T	N.T	N.T
January 2013	19.65	16.05	19,867	N.T	N.T	N.T
February 2013	18.45	15.10	9,384	N.T	N.T	N.T
March 2013	18.30	13.10	30,718	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, 2012	21.85	N.T.
31st March, 2013	14.00	N.T.
Change	-35.93 %	N.T.
Indices		
1st April, 2012	17,429.96	6119.84
31st March, 2013	18,835.77	6092.13
Change	8.06 %	- 0.45%

Registrar & Share Transfer Agent**M/s. Niche Technologies Pvt. Ltd.**

D-511, Bagree Market,
71 B.R.B. Basu Road,
Kolkata - 700001
Phone: (033) 2234-3576/ 2235-7270/7271/5236
Fax : (033) 2215-6823
E Mail: nichetechpl@ nichetechpl.com

Share Transfer System

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

RTS POWER CORPORATION LIMITED

Shareholding Pattern as on 31st March, 2013

Category	No. of Shares	% of Total
A. PROMOTERS' HOLDING		
1. PROMOTERS		
INDIAN PROMOTERS	42,57,616	52.122
FOREIGN PROMOTERS	NIL	NIL
2. PERSON ACTING IN CONCERT	NIL	NIL
SUB - TOTAL	42,57,616	52.122
B. NON-PROMOTERS' HOLDINGS		
3. INSTITUTIONAL INVESTORS		
a. MUTUAL FUNDS & UTI	NIL	NIL
b. BANKS, FIs, INSURANCE COS. (CENTRAL/STATE GOVT. INSTITUTIONS / NON-GOVT.INSTITUTIONS)	NIL	NIL
c. FIs	NIL	NIL
SUB - TOTAL	NIL	NIL
4. OTHERS		
a. PRIVATE CORPORATE BODIES	27,84,252	34.086
b. INDIAN PUBLIC	9,97,153	12.207
c. NRIs / OCBs	12,503	0.153
d. ANY OTHER - CLEARING MEMBERS	1,16,976	1.432
SUB - TOTAL	39,10,884	47.878
GRAND - TOTAL	81,68,500	100.000

Distribution of Share Holding as on 31st March, 2013

No. of Equity Shares held	Total No. of Shares	% of Holding	No. of Shareholders	% of Shareholders
Upto - 500	2,78,267	3.4066	2297	87.4381
501 - 1,000	1,19,147	1.4586	152	5.7861
1,001 - 5,000	2,76,665	3.3870	125	4.7583
5,001 - 10,000	57,551	0.7046	8	0.3045
10,001 - 50,000	7,57,178	9.2695	31	1.1801
50,001 - 1,00,000	3,74,178	4.5807	5	0.1903
1,00,001 - and Above	63,05,514	77.1930	9	0.3426
TOTAL	81,68,500	100.0000	2627	100.0000

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 2013 about 99.90% 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, risk treatment and minimization procedures for all functions of the Company, which are periodically reviewed on an ongoing basis and Board Members are informed about all these from time to time to ensure that executive management controls risk through means of a properly defined framework.

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 behaviours. All Directors and Senior Management Officers have affirmed compliance during the year 2012-2013 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. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Distribution Transformers Division
F 139 to 142 Udyog Vihar , Jetpura , Jaipur (Rajasthan)
- d. RTS Power Corporation Limited
Transformer & Speciality Oil Unit
A-25, 26 Riico Industrial Area,
Kaladera, Chomu, Jaipur, (Rajasthan)
- e. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & Distribution Transformers Unit
Near 14 KM Mile Stone, Mathura Road,
P.O.Artoni, Agra -282007 (U.P)
- f. RTS Power Corporation Limited
Power & Distribution Transformers Unit
Jala Dhulagori, Sankrail, Dhulagori,
Howrah-711302 (West Bengal)
- g. RTS Power Corporation Limited
Wind Energy Division
Dhule -Maharashtra

RTS POWER CORPORATION LIMITED

- h. RTS Power Corporation Limited
Wind Energy Division
Barmer -Rajasthan

Address for Correspondence

For Query on Share Holding

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

M/s. Niche Technologies Pvt. Ltd.
D-511 Bagree Market,
71 B. R. B. Basu Road
Kolkata - 700001
Phone : (033) 2234-3576 ; 2235-7270/7271/5236
Fax : (033) 22156823
E mail : nichetechpl@nichetechpl.com

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

56, N.S. Road, 2nd Floor, Kolkata - 700001
Phone : (033) 2242-6025 / 2242-6054
Fax : (033) 2242-6732
E-mail : rtspower@vsnl.net
headoffice@rtspower.com

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 :-23 rd day of August, 2013

For and on behalf of the Board of Directors

SARDUL SINGH JAIN
CHAIRMAN

Certificate of Compliance with the Code of Conduct Policy

As required under the relevant provisions of the Listing Agreements with the Stock Exchanges, it is confirmed that all the Directors and Senior Management Officers have affirmed compliance of the Code of Business Conduct and Ethics during the year 2012-2013.

For RTS POWER CORPORATION LIMITED

Registered Office :
56, Netaji Subhas Road
Kolkata - 700001.
Dated :23rd day of August, 2013

ABHAY BHUTORIA
MANAGING DIRECTOR

AUDITOR'S 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, 2013, 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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that as per the records maintained by the Shareholders/ Investors Grievance Committee, as on 31st March, 2013 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
(Mohit Bhuteria)
Partner
Membership No : 56832

Place : 2, India Exchange Place,
Kolkata – 700 001.
Dated : 23rd August, 2013

MANAGEMENT DISCUSSION AND ANALYSIS**Industry Structure and Developments**

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

Besides the Power and Distribution Transformers manufacturing line, your Company has embarked upon the manufacture and sale of various types and sizes of Cable and Conductor for transmission of electricity since the year 2006-2007 and the Company has so far been supplying the same to various Electricity Boards.

The growth of Transformer Industry mainly depends upon progress of Power Generation Industry. The Power Sector is growing at a reasonable pace and is poised for further growth in the near future. Government's Agenda of giving priorities on development of the Power Transmission and Distribution Segment have contributed for development of Indian Transformer, Cable & Conductor Industry. As a result, your Company too, being in the Transformer, Cable & Conductor Industry, is also trying to reap advantage of the greater Governmental focus on the Power Sector inspite of various constraints that your Company is facing.

Opportunities and threats

With the Government of India's current Policy and Programme of giving thrust on Power Sector, the Transformer Industry in India is poised for growth. The demand for smaller size of Distribution Transformers has also increased due to Central and State Government's rural electrification Programme under AREP Schemes. Similarly, due to Government's upcoming Project of National Grid and Interlinking of Trunk Lines for inter-transfer of bulk power from surplus to deficit States the demand for Transformers at UHV level has increased. All these opportunities will help the Industry which is struggling hard with various problems for past few years.

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

There is a strong base of about 170 Transformer Companies in organized Sector 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, Africa, Cyprus, Syria, Iraq and other Middle East and Far East countries all over the world. Therefore, the selling prices are under pressure. Competition from China in particular is posing a real threat. Continued inflation, volatile commodity prices, tight liquidity, increased financing costs, delayed finalization of Orders, delayed inspection of finished products by customers, etc. are threats for satisfactory sales growth and proper margins.

Segment-wise or Product-wise Performance

PARTICULARS	SALES	
	Year ended 31.3.2013 (₹)	Year ended 31.3.2012 (₹)
Transformers	77,05,65,162	72,55,32,399
Cables & Conductors	20,36,29,746	57,31,58,824
Wind Energy	1,24,14,608	1,11,63,542
Others	8,55,74,898	6,86,32,001

Outlook

The Government of India's plan of electrifying each and every village in rural areas will boost the demand of Distribution Transformers. Your Company with technical expertise and various manufacturing set-ups are trying to take share of such future growth in Power Sector in our Country.

But, mushroom growth and unhealthy competition from various Transformer manufacturing Units in unorganized Sector is posing problems to organized Sector, like your Company, resulting in under utilization of production capacities and therefore, the selling prices are under pressure, so as the margins.

Your Company's Cable and Conductor Unit is now fully operational. It contributes to the Turnover of your Company. But due to lower selling prices, margin has become low and profitability in this segment has also reduced because of downfall in sales. Your Company cannot sell Cables & Conductors at such lower prices. The Production of Wound Core Type Transformers /Dry Type Transformers has stabilized and your Company is receiving regular Orders. Your Company's Dhulagori Factory is now fully operational and is under the process of continuous expansion.

Your Company's Salkia Factory, so far being utilised mainly for repairs of Transformers after the main operations of the said Factory was shifted to your Company's Dhulagori Factory in 2008, has been closed after the close of business on 31st March, 2013 and the Company's entire manufacturing and repairing activities in Eastern India are being carried out in Dhulagori Factory with effect from 1st April, 2013. This has been done for better, efficient and economical management of manufacturing as well as repairing operations of your Company at one place.

Your Company's continued effort in exploring export market has been fruitful as your Company has made a headway by achieving some exports this year. Such effort will be continued to achieve furthermore exports in coming years. In addition to its existing Wind Mill at Dhule, Maharashtra, your Company has also set up another Wind Mill at Barmer, Rajasthan.

Risks and threats are there and the Management is fully aware and cautious of the same.

Risks and Concerns

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

Internal Control Systems and their Adequacy

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

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

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

Financial Performance

(₹ in Lacs)

PARTICULARS	Year Ended 31.03.2013	Year Ended 31.03.2012
Total Income	10,292.89	13,754.46
Total Expenditure	10,600.52	13,603.27
Profit /(Loss) Before Tax	(307.63)	151.19
Profit /(Loss) After Tax	(209.70)	100.28

Operational Performance

The Total Revenue during the year was ₹ 102.93 Crores as against ₹ 137.54 Crores during the previous year, representing a downfall during the year by 25.16 %, mainly due to Cable & Conductors Sales decreased from ₹ 57.32 Crores approximately in last year to ₹ 20.36 Crores approximately this year i.e. a decrease of about ₹ 37 Crores (65%). Mushroom growth and unhealthy competition from various Transformer and Cable and Conductors Manufacturing Units in unorganized sector is posing problems to organized sector, like your Company, resulting in very low selling prices and your Company is not in a position to sell Transformers and Cables and Conductors at such lower prices.

The Loss for this year is ₹ 3.08 Crores, whereas there was Profit Before Tax of ₹ 1.51 Crores in the last year. Many factors have contributed towards such reversal of profitability, namely, lower selling prices, so also the margins, continuous abnormal price hike of major raw materials both in India and abroad, unexpected delay in payments by Electricity Boards, etc. To meet the additional Working Capital requirements and maintain cash flow position of your Company arising out of delay in payments by Customers, the Company's borrowings have substantially increased. Increase in Finance Costs comprising of Interest Expenses and other borrowing costs by about ₹ 1.85 Crores this year compared to last year has also largely contributed towards such loss in this year.

Human Resources Development / Industrial Relations

Your Company's capabilities are centered around its highly dedicated employees numbering 76 as on 31st March, 2013.

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

Your Company continues to maintain an excellent industrial relations scenario.

For and on behalf of the Board of Directors

Registered Office :
56, Netaji Subhas Road
KOLKATA - 700 001.
Dated : 23rd August, 2013

SARDUL SINGH JAIN
CHAIRMAN

Independent Auditor's Report
To the Members of RTS Power Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **RTS Power Corporation Limited** (the Company), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (ii) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter Paragraph

We state that Assets and Liabilities both amounting to ₹113,45,68,880/- each and Profit Before Tax amounting to ₹ 80,17,444/- have not been audited by us and have been relied upon the report of the branch auditor. However, remarks of the branch auditor, if any, have been duly considered in our report. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

RTS POWER CORPORATION LIMITED

2. As required by Section 227(3) of the Act, we report that:
- a. 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;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
 - e. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For A. C. BHUTERIA & CO.
Chartered Accountants
Firm Registration No: 303105E
Mohit Bhuteria
Partner
Membership No. 056832

Place : 2, India Exchange Place
Kolkata - 700 001
Dated : 30th May, 2013

Annexure to Independent Auditor's Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

- (i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets on the basis of available information.
- b. Fixed Assets have been physically verified by the management during the year. In our opinion, the procedures of physical verification of fixed assets followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. No material discrepancies were noticed on verification of the assets that are physically verified.
- c. In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory. Discrepancies noticed on physical verification as compared to book records 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 any firm, company or parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- b. The Company has taken unsecured loan from eleven companies and three parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 183,596,673/- and year-end balance of loan taken was ₹167,569,096/- (including interest).
- c. In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions on which loans have been taken from companies and parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
- d. The Company has paid the principal and interest as per stipulations, wherever made.
- e. There is no overdue amount of loan taken from 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 & explanation given to us, there is an adequate internal control system commensurate with the size of the Company & nature of its business for purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) a. According to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information & explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000/- in respect of any 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 the absence of similar transactions with other parties.

RTS POWER CORPORATION LIMITED

- (vi) On the basis of our examination of the books and records of the Company, in our opinion & according to the information & explanations given to us, the Company has not accepted any deposit from public during the year and therefore, the provisions contained in Section 58A, 58AA or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the nature and size of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) a. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
- b. The disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under :

Name of the Statute	Nature of Dues	Amount (₹)	Period	Forum where dispute is pending
Rajasthan Tax on Entry of Goods in Local Area Act, 1999	Entry Tax	1,134,451/-	For Previous Years	Hon'ble Rajasthan High Court
Rajasthan Tax on Entry of Goods in Local Area Act, 1999	Entry Tax	605,643/-	F.Y. 2012-2013	Hon'ble Rajasthan High Court
Rajasthan Tax on Entry of Goods in Local Area Act, 1999	Entry Tax	2,238,619/-	For Previous Years	Hon'ble Rajasthan High Court
Rajasthan Tax on Entry of Goods in Local Area Act, 1999	Entry Tax	1,105,952/-	F.Y. 2012-2013	Hon'ble Rajasthan High Court
Income Tax Act, 1961	Income Tax	2,057,170/-	A.Y. 2009-2010	Before Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	22,104/-	A.Y. 2008-2009	Before Commissioner of Income Tax (Appeals)
Uttar Pradesh Sales Tax	Penalty on difference of UPST demand	5,133,120/-	F.Y. 2012-2013	Commissioner (Appeals) Agra
Rajasthan VAT	VAT, Interest, Penalty on Freight and insurance recovered	1,409,039/-	F.Y. 2007-2008	Deputy Commissioner (Appeals) Jaipur

RTS POWER CORPORATION LIMITED

Name of the Statute	Nature of Dues	Amount (₹)	Period	Forum where dispute is pending
Rajasthan VAT	VAT, Interest, Penalty on Freight and insurance recovered	2,412,822/-	F.Y. 2010-2011	Deputy Commissioner (Appeals) Jaipur
Rajasthan VAT	VAT, Interest, Penalty on Freight and insurance recovered	4,972,531/-	F.Y. 2011-2012	Deputy Commissioner (Appeals) Jaipur

- (x) The Company does not have any accumulated losses at the end of the financial year. *The Company has incurred cash loss during the financial year covered by the audit* but has not incurred cash loss during 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) Since the Company is not dealing or trading in shares, securities, debentures and other investment, Clause 4 (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions during the period covered by the report and accordingly Clause 4 (xv) of the Order is not applicable.
- (xvi) Terms loans obtained by the Company were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) During the period covered by our audit report, the Company has not issued any debentures.
- (xx) The Company has not raised any money from 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 have we been informed of any such case by the management.

For **A. C. BHUTERIA & CO.**
Chartered Accountants
 Firm Registration No: 303105E
Mohit Bhuteria
Partner
 Membership No. 056832

Place: 2, India Exchange Place,
 Kolkata – 700 001
 Dated :30th May, 2013

RTS POWER CORPORATION LIMITED

Balance Sheet as at 31st March, 2013

Particulars	Notes	As At 31st March 2013 (₹)	As At 31st March 2012 (₹)
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	81,685,000	81,685,000
Reserves & Surplus	3	356,940,978	377,910,905
		<u>438,625,978</u>	<u>459,595,905</u>
Non-Current Liabilities			
Long Term Borrowings	4	12,941,668	22,128,084
Deferred Tax Liabilities (Net)	5	6,908,000	16,701,000
Long Term Provisions	6	4,178,158	6,505,611
		<u>24,027,826</u>	<u>45,334,695</u>
Current Liabilities			
Short Term Borrowings	7	459,069,150	351,627,969
Trade Payables	8	399,605,063	638,035,383
Other Current Liabilities	9	30,918,373	44,249,404
Short Term Provisions	10	2,060,658	1,757,652
		<u>891,653,244</u>	<u>1,035,670,408</u>
Total		<u>1,354,307,048</u>	<u>1,540,601,008</u>
ASSETS			
Non Current Assets			
Fixed Assets	11		
- Tangible Assets		148,591,581	155,429,828
- Capital Work in Progress		—	3,472,053
Non Current Investments - Long Term	12	371,500	371,500
Long Term Loans and Advances	13	16,028,527	13,354,149
Other Non Current Assets	14	12,259,566	1,002,161
		<u>177,251,174</u>	<u>173,629,691</u>
Current Assets			
Inventories	15	371,601,877	366,836,429
Trade Receivables	16	676,013,749	866,985,225
Cash and Bank Balances	17		
- Cash & Cash Equivalents		15,110,795	7,854,160
- Other Bank Balances		39,935,478	56,776,690
Short Term Loans and Advances	18	74,393,975	68,518,813
		<u>1,177,055,874</u>	<u>1,366,971,317</u>
Total		<u>1,354,307,048</u>	<u>1,540,601,008</u>
Significant Accounting Policies	1		
Notes to Financial Statements	2-39		

As per our Report of even date.

For **A.C. Bhuteria & Co.**

Chartered Accountants

Mohit Bhuteria

Partner

Abhay Bhutoria
Managing Director

S.S.Jain
Chairman

R. Bhutoria
*Vice Chairman &
Whole Time Director*

Place : 2 India Exchange Place

Kolkata - 700 001

Date : 30th May, 2013

L. K. Patawari
Director

J. Biswas
Company Secretary

Statement of Profit and Loss for the year ended on 31st March, 2013

Particulars	Notes	Figures for the year ended 31st March 2013 (₹)	Figures for the year ended 31st March 2012 (₹)
I Revenue from Operations (Gross)	19		
Sale of Products		1,072,184,414	1,378,486,766
Sale of Traded Goods		3,779,050	—
Revenue from Works Contract		36,527,636	79,808,231
Other Operating Revenues		28,151,309	43,259,816
		<u>1,140,642,409</u>	<u>1,501,554,813</u>
Less: Excise Duty		<u>119,405,325</u>	<u>133,972,647</u>
		<u>1,021,237,084</u>	<u>1,367,582,166</u>
II Other Income	20	<u>8,051,501</u>	<u>7,863,877</u>
III Total Revenue (I+II)		<u>1,029,288,585</u>	<u>1,375,446,043</u>
IV EXPENSES			
Cost of Materials Consumed	29(b)	815,569,646	1,052,205,141
Purchases of Stock-in-Trade		1,719,387	—
Changes in Inventories of Finished Goods, Work in Progress and Scrap Materials	21	(51,455,317)	8,129,149
Employee Benefits Expenses	22	22,028,434	21,050,741
Finance Costs	23	94,597,391	76,085,068
Depreciation	11	15,716,720	17,999,608
Other Expenses	24	161,875,251	184,857,099
Total Expenses (III-IV)		<u>1,060,051,512</u>	<u>1,360,326,806</u>
V Profit Before Tax (III-IV)		<u>(30,762,927)</u>	<u>15,119,237</u>
VI Tax Expenses			
Current Tax		—	6,540,000
Deferred Tax	5	(9,793,000)	(1,548,000)
Income Tax for earlier years		—	99,281
VII Profit/ (Loss) for the Year (V-VI)		<u>(20,969,927)</u>	<u>10,027,956</u>
VIII Earnings Per Equity Share	25		
a) Basic		(2.57)	1.26
b) Diluted		(2.57)	1.26
c) Face Value per Equity Share		10	10
Significant Accounting Policies	1		
Notes to Financial Statements	2-39		

As per our Report of even date.
For **A.C. Bhuteria & Co.**
Chartered Accountants

Mohit Bhuteria
Partner

Place : 2 India Exchange Place
Kolkata - 700 001
Date : 30th May, 2013

Abhay Bhutoria
Managing Director

L. K. Patawari
Director

S.S.Jain
Chairman

R. Bhutoria
*Vice Chairman &
Whole Time Director*

J. Biswas
Company Secretary

RTS POWER CORPORATION LIMITED

Cash Flow Statement annexed to the Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss for the year ended on that date

Particulars	2012-13 (₹)	2011-12 (₹)
(A) Cash Flow from Operating Activities		
Net Profit before tax and extra Ordinary Items	(30,762,927)	15,119,237
Non Cash and Non Operating Items		
Adjustment for:		
- Depreciation	15,716,720	17,999,608
- Finance Costs	94,597,391	76,085,068
- Interest Income	(6,386,868)	(5,206,790)
- Loss on Sale of Fixed Assets	26,818	—
- Profit on Sale of Fixed Assets	(3,266)	(27,381)
- Operating Profit before Working Capital Change	73,187,868	103,969,742
Changes in Working Capital:		
Adjustment for (Increase)/ Decrease in Operating Assets		
- Long Term Loans and Advances	(335,327)	(4,263,116)
- Inventories	(4,765,448)	(58,607,990)
- Trade Receivables	190,971,476	(172,984,925)
- Short Term Loans and Advances	(5,544,089)	(22,907,238)
Adjustment for (Increase)/ Decrease in Operating Liabilities		
- Long Term Provisions	(2,327,453)	530,185
- Trade Payables	(238,430,320)	173,337,207
- Other Current Liabilities	(2,286,597)	9,594,107
- Short Term Provisions	303,006	(615,146)
Cash generated / (used) from operations	10,773,116	28,052,826
Direct Tax paid / Refunds received (including interest)	(2,670,124)	(6,991,073)
Net Cash from / (used in) Operating activities	(A) <u>8,102,992</u>	(A) <u>21,061,753</u>
(B) Cash Flow From Investing Activities:		
Addition to Fixed Assets / Capital WIP	(5,509,972)	(2,473,291)
Sale of Fixed Assets	80,000	45,000
Interest received	7,320,666	4,664,752
Fixed Deposits (made) / matured	4,630,622	1,625,003
Net Cash Flow from / (used in) Investing activities	(B) <u>6,521,316</u>	(B) <u>3,861,464</u>
(C) Cash Flow from Financing Activities:		
Proceeds from Issue of Equity Shares	—	13,680,000
Repayment of Long Term Borrowing	(20,230,850)	930,185
Proceeds from Long Term Borrowing	—	(15,781,936)
Proceeds / (Repayment) of Short Term Borrowing	107,441,181	61,526,681
Finance Cost	(94,597,391)	(76,085,068)
Dividend Paid	—	(3,894,250)
Corporate Dividend Tax Paid	—	(631,745)
Net Cash used in Finance Activity	(C) <u>(7,387,060)</u>	(C) <u>(20,256,133)</u>
Net Increase in Cash & Cash Equivalents (A + B + C)	7,237,248	4,667,084
Cash & Cash Equivalents (Opening)	8,032,899	3,365,815
Cash & Cash equivalents (Closing)	15,270,147	8,032,899

Cash Flow Statement annexed to the Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss for the year ended on that date

Particulars	2012-13 (₹)	2011-12 (₹)
Notes:		
1 A) Components of Cash and Cash Equivalents		
Cash on Hand	1,382,420	630,970
Balances with Bank		
In Current Accounts	13,728,375	7,223,190
B) Cash and Cash Equivalents not available for immediate use		
Earmarked Balance in Dividend Account	159,352	178,739
	15,270,147	8,032,899

2 Cash Flow Statement has been prepared under "Indirect Method" as per Accounting Standard AS - 3 "Cash Flow Statements" notified under the Companies (Accounting Standards) Rules, 2006.

As per our Report of even date.

For **A.C. Bhuteria & Co.**

Chartered Accountants

Mohit Bhuteria

Partner

Place : 2 India Exchange Place

Kolkata - 700 001

Date : 30th May, 2013

S.S.Jain

Chairman

Abhay Bhutoria

Managing Director

R. Bhutoria

*Vice Chairman &
Whole Time Director*

L. K. Patawari

Director

J. Biswas

Company Secretary

1 Significant Accounting Policies**a. Basis of Preparation**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006, as amended and other pronouncements of the Institute of Chartered Accountants of India (ICAI).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of operations of the Company, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of all assets and liabilities.

b. Use of Estimates

The preparation of the financial statements is in conformity with Generally Accepted Accounting Principles (GAAP) which requires the management to make estimates and assumptions that affect the reported amounts of income and expenditure for the period ended, assets and liabilities and disclosures of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the preparation of accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statement. Actual results could, however, differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c. Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes and levies, freight and other incidental expenses related to acquisition and installation, financing costs during the period of construction for qualifying assets.

Depreciation on fixed assets is provided on Written Down Value Method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on assets purchased / acquired during the year is charged from the date of purchase of the assets. Similarly depreciation on assets sold / discarded during the year is charged upto the date of sale of assets.

d. Inventories

- a) Raw Materials, Stores & Spares, Work in Progress and Finished Goods are valued at lower of cost or net realisable value.
- b) Cost for Raw materials is determined on FIFO basis, net of cenvat credit availed.
- c) Cost for Finished Goods and Work-in-Progress is determined taking material cost [net of cenvat credit availed] labour and relevant appropriate overheads and excise duty.
- d) Scrap, empty drums and replaced materials are valued at their respective net realisable value.

e. Investments

Long-term (Non Current) investments are stated at cost. Provision is made for diminution in the value of the investments, if the same is considered to be other than temporary in nature.

f. Revenue from Operation

Revenue from operations includes sale of goods and works contract including excise duty, adjusted for discounts (net), Value Added Tax (VAT).

Sale of products are recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on despatch of goods. Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Export sales are accounted on the basis of date of Bill of Lading.

- g. Recognition of other items of Income & Expenditures**
Items of income and expenditure are accounted for on accrual basis.
- h. Employee Benefits**
- (i) **Short Term Employee Benefits**
All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which includes 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**
- **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 Statement of Profit and Loss as and when incurred.
- **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 Acturial gains and losses arising during the year are recognised in the Statement of Profit and Loss.
- (v) Provision is made for value of un-availed leaves due to employees at the end of accounting year on actual calculations.
- i. Foreign Currency Transactions**
Transactions in foreign currency are accounted for at exchange rates prevailing on the date of the transaction. Foreign currency assets and liabilities (monetary items-trade receivables / trade payables) at the year-end are accounted for at year-end exchange rates and differences, if any, are adjusted in the Statement of Profit and Loss. Exchange differences arising on settlement of monetary items (trade receivables / trade payables) are recognised as income or expense in the period in which the settlements are made.
- j. Impairment of Assets**
The Company evaluates the impairment losses on the fixed assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable at the year-end in term of clause 5 to 13 of AS -28. If such assets are considered to be impaired the impairment loss is then recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount.
Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on the appropriate discount factor.
An impairment loss is charged to the Statement of Profit and Loss 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.
- k. Borrowing Cost**
Interest and other costs in connection with the borrowings of the funds to the extent related / attributed to the acquisition /construction of qualifying fixed assets are capitalised upto the date

when such assets are ready for their intended use and other borrowing costs are charged to Statement of Profit and Loss.

i. Taxation

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

m. Leases

Where the Company is a Lessee :

Leases where the Lessor effectively retains substantially all the risks and benefits of ownership of the Leased Asset, are classified as 'Operating Leases'. Lease rentals with respect to assets taken on 'Operating Lease' are charged to Statement of Profit and Loss on a straight line basis over the lease term.

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item are classified as 'Finance Lease'. Assets acquired on Finance Lease which substantially transfer all the risks and rewards of ownership to the Company are capitalized as assets by the Company at the lower of the fair value and the present value of the minimum lease payment and a liability is created for an equivalent amount. Amortization of capitalized Leased asset is computed on Straight Line Method over the useful life of the asset . Lease rentals payable is apportioned between the liability and finance charge so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

n. 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 disclosed in respect of possible obligations that arises from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent Assets are neither recognized nor disclosed in the financial statements.

o. Segment Reporting

Segments are identified based on the dominant source and nature of risks and returns and the internal organisation and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting: a) Inter segment revenue is accounted for based on the transaction price agreed to between segments on cost basis. b) Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been disclosed as "Unallocable".

Notes to Financial Statement for the year ended 31st March, 2013

	As at 31st March, 2013		As at 31st March, 2012	
	Qty (Nos.)	Amount (₹)	Qty (Nos.)	Amount (₹)
2 SHARE CAPITAL				
(a) Authorized Share Capital				
Equity Shares of ₹ 10/- each	12,000,000	120,000,000	12,000,000	120,000,000
	<u>12,000,000</u>	<u>120,000,000</u>	<u>12,000,000</u>	<u>120,000,000</u>
(b) Issued, Subscribed & Fully Paid-up Capital				
Equity Shares of ₹ 10/- each	8,168,500	81,685,000	8,168,500	81,685,000
	<u>8,168,500</u>	<u>81,685,000</u>	<u>8,168,500</u>	<u>81,685,000</u>
(c) Reconciliation of Equity Shares of ₹10/- each outstanding at the beginning and at the end of the financial year				
Balance as at the beginning of the financial year	8,168,500	81,685,000	7,788,500	77,885,000
Add: Preferential allotment during the financial year	—	—	380,000	3,800,000
Balance as at the end of the financial year	<u>8,168,500</u>	<u>81,685,000</u>	<u>8,168,500</u>	<u>81,685,000</u>
(d) Shareholders holding more than 5% of Equity Share Capital				
	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of holdings	No. of Shares held	% of holdings
Bhutoria Investments Private Limited	2,298,648	28.14	1,643,888	20.12
BLB Cables & Conductors Private Limited	1,185,914	14.52	1,185,914	14.52
DNH Electricals Private Limited	—	—	654,760	8.02
Sharp Investments Limited	1,140,000	13.96	1,140,000	13.96
Bhutoria Brothers Limited	495,157	6.06	495,157	6.06

- (e) The Company has only one class of shares referred to as Equity Shares having a par value of ₹10/- each. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

Notes to Financial Statement for the year ended 31st March, 2013

Particulars	Figures as at 31st March 2013 (₹)	Figures as at 31st March 2012 (₹)
3 RESERVES AND SURPLUS		
Securities Premium Account		
Balance as per last Account	254,285,500	244,405,500
Add : On Preferential Allotment of Shares	—	9,880,000
(a)	<u>254,285,500</u>	<u>254,285,500</u>
Share Forfeited Reserve		
Balance as per last Account	15,500	15,500
(b)	<u>15,500</u>	<u>15,500</u>
Rajasthan State Investment Subsidy Reserve		
Balance as per last Account	521,505	521,505
(c)	<u>521,505</u>	<u>521,505</u>
Generator Subsidy Reserve		
Balance as per last Account	61,000	61,000
(d)	<u>61,000</u>	<u>61,000</u>
General Reserve		
Balance as per last Account	9,589,264	9,589,264
(e)	<u>9,589,264</u>	<u>9,589,264</u>
Surplus, i.e., Balance in the Statement of Profit & Loss		
Balance as per last Account	113,438,136	103,410,180
Add : Transfer from Statement of Profit & Loss	(20,969,927)	10,027,956
(f)	<u>92,468,209</u>	<u>113,438,136</u>
Total (a to f)	<u>356,940,978</u>	<u>377,910,905</u>

Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
4 LONG TERM BORROWINGS		
Secured		
Term Loan		
From Banks		
- State Bank of Bikaner & Jaipur, Kolkata (Secured against existing & future Fixed Assets and Equitable Mortgage of Factory Land of Dhulagori.)	—	879,467
- Bank of Baroda, Johari Bazar Jaipur (Wind Energy Division) (Secured against equitable mortgage of Wind Mill Project site & Hypothecation of Plant and Machinery situated at Rawat ka Gown, District - Barmer.)	12,941,668	17,856,000
- ICICI Bank V.K.I.A Jaipur (Secured against Equitable Mortgage of Land & Building and hypothecation of Plant & Machinery at Dhule Maharashtra.)	—	3,154,000
Long Term Maturities of Finance Lease Obligations		
Vehicle Loan		
- Bank of Baroda Johari Bazar, Jaipur (The Loan is secured against hypothecation of vehicle)	—	61,390
- Reliance Consumers Finance Pvt. Ltd. (The Loan is secured against hypothecation of vehicle)	—	177,227
	<u>12,941,668</u>	<u>22,128,084</u>

Notes to Financial Statement for the year ended 31st March, 2013

Additional Notes on Long Term Borrowings including amount shown under Other Current Liabilities as "Current Maturities of Long Term Debt" & "Current Maturities of Finance Lease Obligation"

A Terms of Repayment	Period of Maturity (Months)	Number of Instalments due (Quarterly / Monthly)	Amount of Instalments Due (₹)
Term Loan			
From Bank			
- ICICI Bank Ltd. V.K.I.Area Jaipur	3 (24)	1 Quarterly (6 Quarterly)	65,667 (8,852,268)
- Bank of Baroda, Johari Bazar, Jaipur Rate of Interest : Base Rate + 5.50% i.e.15% as at 31.03.2013	60 (72)	20 Quarterly (24 Quarterly)	16,513,668 (21,428,000)
- State Bank of Bikaner & Jaipur, Kolkata Rate of Interest - Base Rate plus 4% i.e. 13% p.a as on 31.03.2013	— (9)	— (3 Quarterly)	— (1,537,594)
From Others			
- L&T Finance Limited Rate of Interest - 12.50% p.a	5 (17)	5 Monthly (17 Monthly)	879,468 (2,813,195)
Long Term Maturities of Vehicle Loan			
- HDFC Bank Ltd. Rate of Interest : 8.5%	— (11)	— (11 Monthly)	— (594,986)
- Reliance Consumers Finance Pvt. Ltd. Rate of Interest - 10.30%	— (29)	— (29 Monthly)	— (287,435)
- Bank of Baroda ,Johari Bazar Jaipur Rate of Interest : Base Rate plus 1.75% i.e.15% as at 31.03.2013	— (17)	— (18 Monthly)	— (221,000)
B Aggregate amount of loans guranteed by Directors		As at 31st March 2013 (₹)	As at 31st March 2012 (₹)
Term Loan			
From Banks		16,579,335	31,817,862
From Others		879,468	2,813,195
Long Term Maturities of Finance Lease Obligations		—	1,103,421
C Detail regarding Continuing default as on Balance Sheet date in repayment of Interest		Interest Amount (₹)	Period (Days)
Term Loan			
Bank of Baroda Johari Bazar Jaipur		—	—
		(510,797)	(30 to 90)
Bank of Baroda Johari Bazar Jaipur		—	—
		(149,512)	(90 to 180)

Notes to Financial Statement for the year ended 31st March, 2013**5 DEFERRED TAX LIABILITIES (NET)**

In accordance with Accounting Standard 22 on Accounting for Taxes on Income, the Company has accounted for Deferred Asset / Liability. The break up of the deferred tax assets and liability as on 31st March, 2013 are as under:

Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
Deferred Tax Liability		
In respect of Depreciation charged in books as per Companies Act, 1956 and tax depreciation allowable as per Income Tax Act, 1961		
- Opening Balance	19,381,000	21,022,000
- Charged / (Credited) to Statement of Profit & Loss	<u>(1,612,000)</u>	<u>(1,641,000)</u>
- Closing balance	17,769,000	19,381,000
Deferred Tax Asset		
Provision for Gratuity		
- Opening Balance	2,484,000	2,558,000
- Charged / (Credited) to Statement of Profit & Loss	<u>578,000</u>	<u>74,000</u>
- Closing balance	1,906,000	2,484,000
Disallowance of Leave Pay Provision under Section 43B of Income Tax Act, 1961		
- Opening Balance	196,000	215,000
- Charged / (Credited) to Statement of Profit & Loss	<u>(19,000)</u>	<u>19,000</u>
- Closing balance	215,000	196,000
Unabsorbed Loss / Depreciation		
- Opening Balance	—	—
- Charged / (Credited) to Statement of Profit & Loss	<u>(8,740,000)</u>	<u>—</u>
- Closing balance	8,740,000	—
Deferred Tax Liability (Net of DTA)	<u>6,908,000</u>	<u>16,701,000</u>
Deferred Tax Assets and Liabilities are being off set as they relate to taxes on income levied by the same governing taxation laws.		
6 LONG TERM PROVISIONS		
Provision for Employee Benefits - Gratuity	<u>4,178,158</u>	6,505,611
	4,178,158	6,505,611
7 SHORT TERM BORROWINGS		
Secured		
Loans Repayable on Demand		
From Banks		
- Cash Credit with State Bank of Bikaner & Jaipur, Kolkata (Rate of Interest @ 12.50% p.a.) (The above loan is secured against hypothecation of Raw Material, Finished Goods, Stores & Spares, Book Debts, Other Current Assets)	31,068,480	12,517,772
- Buyer Credit A/c - HSBC Bank Limited, Mauritius	—	2,174,301

Notes to Financial Statement for the year ended 31st March, 2013**Note 7 (Contd.)**

Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
(The above loan is secured against guarantee issued by State Bank of Bikaner and Jaipur)		
- Cash Credit with Canara Bank. Agra (Rate of Interest @ 14.75% p.a.)	4,389,563	12,832,031
(The above loan is secured against hypothecation of Raw Material, Stock in Process & Finished Goods and further secured by equitable mortgage/ hypothecation of all present and future fixed Assets.)		
- Cash Credit with State Bank of Bikaner & Jaipur, Agra	—	35,443
(The above loan is secured against hypothecation of Raw Material, Stock in Process & Finished Goods and further secured by equitable mortgage/ hypothecation of all present and future fixed Assets.)		
- Cash Credit with ICICI Bank Ltd. Jaipur (Rate of Interest @ 13.75% p.a.)	13,371,254	17,837,591
(The above loan is secured against hypothecation of Raw Material, Finished Goods, Stock-in-process, Stores & Spares, Book Debts and is further Secured by Equitable mortgage / hypothecation of all Fixed Assets.)		
- Cash Credit with Bank Of Baroda, Jaipur (Rate of Interest @ 13.75% p.a.)	92,852,031	61,106,455
(The above loan is secured against hypothecation of Raw Material, Finished Goods, Stock-in-process, Stores & Spares, Book Debts. The above Loan is further Secured by Equitable mortgage / hypothecation of all Fixed Assets.)		
- Cash Credit with Oriental Bank of Commerce, Jaipur (Rate of Interest @ 13.75% p.a.)	37,982,779	28,345,896
(The above loan is secured against hypothecation of Raw Material, Finished Goods, Stock-in-process, Stores & Spares, Book Debts. The above Loan is further Secured by Equitable mortgage / hypothecation of all Fixed Assets.)		
- Cash Credit with Bank of Baroda Johari Bazar, Jaipur (Power & EHV Division) (Rate of Interest @ 13.75% p.a.)	—	70,641,327
(The above loan is secured against hypothecation of Raw Material, Finished Goods, Stock -in- process, Stores, Spares, Packing Material, and Book debt.)		
- Bill Discounting A/c from Bank of Baroda Johari Bazar, Jaipur (Rate of Interest @ 14.25% p.a.)	16,275,646	14,236,071
(The above loan is secured against hypothecation of Raw Material, Finished Goods, Stores & Spares, Book Debts, Other Current Assets)		

Notes to Financial Statement for the year ended 31st March, 2013**Note 7 (Contd.)**

Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
- Working Capital Demand Loan From Bank of Baroda Jaipur (Rate of Interest @ 14.25% p.a.)	65,325,157	—
- Working Capital Demand Loan From ICICI Bank Ltd. Jaipur (Rate of Interest @ 14.25% p.a.)	17,389,204	—
(Both of the above working capital demand loans are secured against the books debts of various discom(s) of UPPCL Lucknow and further earmarking by letter of Credit Limits.)		
Unsecured		
Loans and Advances from Related Parties	137,320,261	117,321,271
Loans and Advances from Others	43,094,775	14,579,811
	<u>459,069,150</u>	<u>351,627,969</u>
Note:		
Aggregate amount of loans guaranteed by Directors		
Loan Repayable on Demand	272,573,876	233,468,477
	<u>272,573,876</u>	<u>233,468,477</u>
8 TRADE PAYABLES		
For Goods and Services	399,605,063	638,035,383
	<u>399,605,063</u>	<u>638,035,383</u>
9 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt	4,517,135	13,741,590
Current Maturities of Finance Lease Obligations	—	864,804
Interest accrued but not due on borrowings	6,415	941,732
Interest Accrued and Due on Borrowings	—	19,858
Unpaid Dividend	159,352	178,739
Other Payables		
- Statutory Dues	18,409,646	16,111,233
- Due to Employees	1,746,576	1,766,155
- Trade Deposits & Advances from Customers	5,494,249	10,625,293
- Security Deposit	585,000	—
	<u>30,918,373</u>	<u>44,249,404</u>
10 SHORT TERM PROVISIONS		
Provision for Employee Benefits		
- Gratuity	1,429,293	1,150,797
- Leave Encashment	631,365	606,855
	<u>2,060,658</u>	<u>1,757,652</u>

Notes to Financial Statement for the year ended 31st March, 2013

11 FIXED ASSETS

	As at 1st April 2012	Addition During the year	Gross Block Sold During the year	Total	Upto 31st March 2012	Depreciation For the year	Adjustment/ Sale during the year	Total	Net Block As at 31st March 2013	As at 31st March 2012
TANGIBLE ASSETS										
Land										
- Freehold Land	23,714,341	612,164	—	24,326,505	—	—	—	—	24,326,505	23,714,341
- Leasehold Land	4,881,177	—	—	4,881,177	—	—	—	—	4,881,177	4,881,177
Building										
- Factory Building	42,850,958	8,062,838	—	50,913,796	14,979,294	3,043,270	—	18,022,564	32,891,232	27,871,664
- Office Building	22,338,601	—	—	22,338,601	10,161,005	230,204	—	10,391,209	11,947,392	12,177,596
- Time Share Building	48,400	—	—	48,400	—	—	—	—	48,400	48,400
Plant & Equipment										
- Main Plant & Machinery	79,105,383	208,794	—	79,314,177	50,945,509	3,933,458	—	54,878,967	24,435,210	28,159,874
- Oil Storing Tank	2,688,061	—	—	2,688,061	2,398,720	40,247	—	2,438,967	249,094	289,341
- Wind Turbine Generator	90,058,340	—	—	90,058,340	41,773,709	6,716,391	—	48,490,100	41,568,240	48,284,631
- Handling Equipments	7,282,594	—	—	7,282,594	4,937,814	326,159	—	5,263,973	2,018,621	2,344,780
- Research & Development Equipments	994,621	—	—	994,621	803,918	23,825	—	827,743	166,878	190,703
- Auxiliary Machinery	494,778	—	—	494,778	346,873	21,329	—	368,202	126,576	147,905
- Generator	1,129,853	6,000	—	1,135,853	714,232	58,546	—	772,778	363,075	415,621
- Furniture & Fixture	2,509,559	77,398	—	2,586,957	1,922,057	130,585	—	2,052,642	534,315	587,502
Vehicles										
- Motor Car	4,374,137	56,875	—	4,392,819	3,813,466	506,604	31,459	4,288,611	104,208	560,671
Assets under Finance Lease										
- Motor Car	3,387,901	—	1,087,337	2,300,564	1,342,282	158,100	454,681	1,045,701	1,254,863	2,045,619
Office Equipment										
- Computer	3,085,174	87,995	—	3,173,169	2,839,762	119,648	—	2,959,410	213,759	245,412
- General Office Equipment	1,048,879	37,000	—	1,085,879	732,576	66,557	—	799,133	286,746	316,303
- Fax Machine	108,507	—	—	108,507	80,886	1,591	—	82,477	26,030	27,621
- Type Writer	14,290	—	—	14,290	14,117	24	—	14,141	149	173
Others										
- Tube Well	608,896	—	—	608,896	343,414	26,632	—	370,046	238,850	265,482
- Television	18,790	—	—	18,790	13,408	772	—	14,180	4,610	5,382
- Air Conditioner	1,371,114	285,799	—	1,656,913	796,287	84,226	—	880,513	776,400	574,827
- Fire Extinguisher	120,081	30,100	—	150,181	102,880	3,415	—	106,295	43,886	17,201
- Electric Installation	4,366,293	—	—	4,366,293	2,872,251	207,822	—	3,080,073	1,286,220	1,494,042
- Water Cooler	58,680	8,000	—	66,680	31,631	4,842	—	36,473	30,207	27,049
- Water Purifier	—	29,500	—	29,500	—	2,016	—	2,016	27,484	—
- Refrigerator	771,011	15,400	—	786,411	178,674	4,556	—	183,230	603,181	592,337
- Close Circuit Television	139,302	—	—	139,302	10,906	5,386	—	16,292	123,010	128,396
- EPBX System	70,150	—	—	70,150	54,372	515	—	54,887	15,263	15,778
Total	297,639,871	9,517,863	1,125,530	306,032,204	142,210,043	15,716,720	486,140	157,440,623	148,591,581	155,429,828
Figure as at 31.03.2012	296,055,438	1,784,472	200,039	297,639,871	124,392,855	17,999,608	182,420	142,210,043	155,429,828	

Notes to Financial Statement for the year ended 31st March, 2013

	Face Value	As at 31st March, 2013		As at 31st March, 2012	
		Qty (Nos.)	Amount (₹)	Qty (Nos.)	Amount (₹)
12 NON-CURRENT INVESTMENTS					
- LONG TERM NON-TRADE - UN QUOTED - AT COST					
Investment in Equity Instruments					
Fully Paid up Equity Shares					
- Bhutoria Agrotech Limited	10	35,000	350,000	35,000	350,000
(a)		35,000	350,000	35,000	350,000
Investment in Government Securities					
- National Savings Certificate (Lodged with Sales Tax Department)		—	21,500	—	21,500
(b)		—	21,500	—	21,500
Total (a + b)		—	371,500	—	371,500

Particulars	Figures as at 31st March 2013 (₹)	Figures as at 31st March 2012 (₹)
13 LONG TERM LOANS AND ADVANCES (Unsecured Considered Good)		
Security Deposits	13,358,403	13,023,076
Advance Income Tax (Net of Provision)	2,670,124	331,073
	<u>16,028,527</u>	<u>13,354,149</u>
14 OTHER NON- CURRENT ASSETS		
Other Bank Balance		
Fixed Deposit with Bank (with original maturity of more than 12 months)	12,249,912	869,464
(Receipt lodged with Bank as security against Bank Guarantee & Letter of Credit facilities availed)		
Interest Accrued on Fixed Deposit	9,654	132,697
	<u>12,259,566</u>	<u>1,002,161</u>
15 INVENTORIES (As taken, valued and certified by the Management)		
Raw Material (Valued at lower of Cost and Net Realizable Value)		
- In Stock	76,969,368	124,619,547
- Goods in Transit	1,271,325	4,311,520
- At Floor (Works)	—	2,604,315
Work in Progress (Valued at lower of Cost and Net Realizable Value)	165,725,414	126,475,179
Finished Goods (Valued at lower of Cost and Net Realizable Value)	111,542,352	93,187,322
Stores and Spares (Valued at lower of Cost and Net Realizable Value)	15,064,738	13,164,918
Scrap (Valued at Net Realizable Value)	1,028,680	2,473,628
	<u>371,601,877</u>	<u>366,836,429</u>

Notes to Financial Statement for the year ended 31st March, 2013

Particulars	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
16 TRADE RECEIVABLES (Unsecured Considered Good)		
Receivables outstanding for a period exceeding six months from the due date of payment	439,297,388	484,234,881
Other Trade Receivables	236,716,361	382,750,344
	<u>676,013,749</u>	<u>866,985,225</u>
17 CASH AND BANK BALANCES		
Cash and Cash Equivalents :		
- Balances with Banks in Current Account	13,762,934	7,223,190
- Cash on Hand (As certified by the Management)	1,347,861	630,970
(a)	<u>15,110,795</u>	<u>7,854,160</u>
Other Bank Balances		
- Earmarked Balance in Dividend Account	159,352	178,739
- Fixed Deposit (Receipts lodged with Bank as security against Bank Guarantees & Letter of Credit facilities availed)	39,736,042	55,747,112
- Interest Accrued on Fixed Deposit	40,084	850,839
(b)	<u>39,935,478</u>	<u>56,776,690</u>
Total (a+b)	<u>55,046,273</u>	<u>64,630,850</u>
Note		
Fixed Deposits having original maturity of more than 12 months	200,649	2,547,313
18 SHORT TERM LOANS AND ADVANCES (Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received	6,698,349	10,127,935
Earnest Money Deposits	13,983,207	10,928,899
Advance Income Tax / Tax deducted at Source (Net of Provision)	5,525,921	5,194,848
Advance Fringe Benefit Tax (Net of Provision)	16,005	16,005
Balance with Tax Authorities (Excise, Sales Tax, etc)	48,170,493	42,251,126
	<u>74,393,975</u>	<u>68,518,813</u>

Notes to Financial Statement for the year ended 31st March, 2013

Particulars	Year ended 31st March 2013 (₹)	Year ended 31st March 2012 (₹)
19 REVENUE FROM OPERATIONS		
Sale of Products		
- Transformers	770,565,162	725,532,399
- Cables & Conductors	203,629,746	573,158,824
- Wind Energy	12,414,608	11,163,542
- Others	85,574,898	68,632,001
	1,072,184,414	1,378,486,766
Sale of Traded Goods	3,779,050	—
	3,779,050	—
Revenue from Works Contract	36,527,636	79,808,231
	36,527,636	79,808,231
Other Operating Revenues		
- Labour Charges	4,250,702	6,155,863
- Freight and Insurance Charges	20,758,080	36,600,589
- Scrap Sales	3,142,527	503,364
	28,151,309	43,259,816
Less: Excise Duty		
- On Sale of Products	116,096,728	127,956,169
- On Revenue from Works Contract :	3,308,597	5,969,473
- On Other Operating Revenues	—	47,005
	119,405,325	133,972,647
20 OTHER INCOME		
Interest Income	6,386,868	5,206,790
Miscellaneous Income	1,664,633	2,657,087
	8,051,501	7,863,877
21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & SCRAP MATERIALS		
Finished Goods		
Opening Stock	93,187,322	86,163,924
Less: Closing Stock	111,542,352	93,187,322
	(18,355,030)	(7,023,398)
Less: Excise Duty on Stock of Finished Goods (Net)	2,100,685	2,144,615
	(a) (16,254,345)	(4,878,783)
Work In Progress		
Opening Stock	119,936,107	140,589,155
Less: Closing Stock	154,738,145	126,475,179
	(b) (34,802,038)	14,113,976
Scrap & Replaced materials		
Opening Stock	11,617,015	1,367,584
Less: Closing Stock	12,015,949	2,473,628
	(c) (398,934)	(1,106,044)
Net (Increase)/ Decrease	[a+b+c] (51,455,317)	8,129,149

Notes to Financial Statement for the year ended 31st March, 2013

Particulars	Year ended 31st March 2013 (₹)	Year ended 31st March 2012 (₹)
22 EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages & Bonus	20,542,142	19,408,826
Contribution to Provident and Other Funds	1,186,083	1,396,955
Staff Welfare expenses	300,209	244,960
	22,028,434	21,050,741
23 FINANCE COSTS		
Interest Expense	84,587,282	67,752,858
Other Borrowing Costs	10,010,109	8,332,210
	94,597,391	76,085,068
24 OTHER EXPENSES		
Consumption of stores and spare parts	56,539,658	70,356,130
Packing Material Consumed	6,181,877	11,958,423
Fabrication & Job Charges	24,449,770	27,095,869
Power & Fuel	9,410,975	8,824,580
Carriage Inward	6,559,381	6,139,777
Net Loss in Foreign Exchange Fluctuation	805,455	1,370,329
Insurance	1,148,551	1,388,878
Repairs	3,282,389	2,065,636
Repairs to Buildings	789,132	1,276,008
Repairs to Others	688,368	691,790
Rent	542,841	601,752
Rates and Taxes (excluding Taxes on Income)	155,576	217,851
Consultancy & Testing Fees	3,771,383	5,325,922
Commission	2,197,862	4,986,871
Carriage Outward	19,459,119	20,160,156
Miscellaneous Expenses	24,576,518	21,652,829
Auditors Remuneration (Excluding Service Tax) (Including Branch Auditors)		
Statutory Auditor		
- As Auditors	150,000	130,000
- For Tax Audit	25,000	20,000
- For Certification Fees / Limited Review	105,950	136,355
- For Company Law Matters	89,600	9,100
Branch Auditors		
- As Auditors	95,000	70,000
- For Taxation Matters	30,000	30,000
Prior Period Adjustments	820,846	348,843
	161,875,251	184,857,099
25 EARNING PER SHARE		
Net Profit/(Loss) attributable to Equity Shareholders (₹)	(20,969,927)	10,027,956
Weighted average number of Equity Share in issue (Nos)	8,168,500	7,963,964
Basic Earning per Equity Share of ₹ 10/-each (₹)	(2.57)	1.26

The company does not have any outstanding dilutive potential equity shares. Consequently the basic and dilutive earning per share of the Company remain the same.

Notes to Financial Statement for the year ended 31st March, 2013

26	VALUE OF IMPORTS CALCULATED ON CIF BASIS		Amount (₹)
	Raw Materials		7,485,359 (23,395,844)
27	FOB VALUE OF EXPORTS (in ₹)		3,913,882 (-)
28	DETAILS OF CONSUMPTION OF INDIGENOUS & IMPORTED RAW MATERIALS, STORES AND SPARES		
(a)	Raw Materials	Amount (₹)	% OF TOTAL COSUMPTION
	Imported	7,485,359 (23,259,344)	0.92 (3.13)
	Indigenous	808,084,287 (1,028,945,797)	99.08 (96.87)
		815,569,646 (1,052,205,141)	100.00 (100.00)
(b)	Stores & Spare Parts consumed during the financial year is 100% (P.Y. 100%) indigenous.		
29	EXPENDITURE IN FOREIGN CURRENCY		Amount (₹)
	Foreign Travelling		53,250 (360,930)
	Bank Charges		— (39,465)
	Interest Expense		1,646 (25,144)
	Foreign Exchange Fluctutaion (On settlement of dues)		169,047 (366,613)

30	(a)	DETAILS OF SALE, CLOSING STOCK & OPENING STOCK OF FINISHED GOODS		
			(Figures in ₹)	
		Sales	Closing Inventory	Opening Inventory
	Manufactured Goods			
	Transformers	770,565,162 (725,532,399)	88,109,633 (71,071,178)	71,071,178 (75,061,385)
	Wind Energy	12,414,608 (11,163,542)	— —	— —
	Cable Conductor	203,629,746 (573,158,824)	23,432,719 (22,116,144)	22,116,144 (11,102,539)
	Others	85,574,898 (68,632,001)	— —	— —
	Total	1,072,184,414 (1,378,486,766)	111,542,352 (93,187,322)	93,187,322 (86,163,924)

Notes to Financial Statement for the year ended 31st March, 2013

(b) DETAILS OF RAW MATERIALS CONSUMED	Amount (₹)
Aluminium Conductor	265,976,322
	(493,550,049)
Copper Conductor	159,744,149
	(165,597,132)
Lamination	108,939,252
	(112,732,197)
Transformer Oil	114,832,392
	(107,399,962)
Tank Materials	80,912,494
	(77,624,569)
Semi Finished - Aluminium , Copper, Lamination And Tank Material	85,165,037
	(95,301,232)
Total	815,569,646
	(1,052,205,141)

(c) DETAILS OF CLOSING STOCK OF WORK-IN-PROGRESS	Amount (₹)
Core Coil Assembly (05KVA TO 750 KVA)	13,871,524
	(7,879,333)
Core Coil Assembly (3150 KVA TO 12500 KVA)	9,685,485
	(12,787,399)
Core Assembly (10KVA TO 750 KVA)	4,119,782
	(7,626,523)
Coil Assembly (3150 KVA TO 12500 KVA)	7,388,442
	(7,374,083)
H.T.Coil (10 KVA TO 500 KVA)	3,035,798
	(3,128,048)
H.T.Coil (3150 KVA TO 12500 KVA)	3,559,852
	(3,884,190)
L.T.Coil (10 KVA TO 500 KVA)	1,721,888
	(2,062,532)
M.S.Tank (3150 KVA TO 12500 KVA)	2,835,601
	(1,705,380)
M.S.Tank (10 KVA TO 500 KVA)	2,408,659
	(10,053,470)
Transformer Under Process (10 KVA TO 500 KVA)	67,322,509
	(35,275,708)
Transformer Under Process (3150 KVA TO 12500 KVA)	3,420,000
	(4,744,620)
L.T.Coil (3150 KVA TO 12500 KVA)	4,794,461
	(2,832,100)
Repair Transformer Under Process (10 KVA TO 500 KVA)	—
	(4,653,613)
Repair Transformer Under Process (3150 KVA TO 12500 KVA)	3,650,000
	(4,005,808)
Replaced Material	36,396,956
	(18,462,372)
Others (Damaged Conductors)	1,514,457
	—
Total	165,725,414
	(126,475,179)

Notes to Financial Statement for the year ended 31st March, 2013**31 Disclosure of Loans/ Advances and investments in its own shares by listed companies, their subsidiaries, associates, etc. (as certified by the management)**

	Outstanding Balance as on 31st March, 2013	Maximum Balance Outstanding during the year
i. Loans and Advances in the nature of loans to subsidiaries	NIL	NIL
ii. Loans and Advances in the nature of loans to associates	NIL	NIL
iii. Loans and advances in the nature of loans where there is : 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 and Advances in the nature of loans to firms/companies in which directors are interested	NIL	NIL
	No. of Shares	Amount (Rs.)
v. Investments by loanee in the shares of parent company and subsidiary company when the company has made a loan or advance in the nature of loan	NIL	NIL

32 Disclosure of the amounts due to the The Micro and Small Enterprises (On the basis of the information & records available with the Management).

	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
(i) The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier *Principal amount	858,462	651,312
*Interest thereon	—	—
(ii) The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year	—	—
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	—	—
(iv) The amount of interest accrued and remaining unpaid at the end each accounting year	—	—
(v) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small/micro enterprise.	—	—

33 3,80,000 Equity Shares of ₹ 10/- each fully paid were allotted on 15/10/2011 to a Company of the Promoter's Group at a price of ₹ 36/- per Equity Share. The proceeds of the issue amounting to ₹ 1,36,80,000/- has been utilised for repayment of outstanding loan and other working capital requirements.

Notes to Financial Statement for the year ended 31st March, 2013**34 Detail of unhedged exposure in foreign currency as at 31st March, 2013 :**

	Foreign Currency Amount (In \$)	Reporting Currency Amount (In INR)
Buyer's Credit - HDFC Bank	— (42,624)	— (2,174,301)

35 Previous years figures have been re-grouped / re-arranged wherever considered necessary to conform to current year presentation.

36 Remittance in foreign currencies for dividends

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

	Current Year	Previous Year
(I) Number of Shareholders	—	23
(II) Number of Ordinary Shares Held by them	—	78,647
(III) Gross Amount of Dividends (₹)	—	39,324

37 RELATED PARTY DISCLOSURES

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

- i) **Key Management Personnel**
 - Mr. Rajendra Bhutoria
 - Mr. Abhay Bhutoria
- ii) **Relatives of Key Management Personnel**
 - Mr. Sharad Bhutoria
- iii) **Enterprises where Key Management Personnel have significant influence**
 - Abhay Transformers Pvt Ltd
 - Bhutoria Brothers Limited
 - Bhutoria Investments (P) Limited
 - Bhutoria Properties
 - Bhutoria Agrotech Limited
 - Rajasthan Transformers & Switchgears (P) Ltd.
 - BLB Cables & Conductors (P) Ltd.
 - Howrah Warehouse (P) Ltd.
 - Kalinga Petrochemicals (P) Ltd.
 - Ladnun Agricultural Farms (P) Ltd.
 - Bhutoria Transformers & Rectifiers (P) Ltd.
 - ABAY Energy Private Limited Company

Notes to Financial Statement for the year ended 31st March, 2013

(iv) The following related party transactions were carried out during the year.

(Figures in ₹)

Nature of Transaction	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Where Key Management Personnel Have Significant Influence
Interest Expenses			
- Abhay Bhutoria			22,685 (-)
- Bhutoria Brothers Ltd.			4,203,843 (2,829,448)
- BLB Cables & Conductors (P) Ltd.			1,279,382 (286,301)
- Abhay Transformers Pvt Ltd			1,134,062 (163,908)
- Rajasthan Transformers & Switchgears Pvt Ltd.			4,320,443 (2,974,416)
- Bhutoria Agrotech Ltd.			206,608 (202,200)
- Bhutoria Transformers & Rectifiers Pvt.Ltd.			394,981 (227,794)
- Bhutoria Investments Pvt Ltd.			566,205 (215,070)
- Kalinga Petrochemicals (P) Ltd.			890,640 (535,609)
Total (a)			13,018,849 (7,434,746)
Rent			
- Bhutoria Properties			2,424 (2,255)
- Bhutoria Transformers & Rectifiers Pvt.Ltd.			300,000 (300,000)
- Bhutoria Brothers Ltd.			240,417 (228,000)
Total (b)			542,841 (530,255)
Power Consumption			
- Bhutoria Brothers Ltd.			185,662 (224,906)
Total (c)			185,662 (224,906)

Notes to Financial Statement for the year ended 31st March, 2013

(Figures in ₹)

Nature of Transaction	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Where Key Management Personnel Have Significant Influence
Salary & Perks			
- Sharad Bhutoria	—	552,600	
	—	(552,600)	
- Rajendra Bhutoria	711,600	—	
	(711,600)	—	
- Abhay Bhutoria	1,242,600	—	
	(1,242,600)	—	
Total (d)	1,954,200	552,600	—
	(1,954,200)	(552,600)	—
Purchases			
Raw Materials			
- Abhay Transformers Pvt Ltd			2,377,200
			(7,193,507)
Semi-Finished Goods			
- Abhay Transformers Pvt Ltd.			4,938,405
			(-)
Total (e)			7,315,605
			(7,193,507)
Sales			
Transformers			
- Abhay Transformers Pvt Ltd			—
			(3,938,010)
Traded Goods			
- ABAY Energy Private Limited Company			3,779,050
			(-)
Total (f)			3,779,050
			(3,938,010)
Short Term Borrowings			
Taken During The Year			
- Abhay Bhutoria			2,420,416
			(-)
- Bhutoria Brothers Ltd.			20,257,340
			(11,208,158)
- BLB Cables & Conductors (P) Ltd.			1,279,380
			(1,500,000)
- Abhay Transformers Pvt Ltd			11,386,454
			(10,503,700)
- Rajasthan Transformers & Switchgears Pvt Ltd.			11,643,469
			(37,700,000)
- Ladnun Agricultural Farms (P) Ltd			1,258,837
			(-)
- Bhutoria Agrotech Ltd			206,608

Notes to Financial Statement for the year ended 31st March, 2013

(Figures in ₹)

Nature of Transaction	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Where Key Management Personnel Have Significant Influence
			(50,000)
- Kalinga Petrochemicals (P) Ltd.			1,365,640
			(625,573)
- Howrah Warehouse Pvt Ltd			122,605
			(500,000)
- Bhutoria Investments Pvt Ltd			3,616,204
			(1,035,070)
- Bhutoria Transformers & Rectifiers Pvt.Ltd			7,959,981
			(1,101,341)
Repaid During The Year			
- Abhay Bhutoria			—
			(—)
- Bhutoria Brothers Ltd.			5,420,384
			(22,950,000)
- BLB Cables & Conductors (P) Ltd.			9,482,671
			(—)
- Abhay Transformers Pvt Ltd			4,820,000
			(7,076,448)
- Rajasthan Transformers & Switchgears Pvt Ltd.			17,415,000
			(6,767,470)
- Kalinga Petrochemicals (P) Ltd.			132,048
			(50,000)
- Howrah Warehouse Pvt Ltd			550,000
			(400,000)
- Bhutoria Agrotech Ltd			31,980
			(387,839)
- Bhutoria Investments Pvt Ltd			223,563
			(111,507)
- Bhutoria Transformers & Rectifiers Pvt.Ltd			2,530,015
			(2,318,000)
- Ladnun Agricultural Farms (P) Ltd			—
			(—)
Balance as at year end (Cr.)			
(Including Interest Accrued on Borrowings)			
- Abhay Bhutoria			2,420,416
			(—)
- Bhutoria Brothers Ltd.			52,583,459
			(37,746,503)
- BLB Cables & Conductors (P) Ltd.			6,926,444
			(15,257,671)
- Kalinga Petrochemicals (P) Ltd.			10,826,576
			(9,682,048)
- Abhay Transformers Pvt Ltd			10,300,656
			(3,847,517)

Notes to Financial Statement for the year ended 31st March, 2013

(Figures in ₹)

Nature of Transaction	Key Management Personnel	Relatives of Key Management Personnel	Enterprises Where Key Management Personnel Have Significant Influence
- Rajasthan Transformers & Switchgears Pvt Ltd.			34,173,399 (40,376,974)
- Bhutoria Agrotech Ltd			2,235,947 (2,081,980)
- Bhutoria Investments Pvt Ltd			6,059,584 (2,723,563)
- Ladnun Agricultural Farms (P) Ltd			3,287,953 (2,050,000)
- Bhutoria Transformers & Rectifiers Pvt.Ltd			7,295,483 (1,905,015)
- Howrah Warehouse Pvt Ltd			1,210,344 (1,650,000)
Total (g)			137,320,261 (117,321,271)
Trade Payables - Balance As At Year End (Cr.)			
- Abhay Transformers Pvt Ltd			339,122 (528,574)
- Bhutoria Brothers Ltd.			8,440 —
Total (i)			347,562 (528,574)

38 EMPLOYEE BENEFITS :**Post Retirement Benefits:****Defined Contribution Plans**

The Company has recognised the following amounts in the Statement of Profit and Loss for the year :

	2012-13 (₹)	2011-12 (₹)
Contribution to Employees' Provident & Family Pension Funds	1,186,083	1,396,955
Defined Benefit Plans - Gratuity		
Changes in the Present Value of Obligation		
- Present Value of Obligation as at 1st April, 2012	7,656,408	7,701,000
- Interest Cost	612,513	654,585
- Employer Service Cost	—	—
- Current Service Cost	459,609	560,079
- Curtailment Cost/(Credit)	—	—
- Settlement Cost/(Credit)	—	—
- Benefits Paid	(3,962,742)	(1,725,847)
- Actuarial (Gain)/Loss	841,663	466,591
- Present Value of Obligation as at 31st March, 2013	5,607,451	7,656,408

Notes to Financial Statement for the year ended 31st March, 2013

	2012-13 (₹)	2011-12 (₹)
Changes in the Fair value of Plan Assets		
- Present Value of Plan Assets as at 1st April, 2012	N.A., as Grauity benefit is not funded	N.A., as Grauity benefit is not funded
- Expected Return on Plan Assets		
- Actuarial Gain/(Loss)		
- Employers' Contributions		
- Employees' Contributions		
- Benefits Paid		
- Fair Value of Plan Assets as at 31st March, 2013		
Amount recognised in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
- Present Value of Funded Obligation as at 31st March, 2013	—	—
- Fair Value of Plan Assets as at 31st March, 2013	—	—
- Funded (Asset)/Liability recognised in the Balance Sheet	—	—
- Present Value of Unfunded Obligation as at 31st March, 2013	5,607,451	7,656,408
- Unrecognised Past Service Cost	—	—
- Unrecognised Actuarial (Gains)/Losses	—	—
- Unfunded Net Liability recognised in the Balance Sheet	5,607,451	7,656,408
Expenses recognised in the Statement of Profit and Loss		
- Current Service Cost	459,609	560,079
- Past Service Cost	—	—
- Interest Cost	612,513	654,585
- Expected Return on Plan Assets	—	—
- Curtailment Cost/(Credit)	—	—
- Settlement Cost/(Credit)	—	—
- Net actuarial (Gain)/Loss	841,663	466,591
- Employees' Contribution	—	—
- Total Expenses recognised in the Statement of Profit and Loss	1,913,785	1,681,255
Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at 31st March, 2013		
- Government of India Securities	N.A.	N.A.
- Corporate Bonds		
- Special Deposit Scheme		
- Equity Shares of Listed Companies		
- Property		
- Insurer Managed Funds		
- Others		
The Actual Return on Plan Assets is as follows (₹)		
- Actual return on plan assets	N.A.	N.A.
Following are the Principal Actuarial Assumptions used as at the Balance Sheet date :		
- Interest Rate	—	—
- Discount Rate	8.50%	8.50%
- Expected Rate of Return on Plan Assets	NA	NA
- Salary Escalation Rate	5.00%	5.00%
The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.		
Retirement age	58 years	

Notes to Financial Statement for the year ended 31st March, 2013**39 Segment Reporting**

The Company has identified three reportable segments i.e. Transformers, Cable Conductors and Wind Energy.

Particulars	Transformers		Cable Conductor		Wind Energy		Unallocated		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment Revenue:										
External Turnover	924,598,055	917,210,469	203,629,746	573,158,824	12,414,608	11,185,520	-	-	1,140,642,409	1,501,554,813
Inter Segment Turnover	-	-	-	-	-	-	-	-	-	-
Gross Turnover	924,598,055	917,210,469	203,629,746	573,158,824	12,414,608	11,185,520	-	-	1,140,642,409	1,501,554,813
Less: Excise Duty	101,715,833	80,525,664	17,689,492	53,446,983	-	-	-	-	119,405,325	133,972,647
Net Turnover	822,882,222	836,684,805	185,940,254	519,711,841	12,414,608	-	-	-	1,021,237,084	1,367,582,166
Segment Result before interest and taxes	72,984,875	71,378,539	11,566,317	35,738,392	3,352,956	1,850,065	(30,456,552)	(22,969,194)	57,447,596	85,997,802
Less: Interest Expense	-	-	-	-	-	-	(94,597,391)	(76,085,355)	(94,597,391)	(76,085,355)
Add: Interest Income	-	-	-	-	-	-	6,386,868	5,206,790	6,386,868	5,206,790
Less: Tax Expenses	-	-	-	-	-	-	9,793,000	(5,091,281)	9,793,000	(5,091,281)
Profit After Tax	-	-	-	-	-	-	-	-	(20,969,927)	10,027,956
Other Information:										
Segment Assets	945,722,042	888,711,355	249,832,031	492,548,354	49,999,623	57,965,095	-	-	1,245,553,696	1,439,224,804
Add: Unallocated Assets	-	-	-	-	-	-	108,753,352	101,376,204	108,753,352	101,376,204
Total Assets	353,598,035	476,582,860	64,693,407	196,304,429	3,645,875	10,274,870	-	-	1,354,307,048	1,540,601,008
Segment Liabilities	-	-	-	-	-	-	-	-	421,937,317	683,162,159
Add: Unallocated Liabilities	-	-	-	-	-	-	493,743,753	397,842,944	493,743,753	397,842,944
Total Liabilities	-	-	-	-	-	-	493,743,753	397,842,944	915,681,070	1,081,005,103

Notes to Financial Statement for the year ended 31st March, 2013

Particulars	Transformers		Cable Conductor		Wind Energy		Unlocated		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Capital Expenditure	8,082,288	143,642	-	-	-	-	1,435,575	17,700	9,517,863	161,342
Depreciation	5,406,685	5,424,866	2,608,140	3,004,785	6,888,146	7,992,431	813,749	1,577,526	15,716,720	17,999,608
Non-Cash Expenses other than depreciation (Sundry Balances W/Off)							79,842			

As per our Report of even date.
 For **A.C. Bhuteria & Co.**
 Chartered Accountants
Mohit Bhuteria
 Partner

S.S.Jain
 Chairman

Abhay Bhutoria
 Managing Director

R. Bhutoria
 Vice Chairman &
 Whole Time Director

Place : 2 India Exchange Place
 Kolkata - 700 001
 Date : 30th May, 2013

L.K.Patawari
 Director

J. Biswas
 Company Secretary

**STATEMENT SHOWING SOURCES/APPLICATION OF SHORT/LONG TERM FUNDS IN
TERMS OF PARA 4 (XVII) OF THE COMPANIES (AUDITORS REPORT) ORDER, 2003
FOR THE YEAR ENDED 31/03/2013**

PARTICULARS	₹
LONG TERM FUNDS :	
Share Capital	81,685,000
Reserves & Surplus	356,940,978
Long Term Borrowings	12,941,668
Deferred Tax Liabilities (Net)	6,908,000
Long Term Provisions	4,178,158
	462,653,804
LONG TERM APPLICATIONS :	
Tangible Assets	148,591,581
Capital Work in Progress	-
Non Current Investments - Long Term	371,500
Long Term Loans and Advances	16,028,527
Other Non Current Assets	12,259,566
Excess of Long Term Sources over Long Term Application, Used for short term application (working capital)	285,402,630
	462,653,804
SHORT TERM FUNDS :	
Short Term Borrowings	459,069,150
Trade Payables	399,605,063
Other Current Liabilities	30,918,373
Short Term Provisions	2,060,658
Excess of Long Term Sources over Long Term Application, Used for short term application (working capital)	285,402,630
	1,177,055,874
SHORT TERM APPLICATIONS :	
Inventories	371,601,877
Trade Receivables	676,013,749
Cash & Cash Equivalents	15,110,795
Other Bank Balances	39,935,478
Short Term Loans and Advances	74,393,975
	1,177,055,874

Certified that the above Statement is based on figures from the financial statements for the year ended 31st March, 2013 & Short term/Long term sources/application stated above is true & Correct.

As per our Report of even date.
For A.C. Bhuteria & Co.
Chartered Accountants
Mohit Bhuteria
Partner

Abhay Bhutoria
Managing Director

S.S.Jain
Chairman

R. Bhutoria
Vice Chairman &
Whole Time Director

Place : 2 India Exchange Place
Kolkata - 700 001
Date : 30th May, 2013

L.K.Patawari
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 65th Annual General Meeting of the above named Company at Hotel Lindsay, 8B Lindsay Street, Kolkata 700 087, on Friday, the 27th day of September, 2013 at 10.00 A.M.

Name of Member/Proxy (in Block Letters) :

.....
Signature of Member / Proxy

Notes :

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

RTS POWER CORPORATION LIMITED
Registered Office : 56, Netaji Subhas Road, Kolkata - 700 001

PROXY FORM

DP ID Client ID :

Registered Folio No..... No of Shares held

I/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 65th Annual General Meeting of the Company to be held on Friday, the 27th September, 2013 at 10.00 A.M.

at Hotel Lindsay, 8B, Lindsay Street, Kolkata - 700 087 and at any adjournment thereof.

Signed this day of 2013



Signature
(Please sign across the Stamp)

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.

BOOK POST

If undelivered, please return to :

RTS POWER CORPORATION LIMITED

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 : Jaipur, Kaladera & Barmer - Rajasthan • Agra - Uttar Pradesh • Dhulagori - West Bengal • Dhule - Maharashtra

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company.	RTS POWER CORPORATION LIMITED
2	Annual financial statements for the year Ended 31 st March	Annual Financial Statements for the Year Ended 31st March 2013
3	Type of Audit observation Un-qualified / Matter of Emphasis	Un-qualified
4	Frequency of observation	Whether appeared first time...../ repetitive...../ since how long period
5	To be signed by- <input type="checkbox"/> Managing Director <input type="checkbox"/> CFO <input type="checkbox"/> Auditor of the Company <input type="checkbox"/> Audit Committee Chairman	<p>RTS POWER CORPORATION LIMITED</p> <p><i>[Signature]</i> Managing Director</p> <p>RTS POWER CORPORATION LIMITED</p> <p><i>[Signature]</i> Chief Financial Officer</p> <p><i>[Signature]</i></p> <p>RTS POWER CORPORATION LIMITED</p> <p><i>[Signature]</i> Audit Committee Chairman</p>